
WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Davis J Griffiths E Grundy J Reynolds D Stevenson
Trustees	R Davis, Chair of Trustees J Conn, Vice Chair of Trustees S Da Costa, Head Teacher (appointed 1 September 2021) A Dawkins (appointed 1 February 2021) S Horn (appointed 18 November 2020) M Jenkins (appointed 2 February 2022) C Jones H Langeveld, Head Teacher (resigned 31 August 2021) R Martins C McMillan-Jackson F Pyatt (appointed 9 December 2020) N Shaw (appointed 18 November 2020) A Smith (resigned 18 October 2020) T Staunton (appointed 12 February 2021) D Stevenson
Company registered number	09016294
Company name	Watford St John's Church of England Primary School
Principal and registered office	32 Clarendon Road Watford Hertfordshire WD17 1JJ
Senior management team	H Langeveld, Head teacher (until 31 August 2021) A Pyatt, Deputy Head teacher and Special Educational Needs Coordinator V Moore, School Business Manager S Da Costa, Head teacher (from 01 September 2021)

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

Independent auditor Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

The trust operates a single academy, Watford St John's Church of England Primary School, for pupils aged 4 - 11 in central Watford. Currently, the school has a pupil capacity of 240 between Reception and Year 4. The school has 232 pupils on roll as per the autumn census on 1st October 2020. The school operated as 1 form entry for the first 2 years of its existence due to the constraints of the temporary accommodation. In September 2018, the school reverted back to its intended 2 form entry intake for Reception.

Structure, governance and management

a. Constitution

The academy is a charitable 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 trust.

The Trustees of Watford St John's Church of England Primary School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Watford St John's Church of England Primary School.

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

b. Members' liability

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

c. Trustees' indemnities

The academy is a member of the Risk Protection Arrangement (RPA). Under this arrangement, the limit of liability shall be £10,000,000 each and every loss.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the articles of association. These are contained in articles 45 - 59. The members of the Trust appoint a minimum of 8 Trustees of whom the incumbent (Priest of the Parish) is both a Member and a Trustee. The members may appoint up to 2 staff Trustees through such process as they may determine. It is expected that the Headteacher will be a Trustee, except where they elect not to be. The two parent Trustees shall be elected by parents of registered pupils at the academy. If the number of parents standing for election is less than the number of vacancies, the Trustees may appoint a parent Trustee. In this case, they shall appoint a parent of a registered pupil at the school or, where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. The Trustees, with the consent of the Diocesan Board of Education, may appoint up to 2 co-opted Trustees for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. The Trustees may not co-opt an employee of the Trust as a co-opted Trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees (including the Headteacher).

e. Policies adopted for the induction and training of Trustees

The Induction process is contained within the Governance Plan. All new Trustees are provided with an induction pack when they first become a Trustee and are required to attend Trustee Induction Training (currently provided by Herts for Learning). The training and induction for new Trustees is co-ordinated by the Chair of Trustees and Trustees are expected to attend at least one training event per school year. This may take the form of completing online training depending upon the training need.

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

Structure, governance and management (continued)

f. Organisational structure

The leadership structure consists of the Trustees and the Senior Leadership Team (SLT). This aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

The Trustees are responsible for setting general policies, adopting the school's one year and four year School Strategic Plans, the annual budget, approving the accounts, monitoring the use of budgets and other data and making major decisions about the strategic direction of the Free School, its capital expenditure and staff appointments.

The SLT currently consists of the Headteacher, the Deputy Headteacher (who is also the Special Educational Needs Coordinator (SenCo)) and the School Office and Business Manager. The Headteacher, supported by the SLT controls at an executive level, implementing policies set by the Board of Trustees.

The Headteacher, as Principal Accounting Officer, is responsible for the authorisation of spending within agreed budgets; a summary of this is contained in the Schedule of Financial Delegation.

