

Company Registration No. 07698504 (England and Wales)

**HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

IJ Holroyd (Chair from 1 September 2018)  
U Kipps (Resigned 13 November 2017)  
D Braithwaite (Chair) (Resigned 31 August 2018)  
GM Williams  
RW Armitage (Resigned 31 August 2018)  
L Evans  
L Hutchings  
G Moore  
PL Burls  
J Batch  
DG Glanville  
K Ryan  
SV Proctor (Principal)  
S Barnett (Appointed 1 September 2018)

### Members

L Evans  
IJ Holroyd  
GM Williams

### Senior management team

- Headteacher S Proctor  
- Assistant Headteacher K Ryan  
- Assistant Headteacher K Strickland

### Company registration number

07698504 (England and Wales)

### Registered office

Hadleigh Infants And Nursery School (Academy)  
Bilton Road  
Hadleigh  
Essex  
SS7 2HQ

### Independent auditor

Rickard Luckin Limited  
Phoenix House, Suite 8  
Christopher Martin Road  
Basildon  
Essex  
SS14 3EZ

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Hadleigh Infants and Nursery School is based in the borough of Castle Point. It is a larger than average-size infants school with approximately 300 pupils. We provide excellent creative learning experience for all pupils. The school's Nursery offers parents the opportunity to complete part-time sessions or apply for fully funded 30 hours provision. Parents can also purchase additional sessions on top of their state-funded hours if they do not qualify for 30 hours provision. The school provides full-time education for pupils in the reception classes and Key Stage 1.

### **Structure, governance and management**

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Hadleigh Infants and Nursery School (Academy) are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

#### Method of recruitment and appointment or election of trustees

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

New governors will be appointed to the board by the existing governors until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of 3 or 4 years. At the end of term, retiring governors are eligible for re-election for a further term.

#### Policies and procedures adopted for the induction and training of trustees

Individual governors attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Organisational structure

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

The governors meet as a board at least once each term. All decisions reserved to the governors are taken by the board as a whole. Board committees meet at least once each term to consider detailed matters and recommend decisions to the full board. There are 3 such committees:

Finance, Audit and Premises  
Personnel and Pay (including Head Teacher's Pay)  
Curriculum and Admissions

Additionally, an ad hoc group of governors are established (such as the Strategic Group) to consider specific issues and make recommendations to the board or appropriate committees.

The Head Teacher is the Accounting Officer and works closely with governors and the senior staff of Hadleigh Infants and Nursery School (Academy).

The day to day management of the Hadleigh Infants and Nursery School (Academy) rests with the Head Teacher who has overall responsibility for the school. The Head Teacher is responsible for establishing a Senior Leadership Team to support the strategic and operational running of the school.

The Governing body has three sub committees which report back to the Full Governing Body. The Finance, Premises and Audit Committee prepare and agree the annual budget each year. They then monitor performance against this budget and provide guidance to the school management team on all financial matters. The committee also holds the school accountable for ring-fenced government funding.

They also play an important role in ensuring the Academy's premises are maintained and improved. They monitor all health and safety matters and approve recommendations made for any changes that need to be undertaken. Any health and safety concerns are reported to the main Full Governing Body.

The Personnel and Pay Committee monitors and adjusts matters arising from Performance Management of the staff of the Academy as well as supporting the school with any significant staffing changes such as restructuring. The committee also holds the school accountable for ring-fenced government funding.

The Curriculum and Admissions Committee ensure that both Key Stage 1 and Foundation Stage pupils at the Academy follow the agreed Curriculum. The committee also monitors progress the pupils are making and holds the Head Teacher and senior leaders accountable for curriculum matters. The committee also holds the school accountable for ring-fenced government funding.

All committees meet at least once each term with full minutes recorded and made available.

Each term the Full Governing Body will meet to review the work of all the committees and to consider any recommendations that cannot be made at committee level. At this meeting the overall performance and direction of the Academy is reviewed.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Arrangements for setting pay and remuneration of key management personnel

The Pay Policy is reviewed annually and updated taking into account the latest Department of Education guidance as well as Essex County Councils' model policy guidance. The school's Pay Policy is agreed by the school's Personnel and Pay Committee.

The Head Teacher's annual salary review is carried out by a Pay Panel consisting of the Chair of Governors, Chair of Finance and a non-teaching governor. At least one member of this committee has had training linked to Head Teachers Pay. The panel makes pay recommendations based on documentary evidence of the Head Teacher's achievements against their yearly objectives.

All other personnel's salary increases are directly related to their annual performance management objective outcomes. The Head Teacher makes pay recommendations to the Personnel and Pay Committee based on documentary evidence of their achievements against their yearly objectives. The Personnel and Pay committee approve the yearly pay recommendations.

### Related parties and other connected charities and organisations

Hadleigh Infants and Nursery School have close working relationships with both Hadleigh Junior School and the BATIC trust, they are both separate companies with whom we share information and knowledge to assist each other in the day to day running of a school.

### **Objectives and activities**

#### Objects and aims

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

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and

To promote for the benefit of the inhabitants of Hadleigh, Essex and the surrounding area the provision of facilities, for recreation or other leisure time occupations of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare, and with the object of improving the condition of life of the said inhabitants.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Objectives, strategies and activities

The Hadleigh Infants & Nursery School (Academy) provides a broad and balanced curriculum for the pupils who attend (currently 307).

