

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 2019**

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

L Evans  
IJ Holroyd  
GM Williams  
L Hutchings

### Trustees

IJ Holroyd (Chair)  
GM Williams  
L Evans (Resigned 31 August 2019)  
L Hutchings (Resigned 9 November 2018)  
G Moore  
PL Burls  
J Batch  
D Glanville  
C Ryan  
SV Proctor (Principal)  
S Basnett (Appointed 1 September 2018)  
K Wall (Appointed 1 September 2018)

### 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 2019**

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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 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic 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 just over 300 pupils. We provide an 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. As part of the school's wrap around care, parents are offered to pay for child care both before and after school. These sessions are run by members of staff from the school and are open to both children at the Infant and local junior school.

### **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.

The charitable company is known as Hadleigh Infants and Nursery School (Academy).

#### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, 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 2019

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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 six times a year. At these meetings the overall performance and direction of the Academy is reviewed - this includes key performance indicators, associated risks and mitigation for them. The majority of decisions reserved to the governors are taken by the board as a whole. Small working groups may be arranged during Full Governing Body meetings if the board would like to investigate individual matters further. These working groups then feedback their findings which could lead to recommendations being made to the full board. During the Full Governing Body meetings, the governors challenge and support school leaders linked to the areas stated below:

- Finance
- Curriculum
- Behaviour
- Personnel
- Safeguarding
- Wellbeing
- Premises / Health and safety
- Data protection

In addition to the Full Governing Body, the school also has three committees that meet when needed during the academic year. These committees are:

- Audit
- Disciplinary
- Pay (including Head Teacher's Pay)

The Audit Committee ensures that the school meets its statutory requirements as set out in the Academies Financial Handbook 2019. It also directs the school's Responsible Office as to which areas they would like him to audit throughout the academic year. The committee also holds the Accounting Officer to account for the recommendations set out from any external or internal audits that have been completed during the academic year. At each meeting the Accounting Officer will set out what actions have been taken since the previous audits and update the committee of any further work that is required.

The Pay Committee ratify or challenge recommendations - linked to pay progression matters - made by the Head Teacher. As part of these meetings, the Head Teacher will set out his recommendations with evidence of the outcomes of performance management that has been carried out by the staff. The Pay Committee also make decisions on the percentage increments, to annual salaries, as recommended by the School Teachers' Review Body and/or the DfE.

The three committees stated above report back to the Full Governing Body, after they have met, to outline the decisions they have made or to ask to consider any recommendations that cannot be made at committee level.

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

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.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 Full Governing Body.

The Head Teacher's annual salary review is carried out by the Pay Committee consisting of the Chair of Governors and two non-teaching governors. At least one member of this committee has had training linked to Head Teachers Pay. The committee 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, for the teaching staff, to the Pay Committee based on documentary evidence of their achievements against their yearly objectives. The Pay Committee will 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, with whom we share information and knowledge to assist each other in the day to day running of a school. The school also works closely with the Hadleigh Infants and Nursery School Parent Association (charity) - the school provides the charity with the premises and some personnel to help run charitable events. The school is the primary beneficiary of the majority of the proceeds that are raised. All three organisations named in the paragraph are separate companies.

### **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 2019*

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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 2018-2019 were:

- Develop Teaching and Learning to ensure all lessons are good.
- Develop leadership at all levels so it is sharply focused on improvement and self-evaluation.
- Develop robust systems to monitor and address attendance issue.
- 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 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 2018-2019 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 has continued to develop the curriculum offer 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 expectations of all members of our school community including pupils and staff.

In the academic year of 2018/2019 the school's attendance figure continued to improve. By the end of the academic year the school's overall attendance had risen to 96.5% (an improvement compared to 94.3% 2016/2017 and 95.2% 2017/2018). The continued improvement in this area is due to the school now having a much more strategic approach to improving attendance. The importance of attending the school every day is a message shared regularly with the stakeholders and a range of incentives for pupils and parents have also had a positive impact. Despite the improvements made to the school's attendance last year, school leaders recognise that this is still an area that needs to improve for children linked to specific groups during the next academic year.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2019***

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The school has continued to improve 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 procedures has continued to ensure 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 from various audits that have been carried out, 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 2019-2020.

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 - from Reception to Year 2 - have continued to be either in line or above the national average in 9 out of 10 key indicators. Further information about the school's academic results can be located in the Achievements and Performance section of this report. The investment in these areas has continued to increase during the academic year of 2018-2019 compared to levels of investment in 2016/2017 and 2017/2018. The amount of investment in these areas is planned to reduce over the next financial year due to reductions in the budget needing to be made. The Senior Leadership Team will be responsible for ensuring that despite of the reduction in investment there is little if any impact on the outcomes of the children. During the next academic year, the governors will closely monitor this situation and hold the school's leader appropriately accountable.