Subject to the provisions of the Companies Act 2006, the Articles and to any directions given by Special Resolution, the business of the Academy Trust shall be managed by the Trustees who may exercise all the powers of the Trust. No alteration of the Articles and no such direction shall invalidate any prior act of the Trustees which would have been valid if the alteration had not been made or that direction had not been given. The powers given by the Article shall not be limited by any special power given to the Trustees by the Articles and a meeting of Trustees at which a quorum is present may exercise all the power exercisable by the Trustees. In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the Articles, the Trustees shall have the following powers, namely:

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

The Senior Management Team's pay is linked to the performance management structure and any recommendations from the outcome of the performance management are considered by the Pay Committee and then are placed for approval by the Board of Trustees.

h. Trade union facility time

The trust does not employ more than 49 full time equivalent employees. However, for transparency, we have no employees who were relevant union officials during the relevant period.

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

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Parochial Church Council ('PCC') of St John the Apostle & Evangelist, Watford, is linked to the school and its Vicar and members of the PCC are Trustees.

The school uses Xero as its accounting software. The licence for the software was obtained from Mr G Clough, a former Trustee, at cost. During the year, arrangements have been made for the school to obtain the licence from Xero directly.

Platinum Press Ltd was engaged to provide printing services. The company is owned by a relative of the former Headteacher. The services were provided at cost.

Watford Girls Grammar School provided the school with caretaking, cleaning and IT support. During the year, arrangements were made to bring the caretaking and cleaning functions in-house.

Objectives and activities

a. Objects and aims

The Academy Trust's object is specifically restricted to the following: To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regards to any advice of the Diocesan Board of Education.

b. Objectives, strategies and activities

Our key objectives for the period ending August 2021 were:

- To ensure that the Christian ethos, based on love and respect, enables a positive learning culture where all flourish, feel safe, are challenged and serve the common good.
- To establish ambitious, inspirational, strategic leadership at all levels within the school.
- To establish a rich, broad balanced and bespoke curriculum.
- To ensure exceptional, teaching, learning and assessment.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The school prides itself on being an active member of the community with public benefit extending beyond the school walls.

Strategic report

Achievements and performance

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

- the level of engagement of pupils measuring their spiritual growth.
- the development of new initiatives across all areas of the school.
- the regular review of the effectiveness of curriculum development and its effectiveness in meeting the needs of all pupils.
- the completion of formative assessment strategies, identified interventions and implementing modifications.

b. 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 they continue 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.

c. Achievements and performance

The academic year 2020/21 was our fifth year of operation and our third year in our purpose built permanent school building.

Despite the challenges faced ordinarily, together with the uncertainties and challenges provided by dealing with a global pandemic, we managed to achieve a small operational deficit for the year drawing on available reserves.

As the school continues to grow, maintaining pupil numbers is a challenge and individual family circumstances resulting from the impact of the pandemic has resulted in some unexpected vacancies and a lower than expected total pupil role.

As we move towards our full capacity, each year we undergo a recruitment process for new staff members. We have successfully filled open positions and continue to build a capable and dedicated team.

Delivering the curriculum to high standards has been achieved, including during the pandemic where we were able to utilise our IT infrastructure and move to online learning very quickly and effectively.

With the benefit of a third year in our new building we continued to enhance and develop our systems and processes, continually being mindful of our growth and requirements in the longer term. All financial decisions continue to be made to ensure that the best possible staffing and resources can be provided for all children and allow them to flourish in the school whilst working within our budgetary constraints.

We would like to acknowledge the hard work of all the staff and the diligent commitment to the development of the school and the progress of all our children shown by all our Trustees.

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

Strategic report (continued)

Financial review

In view of the global pandemic, the financial objectives for the year involved maintaining a balanced budget. In the circumstances, the challenges of managing staff resources, the school's primary outlay, and ensuring that the school met its commitments in continuing to provide the core educational provision for our pupils resulted in a small operational deficit and a call on brought forward reserves. The school continues to grow apace, however, there is a well-established culture of controlling expenditure and ensuring a high level of value for money.

a. Reserves policy

Our reserves policy is essentially focused on the level of cash required to be maintained to ensure the continued operation of the school.

The Trustees have determined that the appropriate level of cash to be maintained should be equivalent to 6 weeks average operating expenses. This has been calculated as £58K, therefore we aim to maintain cash in the bank to that level. This level of cash will provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to facilitate any unexpected emergencies, such as urgent property maintenance.

The level of cash reserves will be reviewed at least annually by the Trustees.