The school's key objectives are:

- To ensure all pupils are safe both at school and at home
- To ensure all pupils no matter their background have the opportunity to fulfil their full potential
- To promote a lifelong love of learning by providing a memorable and exciting well balanced curriculum for all
- To develop life skills that pupils will be able to use in the future
- To ensure we enable the pupils to leave the school with the skills and knowledge they require to be successful during the next stage of their education

The school's strategic targets for 2017-2018 were:

- Develop Teaching and Learning to ensure all lessons are good with many being outstanding.
- Develop an assessment process that tracks outcomes and informs future learning.
- Develop leadership at all levels so it is sharply focused on improvement and self-evaluation.
- Develop the provision and outcomes in the Early Years Foundation Stage.
- Develop a school curriculum that promotes our values, ethos and British Values.

The Head Teacher, along with the school's senior leaders, developed the school's strategic plan to meet the targets outlined above. The school's strategic plan was reviewed and discussed on a half termly basis. During all three Full Governing Body meetings throughout the academic year, The Head Teacher provided the members and trustees with an update related to these targets. During these meetings, the Head Teacher provided evidence of the progress made towards each of the targets and the members and trustees raised questions. The school's strategic plan clearly identified a wide range of staff and governors who were to carry out tasks to ensure the targets and key objectives were met. By the end of the 2017-2018 all targets had been met.

The Head Teacher, members, trustees and senior leaders have ensured that the school teaches the basic skills of Literacy and Numeracy both specifically as well as through our other curricular subjects. The school allows a substantial amount of time on the foundation areas of the curriculum to ensure that pupils leave Hadleigh Infants and Nursery School with a well-rounded education. As well as being able to access knowledge the pupils in our care learn the valuable life skills of: Independence, Resilience, Inquisitiveness, Respect and Collaboration. Unlike the knowledge they learn, that they build upon in the next phase of their education, these skills will enable the pupils to become better citizens and lifelong learners. We have high standards and expectations of all members of our school community including pupils and staff.

In the academic year of 2017/2018 the school's attendance figure was 95.2% (an improvement compared to 94.3% 2016/2017) which was still 0.8% lower than expected target set by the government. This increase was due to the school introducing a range of incentives for pupils and parents. Despite the improvements made to the school's attendance last year, school leaders recognise that this is still an area that needs to improve even further next year. The Head Teacher has made improving attendance one of the five strategic targets for 2018-2019. This should ensure that a bigger emphasis will be given to increase the percentage even further. The school's governing body have also agreed to adopt a new attendance policy which has much tougher sanctions on families with lower attendance.

The school has improved its procedures for monitoring Safeguarding, Health and Safety as well as Data Protection. The school's members and trustees are regularly informed about any issues surrounding these areas and play an active part in evaluating the school's procedures. Their role in evaluating the procedure has ensured that school leaders have been held accountable and improvements have been made. Regular updates have been provided linked to the progress against the targets that were set for each of the key areas, this has taken place in the form of written reports and formal meetings. This self, internal and external evaluation will continue as we move into 2018-2019.

# **HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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The Head Teacher, members, trustees and senior leaders have ensured that the teaching staff have been provided with the training and resources they need to ensure that teaching within the school was good or better. As a result of good or better teaching, the outcomes of pupils have improved. The investment in these areas has increased during the academic year of 2017-2018 and will increase again as we move into the 2018-2019 academic year to ensure that the quality of provision continues to improve.

The Head Teacher, school staff and governors still believe that the partnership between school and the families of pupils plays a vital role in improving outcomes for our pupils. Communication between the school and its stakeholders has improved greatly over the past year. Parents are better informed about the progress their pupils are making and given timely information about what additional support could be provided to improve outcomes and progress. The process of sharing this information will be reviewed this year and improvements will be made where required.

### Public benefit

The Academy provides educational services to all children in the local area. The trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.



# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Strategic report

#### Achievements and performance

##### Early Years Foundation Stage Results - Academic Year 2017 / 2018

	School 17/18	Essex 17/18
% achieving a Good Level of Development (GLD)	77%	74%
% at least expected in all learning Goals	74%	73%
Average points score per pupil	35.2	35.2

These results show a marked improvement from the 2016/2017 results. During the last academic year, the school has closed the gap between itself and the Essex average. We have seen a 5% increase in the number of pupils achieving a good level of development compared to the 2016/2017 data (72%). The school has also seen a rise in the average points score each child has been able to achieve from 33.8 (2016/2017) to 35.2 this year. Finally, we have also seen a 4% rise in the percentage of pupils achieving the expected standard in all of the Early Learning Goals compared to 2016/2017 data (70%).

There have been many factors that have contributed to the increases seen this year. We have invested in training and high quality resources which have had a positive impact on the quality of provision offered. Staff have been regularly held accountable for the progress the pupils have made and a consistent approach to the school's assessment process has also ensured that the assessment of pupils is now accurate. The Head Teacher, trustees, members and senior leaders have reviewed the past year and have set appropriate targets for 2018/2019 to ensure that progress in the Early Years will continue as we move into the next academic year.