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 continued to improve 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 pupils in the local area. The Trustees confirm that they have complied with the 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 2019**

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### Strategic report

#### Achievements and performance

##### Early Years Foundation Stage Results - Academic Year 2018 / 2019

	<b>School 18/19</b>	<b>National 18/19</b>
% achieving a Good Level of Development (GLD)	74%	71.8%
% at least expected in all learning Goals	71.6%	70.7%
Average points score per pupil	35	34.6

Despite the school's percentage of children achieving a Good Level of Development reducing, the school still performed better than the national average. During the 2018/2019 academic year, the school's percentage of children achieving a Good Level of Development dropped by 3% compared to the same measure in 2017/2018. Despite the performance of the EYFS reducing in all areas during the 2018/2019 academic year compared to the 2017/2018 data, we have still seen growth from 2016/2017 data. The school is currently 2% higher than the percentage of children achieving a Good Level of Development in 2016/2017 and 1.6% higher than the percentage of children achieving the expected level in all Early Learning Goals. The majority of children in EYFS made good or better progress over the 2018/2019 academic year. The percentage of children making good or better progress increased from 2017/2018 despite less children leaving Reception working at a Good Level of Development. This was a result of the children starting reception with lower starting points compared to the 2017/2018 cohort.

There have been many factors that have contributed to the reductions seen this year. Only one member of the 2017/2018 team continued to work in the EYFS during the 2018/2019 academic year. This resulted in less consistency as the new members of staff readjusted moving to a new phase. The school also saw the children starting with lower starting points compared to previous cohorts. After reviewing the previous year, it was also clear that additional resources for both the indoor and outdoor classroom will need to be purchased in 2019/2020 to ensure the children have more opportunities to develop, refine and extend their skills. The Head Teacher, trustees, members and senior leaders have reviewed the past year and have set appropriate targets for 2019/2020 to ensure that progress in the Early Years will see increases on the 2018/2019 data.

##### Year 1 Phonics Results - Academic Year 2018 / 2019

	<b>School 18/19</b>	<b>National 18/19</b>
Percentage of pupils meeting the expected standard	82%	82%

The percentage of pupils achieving the expected level in the Phonic Screening Check decreased in the academic year 2018/2019 (decrease of 9%) compared to 2017/2018 (91%). We have also seen a decrease in the average points score for the check from 35.1 (in 2017/2018) to 33.2 this year. The school's 2018/2019 Year 1 Phonics Screening Check data is in line with the National Average. During the past year, the school took a different approach to the teaching of reading to ensure that there was less of a difference between the children who were able to pass the Phonics Screening Check and those who were able to meet the expected standard in Reading by the end of Key Stage 1. As a result of this the school put an equal weight on phonics and comprehension. This was the primary factor of the drop in performance in the Phonics Screening Check. The Head Teacher, trustees, members and senior leaders have reviewed the past year and have set appropriate targets for 2019/2020 to ensure that despite of our change in provision we will continue to remain above the National Average.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Key Stage 1 Results – Academic Year 2018 / 2019

		<b>School 18/19</b>	<b>National 18/19</b>
	Eligible Pupils	89	-
Reading/Writing/Maths(RWM)	% at least expected	65%	-
Reading		78%	75%
Writing		69%	69%
Maths		76%	76%
Reading/Writing/Maths	% at greater depth	15%	-
Reading		23%	25%
Writing		17%	15%
Maths		32%	22%

The school has seen increases in Reading and Reading, Writing and Maths combined compared the school's data in 2017/2018. The percentage of children achieving the expected level in Reading has increased by 3% and the percentage of children working at the expected level in Reading, Writing and Maths combined has increased by 1%. During the 2018/2019 academic year, the school's percentage of children achieving the expected standard in Reading, Writing and Maths is either inline or above the National Average. The school has seen an increase of 13% of children working at the expected level in Reading, Writing and Maths combined compared to 2016/2017 data. Maths has also increased by the same amount during the same time frame. During the past academic year, the school has also seen its highest levels of children working at the greater depth of the expected level. The school saw an increase in all three areas compared to the 2017/2018 data. These increases now see the school above the National Average in Writing and Maths of the areas and just below in Reading.

During the past year, school leaders have continued to make 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 have ensured that progress had been made against the school's targets. The Head Teacher, trustees, members and senior leaders have reviewed the past year and have set appropriate targets for 2019/2020 to ensure the school continues to develop further resulting in all assessment indicators being above the National Average in 2019/2020.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Key performance indicators

During the academic year of 2018/2019 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 in its end of Key Stage 1 data (compared to 2017/2018). As set out in the Achievements and Performance section of this report, the outcomes of pupils - from Reception to Year 2 - have continued to be either in line or above the National Average in 9 out of 10 key indicators. The school has seen large percentage increase linked to its GD data. Once the data has been broken down, there are clear three year improvements associated to many of the identified groups.