As of 31 August 2021, the school has £91,488 of unrestricted reserves, £7,359,935 of restricted fixed asset reserves (of which £7,194,320 relates to the net book value of tangible fixed assets, £147,555 relates to capital funding and £18,060 relates to devolved formula capital funding, both capital funds available to carry forward to the next period) and £24,711 restricted reserves (excluding pension reserves). The pension reserves stands at a deficit of £264,000. The net surplus of restricted and unrestricted funds (excluding pension reserve) is £116,199 as per note 17.

The current reserves are comparatively low for a 2 form entry primary school. However, we are a continually growing school and anticipate that we will be able to grow our reserves in the future with the possibilities around leasing and raising additional funds. The Trustees are satisfied that there are sufficient cash reserves to be able to continue the operation of the school.

b. Investment policy

The purpose of the Investments Policy is to set out the processes by which Academy Trustees will meet their duties under the Academy's Articles of Association and Academies Financial Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Academy's charitable aims and to ensure that investment risk is properly and prudently managed. Should significant unrestricted reserves be achieved in the future, consideration would be given to evaluating the most appropriate investment opportunity, including placing them on deposit for a period that the school deems will maintain sufficient operating liquidity. We currently do not hold any investments.

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

c. Principal risks and uncertainties

The Trustees consider the following to be our principal risks and uncertainties for the future, as defined within our risk register.

Funding allocations and their impact on financial viability: The Trust acknowledges that future government decision on funding allocations, given that funding accounting for the vast majority of the school's income, can have an adverse effect on the overall financial viability of the school. Although these funding decisions are beyond what the trustees can control, it is important to note them here and ensure that we have robust monitoring systems in place to ensure that the budget set is robust and managed well. It is also noted that the variation in how funding is allocated means that the flow of income may not match the flow required for expenditure although they are balanced overall.

Future pupil recruitment: During our opening year, and for several years previously, local demand for school places was greater than the number of places available. The latest forecast is that central Watford will have a surplus of places of 10% by 2020/21. Watford as a town is increasing its housing substantially over the forthcoming years, but there is also an additional primary school proposed within a comparatively short distance from our site. We continue to monitor the pupil number forecasts.

Brexit: The exact impact of Brexit cannot be quantified at this time. However, it has the potential to impact on pupil recruitment, recruitment of staff, as well as any impact on the cost of services and products. At this time, we have not seen a significant impact.

Premises: Our new modern building has been built with efficiency in mind. However, we have the costs associated with running an entire building, albeit an efficient one, without the associated full complement of pupils and their funding.

Staffing: We have invested in staff wellbeing to be able to retain staff. Teacher recruitment is still an issue for most schools. We maintain links with the University of Hertfordshire, which has impacted upon our staffing by working with student teachers, and will continue to network to find and recruit good quality teachers. Although staffing represents the largest proportion of our expenditure, it is important to maintain staffing levels that support our children in our specific school environment.

Governance: Although not a risk per se, we have a number of Governors coming to the end of their term of office. We need to ensure that where recruitment is required, that the key skills of the Governing Body are maintained and focused on those skill sets required to challenge and support the school in the future.

Impact of the COVID-19 pandemic: The COVID-19 pandemic developed rapidly since December 2019, resulting in a national lockdown period being imposed in mid-March 2020 and at various times subsequently. The resulting actions and measures taken by the UK Government to contain the virus inevitably impacted on the activities of the school:

d. Financial review

The primary source of funding for the school has been from the ESFA in the form of the General Annual Grant (GAG), capital grants and other grants. 2020/21 was a challenging year in terms of financial planning. Although the budget was formulated on a zero based approach, estimates had to be based on the best information available at the time. We continue to learn and acclimatize to a new building, time needs to elapse before we can establish with certainty the related fixed non-staffing costs such as utilities.

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

Fundraising

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

Funds held as custodian on behalf of others

The academy has not acted as a custodian trustee in the period.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14/03/2022 and signed on its behalf by:



.....
R Davis
Chair of Governors

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
R Davis, Chair of Trustees	8	8
J Conn, Vice Chair of Trustees	7	8
A Dawkins	4	5
S Horn	7	7
C Jones	7	8
H Langeveld, Head Teacher	7	8
R Martins	6	8
C McMillan-Jackson	8	8
F Pyatt	7	7
N Shaw	4	7
A Smith	0	1
T Staunton	4	4
D Stevenson	8	8

During the 2020/21 period, two standing Member appointed Trustee vacancies were filled. One Parent Trustee resigned while the other came to the end of their term of office and did not stand again but was instead co-opted. Two new Parent Trustees were elected to fill the vacancies. A new Staff Trustee position was created and a member of staff elected unopposed. At the end of the school year there was a change of Head Teacher. There were no other key changes in the composition of the Board of Trustees during this period.