##### Year 1 Phonics Results - Academic Year 2017 / 2018

	School 17/18	Essex 17/18	National 17/18
Percentage of pupils meeting the expected standard	91%	84%	82%

There was an increase in the percentage of pupils achieving the expected level in the Phonic Screening Check (increase of 8%) compared to 2016/2017 (83%). We have also seen an increase in the average points score for the check from 33.5 (in 2016/2017) to 35.1 this year. The school ensured that additional support was provided to the pupils who were looking less likely to pass the screen check. This support ensured that 10 pupils met the expected standard who were not expected to. The school also saw a large increase in the number of disadvantaged pupils achieving the expected standard. Even though the percentage has risen this year, we are still below the three year average (95%) from 2014-2016. The Head Teacher, trustees, members and senior leaders have reviewed the past year and have set appropriate targets for 2018/2019 to ensure that we move closer to our older yearly average of 95% as we move into the next academic year.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Key Stage 1 Results – Academic Year 2017 / 2018

		School 17/18	Essex 17/18	National 17/18
	Eligible Pupils	88	17,068	-
Reading/Writing/Maths(RWM)	% at least expected	64%	66%	-
Reading		75%	77%	75%
Writing		69%	71%	70%
Maths		77%	77%	76%
Reading/Writing/Maths	% at greater depth	5%	12%	-
Reading		21%	28%	26%
Writing		10%	18%	16%
Maths		15%	23%	22%

The school has seen increases in Writing, Maths and Reading, Writing and Maths combined compared the school's data in 2016/2017. We have made gains on the Essex average compared to 2016/2017 but are still lower in Reading, Writing and Reading, Writing and Maths combined. The school has seen a 6% increase in writing compared to the 2016/2017 data. We have also seen a 12% increase in the percentage of pupils achieving the expected standard in Maths compared to last year's data. Finally, we saw an increase of 12% in the percentage of pupils achieving Reading, Writing and Maths combined compared to 2016/2017 data. The school's performance in reading decreased by 1% compared to the end of year data last year.

During the past year, school leaders have made lots of changes to the way the curriculum has been taught. This has ensured that the quality of provision that has been offered was better than that of previous years. The changes in quality of the provision coupled with additional resources, training and better use of ring-fenced funds has ensured that progress had been made against the school's targets. Despite the increases in three of the four reported areas, the school still needs to improve further during the next academic year to ensure they close the gap between the Essex average and the school. The Head Teacher, trustees, members and senior leaders have reviewed the past year and have set appropriate targets for 2018/2019 to ensure that we move closer to our older yearly average of 95% as we move into the next academic year.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Key performance indicators

During the academic year of 2017/2018 the school met each of its academic strategic targets. These were monitored by the school's members and trustees and were reported on during many of the school's committee meetings as well as the Full Governing Body meetings.

The school saw increases (compared to 2016/2017) in the majority of key data indicators as explained in the section above. The improvements in end of year outcomes have enabled the school to close the gap between the school's data and that of other schools in Essex and throughout England. With the school's new approach to improving attendance, we have also seen an increase in the average attendance percentage (95.2% 2017/2018 compared to 94.9% 2016/2017). During 2017/2018, the school has also seen the percentage of children regarded as persistent absentees decrease from 12.5% (2016/2017) to 9% (2017/2018).

Throughout the academic year of 2017/2018, the school has received three visits from external education advisors. During all of these visits, it has been clear that the school is making improvements in all aspects of school life including: quality of provision, SEN and other key areas such as Safeguarding. The school's last Ofsted inspection was in May 2016 and was judged to be good. The school's Self Evaluation Form identifies that school leaders believe and can evidence that all aspects of the Ofsted criteria are still good. If the school was inspected this year, the school leaders would expect the school to be graded good again.

At the end of the 2017/2018 academic year, both the Chair and Vice Chair of the academy resigned after spending 10 years serving as governors at the school. The new Chair and Vice Chair have been elected and were in place for the start of the new academic year. Mr. I. Holroyd (new Chair) and Mrs. L. Evans (new Vice Chair) have been governors for several years and both have a strong understanding of the school. Both the Chair and Vice Chair will bring new skills to the role and will support the school's Head Teacher and Finance Officer to ensure critical challenges ahead will be managed appropriately and reduce the risk for the school.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

During the year the school has total incoming resources of £1,347,889 (2017: £1,280,730), it incurred expenses totalling £1,490,508 (2017: £1,353,887), generating an operating deficit of £142,619 (2017: £73,157). There was an actuarial gain on the Local Government Pension Scheme (LGPS) of £192,000 (2017: £75,000) The total Net Assets of the Academy at the year end were £1,613,649 (2017: £1,564,268) which is represented by Restricted Fixed Asset Fund of £2,350,804 (2017: £2,367,220), a Restricted General Fund of £41,950 (2017: £63,063), the LGPS deficit of £831,000 (2017: £907,000) and an Unrestricted Fund of £51,895 (2017: £40,985).

#### Reserves policy

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved. The review encompasses the nature of income and expenditure streams. It has been determined that the appropriate level of free reserves should be a minimum of 2% of the years restricted income, approximately £18,000. This provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

#### Investment policy

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Principal risks and uncertainties

The Academy maintains a risk register which is regularly monitored by the committees, at least annually, to ensure that any new risks are added as identified.