Trustees are regularly in school, not only for attendance at committee meetings, but to see such things as Collective Worship and to watch lessons and activities. This allows the testing of the reporting of the data and such things as behaviour given to the Trustees by the Head Teacher is robust.

The quality of the data provided to Trustees is of a good standard and is rigorously reviewed by the appropriate committees, attended by those with relevant skills. The data was also scrutinised by an external School Improvement Partner, Anne Peck, Herts Assessment Team and Education Consultant for the Diocese of St Albans.

The Finance and Resources Committee is a sub-committee of the main board of Trustees. Its purpose is to work with the Head Teacher, as accounting officer, and the business manager to ensure that financial decisions enable the school to provide value for money, and to ensure that processes are compliant with The Academies Financial Handbook.

The Committee met 7 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Davis	7	7
C Jones (Chair)	6	7
H Langeveld	7	7
R Martins	4	5
N Shaw	3	4

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Head Teacher 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 where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

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 Watford St John's Church of England Primary School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

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 ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The academy'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 Resources 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 employ Thorne Widgery as internal auditor.

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

On an annual basis, the internal auditor reports to the board of Trustees through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

As a result of the impact of COVID-19 pandemic, during 2019/20 the internal audit programme was delayed. Since September 2020, the Board of Trustees have made arrangements for the establishment of an Audit & Risk Assurance Sub-committee with specific responsibilities for progressing the internal assurance procedures, which has included a commissioning of work by the Internal Auditor to bring matters up to date whilst also developing an ongoing termly programme of internal assurance.

Both Internal and External Auditors have made recommendations and the Board of Trustees is working towards implementing these recommendations where they have not already been addressed.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy 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 Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



.....
R Davies
Chair of Governors



.....
S Da Costa
Accounting Officer

Date: 14/03/2022

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

In contrary to the Academies Financial Handbook 2020 Part 4.4 the academy has not submitted the audited report and accounts to the EFSA by 31 December 2021 or published on the trusts website by 31 January 2022.



.....
S Da Costa
Accounting Officer

Date: 14/03/2022

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments 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:



.....

R Davis

Chair of Governors

Date: 14/03/2022

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy 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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- the control environment and performance of the Academy and Group, including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy and Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non compliance.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial

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

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Alexander Bottom ACA (senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Herts

WD17 1HP

Date: *15th March 2022*

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 27 March 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Watford St John's Church of England Primary School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Watford St John's Church of England Primary School's
accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Watford St John's Church of England Primary School's funding agreement with the Secretary of State for Education dated 29 April 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

Approach

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

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

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

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

An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

In contrary to the Academies Financial Handbook 2020 Part 4.4 the academy has not submitted the audited report and accounts to the EFSA by 31 December 2021 or published on the trusts website by 31 January 2022.

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	-	5,524	12,641	18,165	7,377
Charitable activities		64,096	1,154,371	-	1,218,467	987,854
Other trading activities		1,497	-	-	1,497	4,635
Investments	7	28	-	-	28	82
Total income		65,621	1,159,895	12,641	1,238,157	999,948
Expenditure on:						
Raising funds		-	-	-	-	168
Charitable activities		28,983	1,229,956	206,327	1,465,266	1,216,368
Total expenditure		28,983	1,229,956	206,327	1,465,266	1,216,536
Net movement in funds before other recognised gains/(losses)		36,638	(70,061)	(193,686)	(227,109)	(216,588)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(113,000)	-	(113,000)	46,000
Net movement in funds		36,638	(183,061)	(193,686)	(340,109)	(170,588)
Reconciliation of funds:						
Total funds brought forward		54,850	(56,228)	7,553,621	7,552,243	7,722,831
Net movement in funds		36,638	(183,061)	(193,686)	(340,109)	(170,588)
Total funds carried forward		91,488	(239,289)	7,359,935	7,212,134	7,552,243

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09016294

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	7,194,320	7,397,346
		<u>7,194,320</u>	<u>7,397,346</u>
Current assets			
Debtors	15	131,246	158,431
Cash at bank and in hand		348,893	230,593
		<u>480,139</u>	<u>389,024</u>
Creditors: amounts falling due within one year	16	(198,325)	(170,127)
		<u>281,814</u>	<u>218,897</u>
Net current assets		281,814	218,897
Net assets excluding pension liability		7,476,134	7,616,243
Defined benefit pension scheme liability	23	(264,000)	(64,000)
Total net assets		7,212,134	7,552,243
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	7,359,935	7,553,621
Restricted income funds	17	24,711	7,772
		<u>7,384,646</u>	<u>7,561,393</u>
Restricted funds excluding pension asset	17	7,384,646	7,561,393
Pension reserve	17	(264,000)	(64,000)
		<u>7,120,646</u>	<u>7,497,393</u>
Total restricted funds	17	7,120,646	7,497,393
Unrestricted income funds	17	91,488	54,850
		<u>7,212,134</u>	<u>7,552,243</u>
Total funds		7,212,134	7,552,243

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09016294

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

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



.....
R Davis
Chair of Governors
Date: 14/03/2022

The notes on pages 29 to 57 form part of these financial statements.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	<i>2020</i> £
Cash flows from operating activities			
Net cash provided by operating activities	19	108,932	<i>100,728</i>
Cash flows from investing activities	20	9,368	<i>(43,405)</i>
Change in cash and cash equivalents in the year		118,300	<i>57,323</i>
Cash and cash equivalents at the beginning of the year		230,593	<i>173,270</i>
Cash and cash equivalents at the end of the year	21, 22	348,893	<i>230,593</i>

The notes on pages 29 to 57 form part of these financial statements

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. General information

Watford St John's Church of England Primary School is a charitable company limited by guarantee and an exempt charity. The academy is incorporated in England and Wales. Its registered office is 32 Clarendon Road, Watford, Hertfordshire WD17 1JJ.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **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.

2.4 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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

2.6 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 institution with whom the funds are deposited.

2.7 Tangible fixed assets

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Long-term leasehold land	- 125 years straight line
Furniture and equipment	- 20% reducing balance
Computer equipment	- 50% reducing balance
Office Equipment	- 33% reducing balance

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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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 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.

2.11 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.

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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.12 Pensions

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

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

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

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

2.13 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.

Investment income, gains and losses are allocated to the appropriate fund.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

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

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	-	5,524	-	5,524
Government capital grants	-	-	12,641	12,641
	<u>-</u>	<u>5,524</u>	<u>12,641</u>	<u>18,165</u>
	<u><u>-</u></u>	<u><u>5,524</u></u>	<u><u>12,641</u></u>	<u><u>18,165</u></u>
			<i>Restricted</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Donations	2,227	395	-	2,622
Government capital grants	-	-	4,755	4,755
	<u>2,227</u>	<u>395</u>	<u>4,755</u>	<u>7,377</u>
	<u><u>2,227</u></u>	<u><u>395</u></u>	<u><u>4,755</u></u>	<u><u>7,377</u></u>

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5. Funding for the academy's educational activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	922,974	922,974
Other DfE/ESFA grants			
Pupil Premium	-	25,210	25,210
Universal Free School Meals income	-	70,247	70,247
Rates Relief	-	5,435	5,435
PE Grant	-	17,170	17,170
Teacher Pay Grant	-	42,474	42,474
Start up Grant	-	42,000	42,000
Other DfE Grant	-	18,560	18,560
	-	-	1,144,070
Other Government grants			
LA SEN	-	3,963	3,963
Other Grants	-	3,825	3,825
Other Non DfE Grant	-	2,513	2,513
	-	10,301	10,301
Other income from the academy's educational activities	64,096	-	64,096
	64,096	1,154,371	1,218,467