The principle risks facing the Academy identified on the risk register are:

- The impact that changes in government policy could have on funding. The controls in place to mitigate the risk are that the school has a good relationship with local councillors and also networks with other academies in the area in order to monitor the current situation.
- Possible problems of escalating maintenance/service costs (gas/electric) as the building gets older. The controls in place to mitigate the risk are that the school benchmarks costs against other schools and a programme of routine maintenance, including servicing where appropriate, is in place. The budgets always reflect anticipated increased costs.
- The impact of the loss of a senior member of staff. The control in place to mitigate the risk is a contingency plan for some key posts and in the short term, deputy posts would be able to 'act up'.
- The impact of the proposed rise in pension contributions on the overall budget. The controls in place to mitigate the risk are to reduce staffing cost through redundancies as well as cuts across all budgeted areas.
- The impact of national rises in staffing costs. The control in place is that the Pay and Personnel committee produce the school's Pay Policy and only approve salary rises if affordable.

### Financial and risk management objectives and policies

Risk categories are identified as compliance, strategic, reputational, operational and financial. All areas are regularly monitored and adjusted accordingly.

### **Plans for future periods**

The Head Teacher, Finance Officer and a select group of trustees/members have set up a finance working party to plan and deliver a strategy to reduce spending without having a negative impact on the overall outcomes of the pupils. One of the strategies that will be considered within this working party will be the prospect of restructuring some elements of the staffing structure. This will hopefully support the school's long term sustainability and reduce the percentage of staffing costs in the overall expenditure of the school. Reducing salaries will also have a positive impact on reducing overall staffing costs such as pensions and national insurance contributions.

The school is going to continue to offer 30 hour provision for the next academic year and offer more 30 hour places to parents. This will see an increase in Nursery numbers which should then convert into a larger number of children attending the school as 96% of pupils attending the Nursery then attend the infant school (September 2018/2019).

The school is continuing to look into redesigning parts of the EYFS areas within in the school. This should positively impact on the overall progress and outcomes for pupils as well as appealing to possible new parents bringing their pupils to the school. Gaining more pupils is essential in the long term stability of the school.

The Head Teacher also has planned ways in which the school can advertise for additional pupils to fill the vacant spaces in Year 1. There will be 15 spaces available in Year 1 next year which will need to be filled for the future financial stability of the school.

### **Funds held as custodian trustee on behalf of others**

None held

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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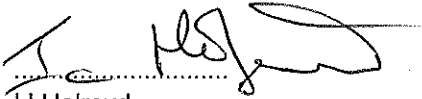
### Auditor

In so far as the trustees are aware:

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

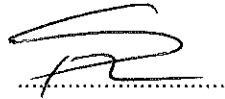
A resolution proposing that Rickard Luckin Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21/11/18..... and signed on its behalf by:



IJ Holroyd

Chair from 1 September 2018



SV Proctor

Principal

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
IJ Holroyd (Chair from 1 September 2018)	3	3
U Kipps (Resigned 13 November 2017)		
D Braithwaite (Chair) (Resigned 31 August 2018)	3	3
GM Williams	2	3
RW Armitage (Resigned 31 August 2018)	3	3
L Evans	2	3
L Hutchings	0	3
G Moore	1	3
PL Burls	2	3
J Batch	3	3
DG Glanville	2	3
K Ryan	2	3
SV Proctor (Principal)	3	3
S Barnett (Appointed 1 September 2018)		

The Finance, Audit and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to:

Review and monitor the financial position of the academy and provide recommendations to the full governing body as appropriate.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
IJ Holroyd (Chair from 1 September 2018)	3	3
D Braithwaite (Chair) (Resigned 31 August 2018)	3	3
RW Armitage (Resigned 31 August 2018)	2	3
L Evans	2	3
L Hutchings	2	3
SV Proctor (Principal)	3	3

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Review of value for money**

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

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

- **Advisory services** - The accounting officer and finance officer have explored a range of providers for select advisory services such as Health and Safety. We have now changed provider of the Health and Safety advisory service which not only provides telephone support but also provides three whole days in-school support and an annual audit to ensure the school is much better equipped to meet the Health and safety Regulations. This type of service would have cost more if we had stayed with our original provider.
- **DPO** - The trustees, members, Finance Officer and Head Teacher decided to buy into a service for a shared DPO. The academy has a SIRO and IC within school who liaise with the DPO to ensure that the school remains GDPR compliant. The cost of a shared DPO provides better value for money compared to having a sole DPO within the school setting.
- **Training for support staff** to enable them to teach classes. Training each member of support staff has allowed the school to use them as cover during times where teachers have been absent for either sickness or on courses. As a result of the training, we have been able to cover classes for PPA and staff absences at a very low cost compared to what supply teachers would have cost the school. The school spent less than £2000 last year on cover which without the support staff completing the role would have seen cover costs increase considerably.
- **Collaboration**. As a trust we work with many local schools in the area. The school pays a small membership fee annually. The school receives support in many different ways including: training, sharing of resources and technical support. This support has led to a greater consistency across the schools and mutual sharing of expertise.
- **Financial governance and oversight**. Our trustees provide strong oversight and regularly question and challenge decisions made by the Academy.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hadleigh Infants And Nursery School (Academy) for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed D Sollis of Rickard Luckin Ltd, the external auditor, to carry out a programme of internal checks.

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

On a quarterly basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

There were no material control or other issues reported by the reviewer to date.

### Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 21/11/18..... and signed on its behalf by:



IJ Holroyd  
Chair from 1 September 2018



SV Proctor  
Principal



# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

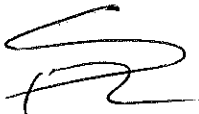
**FOR THE YEAR ENDED 31 AUGUST 2018**

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As accounting officer of Hadleigh Infants and Nursery School (Academy) I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



SV Proctor  
Accounting Officer

21/11/18.....

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of Hadleigh Infants and Nursery School (Academy) for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 21/11/18..... and signed on its behalf by:



IJ Holroyd  
Chair from 1 September 2018



SV Proctor  
Principal

# **HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinion**

We have audited the accounts of Hadleigh Infants and Nursery School (Academy) for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY) (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Use of our report

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



Kate Bell (Senior Statutory Auditor)  
for and on behalf of Rickard Luckin Limited



Chartered Accountants  
Statutory Auditor

Phoenix House, Suite 8  
Christopher Martin Road  
Basildon  
Essex  
SS14 3EZ

# **HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY) AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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In accordance with the terms of our engagement letter dated 13 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hadleigh Infants and Nursery School (Academy) during the period 1 September 2017 to 31 August 2018 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 Hadleigh Infants and Nursery School (Academy) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hadleigh Infants and Nursery School (Academy) 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 Hadleigh Infants and Nursery School (Academy) and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Hadleigh Infants and Nursery School (Academy)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hadleigh Infants and Nursery School (Academy)'s funding agreement with the Secretary of State for Education dated 7 July 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Governing Body and key sub committees;
- Evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- Reviewing action taken as a result of recommendations from internal audit procedures, external audit, and ESFA updates;
- Evaluating and documenting internal controls and testing their application by walkthrough;
- Testing a sample of payments to ensure that they have been authorised in accordance with the Academy's financial procedures and the Academies Financial Handbook.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

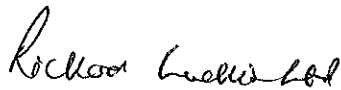
## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY) AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**

Rickard Luckin Limited  
Phoenix House, Suite 8  
Christopher Martin Road  
Basildon  
Essex  
SS14 3EZ

Dated: *22<sup>nd</sup> November 2018*

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 as restated £
<b>Income and endowments from:</b>						
Donations and capital grants	6	12,410	4,682	40,061	57,153	19,132
Charitable activities:						
- Funding for educational operations	3	-	1,284,767	-	1,284,767	1,248,624
Other trading activities	4	5,777	-	-	5,777	12,724
Investments	5	192	-	-	192	250
<b>Total</b>		<b>18,379</b>	<b>1,289,449</b>	<b>40,061</b>	<b>1,347,889</b>	<b>1,280,730</b>
<b>Expenditure on:</b>						
Raising funds	7	1,455	-	-	1,455	5,358
Charitable activities:						
- Educational operations	8	6,014	1,426,562	56,477	1,489,053	1,348,529
<b>Total</b>	<b>7</b>	<b>7,469</b>	<b>1,426,562</b>	<b>56,477</b>	<b>1,490,508</b>	<b>1,353,887</b>
<b>Net income/(expenditure)</b>		<b>10,910</b>	<b>(137,113)</b>	<b>(16,416)</b>	<b>(142,619)</b>	<b>(73,157)</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	-	192,000	-	192,000	75,000
<b>Net movement in funds</b>		<b>10,910</b>	<b>54,887</b>	<b>(16,416)</b>	<b>49,381</b>	<b>1,843</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		40,985	(843,937)	2,367,220	1,564,268	1,562,425
Total funds carried forward		51,895	(789,050)	2,350,804	1,613,649	1,564,268



# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017 As restated	Notes	Unrestricted	Restricted funds:		Total
		Funds £	General £	Fixed asset £	2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	6	12,085	-	7,047	19,132
Charitable activities:					
- Funding for educational operations	3	-	1,248,624	-	1,248,624
Other trading activities	4	12,724	-	-	12,724
Investments	5	250	-	-	250
<b>Total</b>		<b>25,059</b>	<b>1,248,624</b>	<b>7,047</b>	<b>1,280,730</b>
<b>Expenditure on:</b>					
Raising funds	7	5,358	-	-	5,358
Charitable activities:					
- Educational operations	8	-	1,292,706	55,823	1,348,529
<b>Total</b>	<b>7</b>	<b>5,358</b>	<b>1,292,706</b>	<b>55,823</b>	<b>1,353,887</b>
<b>Net income/(expenditure)</b>		<b>19,701</b>	<b>(44,082)</b>	<b>(48,776)</b>	<b>(73,157)</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	75,000	-	75,000
<b>Net movement in funds</b>		<b>19,701</b>	<b>30,918</b>	<b>(48,776)</b>	<b>1,843</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		21,284	(874,855)	2,415,996	1,562,425
Total funds carried forward		40,985	(843,937)	2,367,220	1,564,268

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,343,528		2,367,220
<b>Current assets</b>					
Stocks	14		-		283
Debtors	15		8,734		6,195
Cash at bank and in hand			260,078		232,610
			<u>268,812</u>		<u>239,088</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16		(167,691)		(135,040)
<b>Net current assets</b>			<u>101,121</u>		<u>104,048</u>
<b>Net assets excluding pension liability</b>			<u>2,444,649</u>		<u>2,471,268</u>
Defined benefit pension scheme liability	19		(831,000)		(907,000)
<b>Net assets</b>			<u><u>1,613,649</u></u>		<u><u>1,564,268</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			2,350,804		2,367,220
- Restricted income funds			41,950		63,063
- Pension reserve			(831,000)		(907,000)
<b>Total restricted funds</b>			<u>1,561,754</u>		<u>1,523,283</u>
<b>Unrestricted income funds</b>	17		<u>51,895</u>		<u>40,985</u>
<b>Total funds</b>			<u><u>1,613,649</u></u>		<u><u>1,564,268</u></u>