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5. Funding for the academy's educational activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	741,543	741,543
Other DfE/ESFA grants			
Pupil Premium	-	13,874	13,874
Universal Free School Meals income	-	60,743	60,743
Rates Relief	-	7,030	7,030
PE Grant	-	16,590	16,590
Start up Grant	-	55,000	55,000
Other DfE grants	-	36,316	36,316
	-	-	931,096
Other Government grants			
LA SEN	-	3,685	3,685
Other Grants	-	2,388	2,388
	-	6,073	6,073
Other income from the academy's educational activities	45,459	-	45,459
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	5,226	-	5,226
	5,226	-	5,226
	50,685	937,169	987,854

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

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6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Other income	1,497	1,497
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings	1,895	1,895
Other income	2,740	2,740
	4,635	4,635

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Interest receivable	28	28
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest receivable	82	82

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8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising funds:				
Direct costs	-	-	-	-
Expenditure on educational activities:				
Direct costs	791,232	-	45,472	836,704
Allocated support costs	245,818	173,870	208,874	628,562
	<u>1,037,050</u>	<u>173,870</u>	<u>254,346</u>	<u>1,465,266</u>
	<u><u>1,037,050</u></u>	<u><u>173,870</u></u>	<u><u>254,346</u></u>	<u><u>1,465,266</u></u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on raising voluntary income:				
Direct costs	-	168	-	168
Expenditure on educational activities:				
Direct costs	631,395	-	38,045	669,440
Allocated support costs	126,582	216,987	203,359	546,928
	<u>757,977</u>	<u>217,155</u>	<u>241,404</u>	<u>1,216,536</u>
	<u><u>757,977</u></u>	<u><u>217,155</u></u>	<u><u>241,404</u></u>	<u><u>1,216,536</u></u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational activities	836,704	628,562	1,465,266
	<u>836,704</u>	<u>628,562</u>	<u>1,465,266</u>
	<u><u>836,704</u></u>	<u><u>628,562</u></u>	<u><u>1,465,266</u></u>

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9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational activities	669,440	546,928	1,216,368

Analysis of support costs

	2021 £	Total funds 2021 £
Net interest pension cost	2,000	2,000
Staff costs	245,818	245,818
Depreciation	206,327	206,327
Premises costs	37,170	37,170
Repairs and maintenance	345	345
Technology costs	9,492	9,492
Legal costs	2,249	2,249
Other support costs	110,461	110,461
Governance costs	14,700	14,700
	<u>628,562</u>	<u>628,562</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>2020</i>	<i>Total funds</i>
	<i>£</i>	<i>2020</i>
		<i>£</i>
Net interest pension cost	1,000	1,000
Staff costs	126,582	126,582
Depreciation	219,922	219,922
Premises costs	80,287	80,287
Technology costs	10,880	10,880
Legal costs	1,176	1,176
Other support costs	99,348	99,348
Governance costs	7,733	7,733
	546,928	546,928
	546,928	546,928

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	<i>2020</i>
	£	<i>£</i>
Depreciation of tangible fixed assets	206,327	219,922
Fees paid to auditor for:		
- audit	6,600	6,250
- other services	1,850	1,900
	6,600	6,250
	1,850	1,900

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	714,801	530,030
Social security costs	50,905	41,741
Pension costs	255,986	177,022
	<u>1,021,692</u>	<u>748,793</u>
Agency staff costs	15,358	9,184
	<u>1,037,050</u>	<u>757,977</u>

b. Staff numbers

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

	2021 No.	2020 No.
Management	3	3
Support and Admin	29	21
Teachers	11	9
	<u>43</u>	<u>33</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

d. Key management personnel (continued)

employer national insurance contributions) received by key management personnel for their services to the academy was £175,961 (2020: £165,025).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
H Langeveld, Head teacher (until 31/08/21)	Remuneration	70,000 -	65,000 -
		75,000	70,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
T Staunton (appointed 12 February 2021)	Remuneration	5,000 -	0 - 5,000
		10,000	

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. 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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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	7,435,000	279,680	161,232	7,875,912
Additions	-	-	3,301	3,301
Disposals	-	(222)	-	(222)
At 31 August 2021	<u>7,435,000</u>	<u>279,458</u>	<u>164,533</u>	<u>7,878,991</u>
Depreciation				
At 1 September 2020	273,400	109,483	95,683	478,566
Charge for the year	136,700	35,561	34,066	206,327
On disposals	-	(222)	-	(222)
At 31 August 2021	<u>410,100</u>	<u>144,822</u>	<u>129,749</u>	<u>684,671</u>
Net book value				
At 31 August 2021	<u><u>7,024,900</u></u>	<u><u>134,636</u></u>	<u><u>34,784</u></u>	<u><u>7,194,320</u></u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,629	1
Other debtors	-	130
Prepayments and accrued income	117,576	144,712
Tax recoverable	11,041	13,588
	<u>131,246</u>	<u>158,431</u>

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16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	7,520	35,501
Other creditors	81,456	57,034
Accruals and deferred income	109,349	77,592
	198,325	170,127
	2021	2020
	£	£
Deferred income at 1 September 2020	49,182	35,101
Resources deferred during the year	60,126	49,182
Amounts released from previous periods	(49,182)	(35,101)
	60,126	49,182

At the balance sheet date, the academy trust was holding funds received in advance for ESFA funding and breakfast and after school club relating to the 2021/22 financial period.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	54,850	65,621	(28,983)	-	-	91,488
Restricted general funds						
General Annual Grant (GAG)	4,921	922,974	(906,035)	-	-	21,860
Pupil Premium	-	25,210	(25,210)	-	-	-
UIFSM	-	70,247	(70,247)	-	-	-
Start up grants	-	42,000	(42,000)	-	-	-
Teacher Pay Grant	-	42,474	(42,474)	-	-	-
Rates Reclaim	-	5,435	(5,435)	-	-	-
PE & Sports Grant	2,851	17,170	(17,170)	-	-	2,851
Other DFE grants	-	18,560	(18,560)	-	-	-
Other government grants	-	10,301	(10,301)	-	-	-
Donations	-	5,524	(5,524)	-	-	-
Pension reserve	(64,000)	-	(87,000)	-	(113,000)	(264,000)
	(56,228)	1,159,895	(1,229,956)	-	(113,000)	(239,289)
Restricted fixed asset funds						
Restricted fixed assets	7,397,346	-	(206,327)	3,301	-	7,194,320
ESFA capital grant	138,215	12,641	-	(3,301)	-	147,555
Devolved Formula Capital grant	18,060	-	-	-	-	18,060

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	7,553,621	12,641	(206,327)	-	-	7,359,935
Total Restricted funds	7,497,393	1,172,536	(1,436,283)	-	(113,000)	7,120,646
Total funds	7,552,243	1,238,157	(1,465,266)	-	(113,000)	7,212,134

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the academy that has been provided via the Education & Skills Funding Agency (ESFA) by the Department of Education. The GAG fund is used for the normal running costs of the academy.

Universal Infant Free School Meal (UIFSM) income represents funding for the schools to offer free school meals to all pupils in reception, year 1 and year 2.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment of disadvantaged pupils and to close the gap between them and their peers.

Included in restricted fixed asset funds carried forward is an ESFA grant for capital expenditure of £147,555 (2020: £138,215) carried forward from the prior year but unspent by 31 August 2021. There is also a devolved formula capital grant for capital expenditure of £18,060 (2020: £18,060) carried forward at the year end.

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

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds - all funds	26,660	57,629	(29,439)	-	-	54,850
Restricted general funds						
General Annual Grant (GAG)	-	741,543	(727,005)	(9,617)	-	4,921
Pupil Premium	-	13,874	(13,874)	-	-	-
Other ESFA income	-	23,620	(20,769)	-	-	2,851
UIFSM	-	60,743	(60,743)	-	-	-
Othe DfE income	-	36,316	(36,316)	-	-	-
Start up grants	-	55,000	(55,000)	-	-	-
Teacher Pay Grant	-	5,373	(5,373)	-	-	-
Rates Reclaim	-	700	(700)	-	-	-
PE & Sports Grant	-	395	(395)	-	-	-
Pension reserve	(63,000)	-	(47,000)	-	46,000	(64,000)
	(63,000)	937,564	(967,175)	(9,617)	46,000	(56,228)
Restricted fixed asset funds						
Restricted fixed assets	7,569,026	-	(219,922)	48,242	-	7,397,346
ESFA capital grant	176,840	-	-	(38,625)	-	138,215
Devolved Formula Capital grant	13,305	4,755	-	-	-	18,060