The accounts on pages 22 to 44 were approved by the trustees and authorised for issue on 21/11/18 and are signed on their behalf by:




IJ Holroyd  
Chair from 1 September 2018

SV Proctor  
Principal

Company Number 07698504

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

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		2018		2017 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		20,000		80,088
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		192		250	
Capital grants from DfE Group		40,061		7,047	
Purchase of tangible fixed assets		(32,785)		(7,047)	
<b>Net cash provided by investing activities</b>			<u>7,468</u>		<u>250</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			27,468		80,338
Cash and cash equivalents at beginning of the year			<u>232,610</u>		<u>152,272</u>
<b>Cash and cash equivalents at end of the year</b>			<u><u>260,078</u></u>		<u><u>232,610</u></u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

Hadleigh Infants and Nursery School (Academy) is a company limited by guarantee, incorporated in England, and an exempt charity. The registered office is Bilton Road, Hadleigh, Essex, SS7 2HQ.

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hadleigh Infants and Nursery School (Academy) meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants

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

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

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust 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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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

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

Included within the fixed asset value is £100,000 that relates to non-depreciable land.

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

Freehold land and buildings	2% straight line
Computer equipment	3 years straight line
Furniture and equipment	5 years straight line

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Financial liabilities

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

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

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### 1.10 Taxation

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

#### 1.11 Pensions benefits

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

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

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

#### 1.12 Fund accounting

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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**1 Accounting policies**

**(Continued)**

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

**2 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgement

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The only case whereby this arises is in respect of the depreciation policies relating to the fixed assets held by the academy, which are based on the estimated useful lives of the assets.



# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	914,574	914,574	876,465
Other DfE group grants	-	158,652	158,652	171,925
	-	1,073,226	1,073,226	1,048,390
<b>Other government grants</b>				
Special educational projects	-	145,079	145,079	155,274
<b>Other funding</b>				
Other incoming resources	-	66,462	66,462	44,960
<b>Total funding</b>	-	1,284,767	1,284,767	1,248,624

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	4,390	-	4,390	5,280
Catering income	238	-	238	650
Other income	1,149	-	1,149	6,794
	5,777	-	5,777	12,724

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	192	-	192	250

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 6 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Parental contributions	3,749	-	3,749	4,543
Capital grants	-	40,061	40,061	7,047
Other donations	8,661	4,682	13,343	7,542
	<u>12,410</u>	<u>44,743</u>	<u>57,153</u>	<u>19,132</u>

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	-	-	1,455	1,455	5,358
Academy's educational operations					
- Direct costs	887,488	-	70,333	957,821	889,040
- Allocated support costs	299,911	129,091	102,230	531,232	459,489
	<u>1,187,399</u>	<u>129,091</u>	<u>174,018</u>	<u>1,490,508</u>	<u>1,353,887</u>

### Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	8,700	7,800
- Other services	1,864	450
Depreciation of tangible fixed assets	56,477	55,823
Net interest on defined benefit pension liability	23,000	19,000
	<u>89,941</u>	<u>83,073</u>

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	5,174	952,647	957,821	889,040
<b>Support costs</b>				
Educational operations	840	530,392	531,232	459,489
	<u>6,014</u>	<u>1,483,039</u>	<u>1,489,053</u>	<u>1,348,529</u>

### Analysis of costs

	2018 £	2017 £
<b>Direct costs</b>		
Teaching and educational support staff costs	877,190	808,955
Staff development	10,298	12,293

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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8 Charitable activities	(Continued)	
Educational supplies and services	51,369	51,871
Educational consultancy	5,212	2,495
Other direct costs	13,752	13,426
	<u>957,821</u>	<u>889,040</u>
<b>Support costs</b>		
Support staff costs	299,911	248,856
Depreciation	56,477	55,823
Maintenance of premises and equipment	27,353	9,381
Cleaning	12,324	13,724
Rent, rates and other occupancy costs	23,912	20,249
Insurance	7,401	8,866
Security and transport	1,662	3,004
Catering	34,427	35,574
Finance costs	23,000	19,000
Other support costs	34,201	36,762
Governance costs	10,564	8,250
	<u>531,232</u>	<u>459,489</u>

## 9 Trustees' remuneration and expenses

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

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

S Proctor (Head teacher - Appointed April 2017):

Remuneration: £50,000 - £55,000 (2017 - £15,000 - £20,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £0 - £5,000)

D Glanville (Staff governor):

Remuneration: £35,000 - £40,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

K Ryan (Staff governor):

Remuneration: £40,000 - £45,000 (2017 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

P Burls (Staff governor):

Remuneration: £15,000 - £20,000 (2017 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

During the year ended 31 August 2018, Governor expenses totalling £106 (2017 - £nil) were reimbursed directly to 1 trustee (2017 - 0).