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17. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
	7,759,171	4,755	(219,922)	9,617	-	7,553,621
Total Restricted funds	7,696,171	942,319	(1,187,097)	-	46,000	7,497,393
Total funds	7,722,831	999,948	(1,216,536)	-	46,000	7,552,243

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	7,194,320	7,194,320
Current assets	199,219	115,305	165,615	480,139
Creditors due within one year	(153,731)	(44,594)	-	(198,325)
Provisions for liabilities and charges	46,000	(310,000)	-	(264,000)
Total	91,488	(239,289)	7,359,935	7,212,134

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	7,397,346	7,397,346
Current assets	61,178	171,571	156,275	389,024
Creditors due within one year	(6,328)	(163,799)	-	(170,127)
Provisions for liabilities and charges	-	(64,000)	-	(64,000)
Total	54,850	(56,228)	7,553,621	7,552,243

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

	2021 £	2020 £
Net expenditure for the year (as per statement of financial activities)	(227,109)	(216,588)
Adjustments for:		
Depreciation	206,327	219,922
Capital grants from DfE and other capital income	(12,647)	(4,755)
Interest receivable	(28)	(82)
Defined benefit pension scheme cost less contributions payable	86,950	47,000
Decrease in debtors	27,191	39,354
Increase in creditors	28,248	15,877
Net cash provided by operating activities	108,932	100,728

20. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	28	82
Purchase of tangible fixed assets	(3,301)	(48,242)
Capital grants from DfE Group	12,641	4,755
Net cash provided by/(used in) investing activities	9,368	(43,405)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	348,893	230,593
Total cash and cash equivalents	348,893	230,593

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	230,593	118,300	348,893
	<u>230,593</u>	<u>118,300</u>	<u>348,893</u>

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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 Hertfordshire 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.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £100,831 (2020 - £74,314).

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.

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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £88,000 (2020 - £68,000), of which employer's contributions totalled £72,000 (2020 - £56,000) and employees' contributions totalled £ 16,000 (2020 - £12,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 12.5 per cent 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.

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	22.9	21.9
Females	23.2	24.1
<i>Retiring in 20 years</i>		
Males	24.5	22.8
Females	26.2	25.5

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate -0.1%	22	<i>11</i>
Mortality assumption - 1 year increase	23	<i>11</i>
CPI rate +0.1%	22	<i>11</i>
	=====	<i>=====</i>

Share of scheme assets

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

	2021	<i>2020</i>
	£	<i>£</i>
Equities	170,000	<i>108,000</i>
Bonds	94,000	<i>71,000</i>
Property	36,000	<i>18,000</i>
Cash	23,000	<i>6,000</i>
Total market value of assets	323,000	<i>203,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was £32,000 (2020 - £24,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021	<i>2020</i>
	£	<i>£</i>
Current service cost	(157,000)	<i>(102,000)</i>
Interest income	4,000	<i>3,000</i>
Interest cost	(6,000)	<i>(4,000)</i>
Total amount recognised in the Statement of financial activities	(159,000)	<i>(103,000)</i>
	=====	<i>=====</i>

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

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

	2021 £	2020 £
At 1 September	267,000	174,000
Current service cost	157,000	102,000
Interest cost	6,000	4,000
Employee contributions	16,000	12,000
Actuarial losses/(gains)	141,000	(25,000)
At 31 August	587,000	267,000

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

	2021 £	2020 £
At 1 September	203,000	111,000
Interest income	4,000	3,000
Actuarial gains	28,000	21,000
Employer contributions	72,000	56,000
Employee contributions	16,000	12,000
At 31 August	323,000	203,000

24. Operating lease commitments

The academy had no commitments under non-cancellable operating leases at 31 August 2021.

25. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. Related party transactions

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

Trustees' and close relatives' remuneration and expenses are disclosed in note 12.

During the accounting period, the academy made purchases of £780 (2020: £nil) to St Albans Diocesan Synod of which R Davis and D Stevenson are members.

During the accounting period the academy made purchases of £5,018 (2020: £nil) to Watford Borough Council of which R Martins is a Councillor.

During the accounting period the academy made purchases of £5,000 (2020: £nil) to Friends of St John's of which S Horn is a Co-Chair.