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	874,480	810,480
Social security costs	56,348	55,493
Pension costs	243,482	186,271
Staff costs	1,174,310	1,052,244
Agency staff costs	2,791	5,567
Staff development and other staff costs	10,298	12,293
Total staff expenditure	1,187,399	1,070,104

#### Staff numbers

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

	2018	2017
	Number	Number
Teachers	13	12
Administration and support	51	51
Management	3	3
	67	66

#### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £224,385 (2017 - £272,945).

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Furniture and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	2,664,040	80,557	10,966	2,755,563
Additions	32,785	-	-	32,785
At 31 August 2018	2,696,825	80,557	10,966	2,788,348
<b>Depreciation</b>				
At 1 September 2017	303,712	75,859	8,772	388,343
Charge for the year	51,937	2,348	2,192	56,477
At 31 August 2018	355,649	78,207	10,964	444,820
<b>Net book value</b>				
At 31 August 2018	2,341,176	2,350	2	2,343,528
At 31 August 2017	2,360,328	4,698	2,194	2,367,220

Freehold land and buildings includes an amount of £100,000 relating to non-depreciable land.

### 13 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,917	4,926
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	16,850	17,303

### 14 Stocks

	2018 £	2017 £
Clothing	-	283

### 15 Debtors

	2018 £	2017 £
Trade debtors	35	-
VAT recoverable	931	2,278
Prepayments and accrued income	7,768	3,917
	8,734	6,195

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Creditors: amounts falling due within one year			2018	2017	
			£	£	
Other taxation and social security			32,959	30,055	
Other creditors			101,947	104,985	
Accruals and deferred income			32,785	-	
			<u>167,691</u>	<u>135,040</u>	
17 Funds	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	63,063	914,574	(935,687)	-	41,950
Other DfE / ESFA grants	-	158,652	(158,652)	-	-
Other government grants	-	145,079	(145,079)	-	-
Other restricted funds	-	71,144	(71,144)	-	-
Pension reserve	(907,000)	-	(116,000)	192,000	(831,000)
	<u>(843,937)</u>	<u>1,289,449</u>	<u>(1,426,562)</u>	<u>192,000</u>	<u>(789,050)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,352,795	-	(51,937)	-	2,300,858
DfE group capital grants	14,425	40,061	(4,540)	-	49,946
	<u>2,367,220</u>	<u>40,061</u>	<u>(56,477)</u>	<u>-</u>	<u>2,350,804</u>
<b>Total restricted funds</b>	<u>1,523,283</u>	<u>1,329,510</u>	<u>(1,483,039)</u>	<u>192,000</u>	<u>1,561,754</u>
<b>Unrestricted funds</b>					
General funds	40,985	18,379	(7,469)	-	51,895
<b>Total funds</b>	<u>1,564,268</u>	<u>1,347,889</u>	<u>(1,490,508)</u>	<u>192,000</u>	<u>1,613,649</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

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

Restricted general funds are generated from Government sources and include General Annual Grant, Pupil Premium and similar income. These funds are applied for the purposes intended in accordance with the objects of the Academy Trust.

Unrestricted funds have no specific restriction and are used in accordance with the objects of the Academy Trust.

Restricted fixed asset funds first arose when assets were donated from the predecessor school. Subsequent additions have also been included in this fund. The assets are used for the purposes intended in accordance with the objects of the Academy Trust.

Restricted pension funds relate to the local government pension scheme which is in deficit. The fund is specific to the Academy share of the scheme assets and liabilities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	876,465	(813,402)	-	63,063
Other DfE / ESFA grants	-	171,925	(171,925)	-	-
Other government grants	-	155,274	(155,274)	-	-
Other restricted funds	23,145	44,960	(68,105)	-	-
Pension reserve	(898,000)	-	(84,000)	75,000	(907,000)
	<u>(874,855)</u>	<u>1,248,624</u>	<u>(1,292,706)</u>	<u>75,000</u>	<u>(843,937)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,404,075	-	(51,280)	-	2,352,795
DfE group capital grants	11,921	7,047	(4,543)	-	14,425
	<u>2,415,996</u>	<u>7,047</u>	<u>(55,823)</u>	<u>-</u>	<u>2,367,220</u>
<b>Total restricted funds</b>	<u>1,541,141</u>	<u>1,255,671</u>	<u>(1,348,529)</u>	<u>75,000</u>	<u>1,523,283</u>
<b>Unrestricted funds</b>					
General funds	<u>21,284</u>	<u>25,059</u>	<u>(5,358)</u>	<u>-</u>	<u>40,985</u>
<b>Total funds</b>	<u>1,562,425</u>	<u>1,280,730</u>	<u>(1,353,887)</u>	<u>75,000</u>	<u>1,564,268</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,791,039	(1,749,089)	-	41,950
Other DfE / ESFA grants	-	330,577	(330,577)	-	-
Other government grants	-	300,353	(300,353)	-	-
Other restricted funds	23,145	116,104	(139,249)	-	-
Pension reserve	(898,000)	-	(200,000)	267,000	(831,000)
	<u>(874,855)</u>	<u>2,538,073</u>	<u>(2,719,268)</u>	<u>267,000</u>	<u>(789,050)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,404,075	-	(103,217)	-	2,300,858
DfE group capital grants	11,921	47,108	(9,083)	-	49,946
	<u>2,415,996</u>	<u>47,108</u>	<u>(112,300)</u>	<u>-</u>	<u>2,350,804</u>
<b>Total restricted funds</b>	<u>1,541,141</u>	<u>2,585,181</u>	<u>(2,831,568)</u>	<u>267,000</u>	<u>1,561,754</u>
<b>Unrestricted funds</b>					
General funds	21,284	43,438	(12,827)	-	51,895
	<u>21,284</u>	<u>43,438</u>	<u>(12,827)</u>	<u>-</u>	<u>51,895</u>
<b>Total funds</b>	<u>1,562,425</u>	<u>2,628,619</u>	<u>(2,844,395)</u>	<u>267,000</u>	<u>1,613,649</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	2,343,528	2,343,528
Current assets	219,586	41,950	7,276	268,812
Creditors falling due within one year	(167,691)	-	-	(167,691)
Defined benefit pension liability	-	(831,000)	-	(831,000)
<b>Total net assets</b>	<u>51,895</u>	<u>(789,050)</u>	<u>2,350,804</u>	<u>1,613,649</u>



# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	2,367,220	2,367,220
Current assets	176,025	63,063	-	239,088
Creditors falling due within one year	(135,040)	-	-	(135,040)
Defined benefit pension liability	-	(907,000)	-	(907,000)
<b>Total net assets</b>	<b>40,985</b>	<b>(843,937)</b>	<b>2,367,220</b>	<b>1,564,268</b>

### 19 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £72,369 (2017: £72,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.8% for employers and 5.5-12.5% for employees.

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

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Employer's contributions	79,000	60,000
Employees' contributions	23,000	19,000
Total contributions	102,000	79,000

<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.8	4.2
Rate of increase for pensions in payment/inflation	2.3	2.7
Discount rate for scheme liabilities	2.65	2.6
Inflation assumption (CPI)	2.3	0.9
RPI increase	3.3	3.6

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.3	22.2
- Females	24.8	24.7
Retiring in 20 years		
- Males	24.5	24.3
- Females	27.1	27.0

	+0.1%	0.0%	-0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	1,531,000	1,567,000	1,604,000
Projected service cost	147,000	151,000	155,000

	+0.1%	0.0%	-0.1%
Adjustment to long term salary increase	£	£	£
Present value of total obligation	1,571,000	1,567,000	1,563,000
Projected service cost	151,000	151,000	151,000

	+0.1%	0.0%	-0.1%
Adjustment to pension increases and deferred revaluation	£	£	£
Present value of total obligation	1,600,000	1,567,000	1,535,000
Projected service cost	155,000	151,000	147,000

	+1 Year	None	-1 Year
Adjustment to life expectancy assumptions	£	£	£
Present value of total obligation	1,622,000	1,567,000	1,514,000
Projected service cost	156,000	151,000	146,000

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

	2018 Fair value £	2017 Fair value £
Equities	469,000	402,000
Gilts	39,000	38,000
Other bonds	43,000	24,000
Cash	25,000	19,000
Property	66,000	60,000
Other assets	94,000	73,000
Total market value of assets	736,000	616,000

The actual return on scheme assets was £40,000 (2017: £15,000).

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	172,000	125,000
Interest cost	23,000	19,000
Total operating charge	195,000	144,000
<b>Changes in the present value of defined benefit obligations</b>		<b>2018 £</b>
At 1 September 2017		1,523,000
Current service cost		172,000
Interest cost		40,000
Employee contributions		23,000
Actuarial gain		(169,000)
Benefits paid		(22,000)
At 31 August 2018		1,567,000
<b>Changes in the fair value of the academy trust's share of scheme assets</b>		<b>2018 £</b>
At 1 September 2017		616,000
Interest income		17,000
Actuarial gain		23,000
Employer contributions		79,000
Employee contributions		23,000
Benefits paid		(22,000)
At 31 August 2018		736,000

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2018	2017
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(142,619)	(73,157)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(40,061)	(7,047)
Investment income receivable	(192)	(250)
Defined benefit pension costs less contributions payable	93,000	65,000
Defined benefit pension net finance cost	23,000	19,000
Depreciation of tangible fixed assets	56,477	55,823
Decrease in stocks	283	-
(Increase) in debtors	(2,539)	(651)
Increase in creditors	32,651	21,370
<b>Net cash provided by operating activities</b>	<b>20,000</b>	<b>80,088</b>

### 21 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	1,158	1,158
Amounts due in two and five years	676	1,834
	<u>1,834</u>	<u>2,992</u>

### 22 Related party transactions

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

### 23 Members' liability

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 24 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for funds and net income or expenditure, as follows.

Reconciliation of net income/(expenditure) for the previous financial period	Notes	2017 £
Net expenditure as previously reported		(73,157)
Adjustments arising:		
Funding for educational operations	1	92,644
Other trading activities	1	(92,644)
Expenditure on raising funds	2	35,574
Expenditure on charitable activities	2	(35,574)
Net expenditure as restated		<u>(73,157)</u>

#### Notes to restatement

##### Note 1

The Universal Infant Free School Meals grant has been reallocated from other trading activities to funding for education operations, to be consistent with the analysis in the AAR. This has no overall impact on the net expenditure for the year or the funds carried forward.

##### Note 2

The expenditure on catering consumables has been reallocated from expenditure on raising funds to expenditure on charitable activities, in order to be consistent with the allocation of income. This has no overall effect on the net expenditure for the year or the funds carried forward.