The school's approach to improving attendance has continued to have a positive impact on the school's attendance figures. We have also seen a further increase in the average attendance percentage to 96.5% in 2018/2019 (compared 95.2% 2017/2018 and 94.9% 2016/2017). During 2018/2019, the school has also seen the percentage of children regarded as persistent absentees reduce further to 8.3% from 9% (2017/2018) and 12.5% (2016/2017).

Throughout the academic year of 2018/2019, the school has received two visits from external education advisors. During these visits, it has been clear that the school is making improvements in all aspects of school life including: quality of provision, SEN, Pupil Premium 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.

The school's wrap around care has continued to provide the school with an additional funding avenue.

At the end of the 2018/2019 academic year, the Vice Chair of the academy resigned after spending 4 years serving as governors at the school. The governing body have yet to elect a new Vice Chair. This will be completed at the academies AGM.

#### 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 Accounting Policies note of the financial statements.

#### **Financial review**

During the year the school has total incoming resources of £1,450,235 (2018: £1,347,889), it incurred expenses totalling £1,545,688 (2018: £1,490,508), generating an operating deficit of £95,453 (2018: £142,619). There was an actuarial loss on the Local Government Pension Scheme (LGPS) of £147,000 (2018: £192,000 gain) The total Net Assets of the Academy at the year end were £1,371,195 (2018: £1,613,649) which is represented by Restricted Fixed Asset Fund of £2,311,926 (2018: £2,350,804), a Restricted General Fund of £78,920 (2018: £41,950), the LGPS deficit of £1,088,000 (2018: £831,000) and an Unrestricted Fund of £68,349 (2018: £51,895).

#### 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.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 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.

### Principal risks and uncertainties

The Academy maintains a risk register which is regularly monitored by the Full Governing Body, who review and make necessary changes at each of the six meetings during the year, to ensure that any new risks are identified and existing risks can be managed to ensure they do not materialise.

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  
Is that the school's three-year plan considers different possibilities to ensure that the school can still be sustainable even in the worst case scenario. The school also has a good relationship with the local MP and 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, senior leadership posts would be able to 'act up'.
- The impact of further national rises in staffing costs including pensions and annual rises. The control in place is that the Pay Committee produce the school's Pay Policy and only approve salary rises if affordable and funded by government additional grants.
- The impact of continually not filling the cohorts - as the school's funding is linked directly with the number of children on roll. The control in place to mitigate this is to continue to promote the school better using a range of sources: local media, social media and the school's own website. The school also advertises during the academic year to fill spaces that were not filled at the beginning of the year.

### 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.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Plans for future periods**

The Head Teacher, Finance Officer and a select group of trustees/members will continue to meet to plan and deliver a strategy to further reduce spending without having a negative impact on the overall outcomes of the pupils. This group will look specifically at how to maximise the most from each of the cost centres increasing the school's value for money spent. This group will also continue to look at the long term vision for the school and consider any further changes that may be required within the staffing structure to ensure that costs are manageable. Both of these actions will support the school's long term sustainability and reduce the percentage of staffing costs in the overall expenditure of the school. Any further reductions to salaries will also have a positive impact on reducing overall staffing costs such as pensions and national insurance contributions. This group will also look at how we can continue to maximise the income from the school's wrap around care provision and lettings. The wrap around care prices will be increased for 2019/2020. The school is also planning to provide additional child care for pupils during INSET days and part of the summer holidays. Parents will be charged for this service.

During 2019/2020, the Head Teacher and Finance Officer are going to identify other advisory services that can be changed to ensure that the school gets better value for money. The school recently changed its Health and Safety advisory service; as a result of this the school now receives more support for the same price it was recently paying. The services to be looked into are: Payroll and HR.

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 98% of pupils attending the Nursery then attend the Infant School (September 2019/2020).

The school has recently invested in the some of the outdoor areas on the site. The school will continue to look at how the overall resources both inside and outside of the school can be further developed. 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 further use advertisement to attract additional parents of pupils to fill the vacant spaces in all year groups. Early numbers indicate that there are 25 places within the school that can still be filled. If all of the spaces are filled this could see the school's GAG budget increase by £87,500.

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

None held

### **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 05 December 2019 and signed on its behalf by:

IJ Holroyd  
**Chair**

SV Proctor  
**Principal**

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 6 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)	6	6
GM Williams	3	6
L Evans (Resigned 31 August 2019)	5	6
L Hutchings (Resigned 9 November 2018)	0	1
G Moore	2	6
PL Burls	6	6
J Batch	3	6
D Glanville	6	6
C Ryan	3	6
SV Proctor (Principal)	6	6
S Basnett (Appointed 1 September 2018)	4	6
K Wall (Appointed 1 September 2018)	4	6

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)	1	1
L Evans (Resigned 31 August 2019)	1	1
L Hutchings (Resigned 9 November 2018)	0	1
J Batch	1	1
C Ryan	0	1
SV Proctor (Principal)	1	1

### 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.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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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 period by:

- Advisory services - The accounting officer and finance officer have explored a range of providers for select advisory services such as Health and Safety. In 2018/2019 the school 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. During 2019/2020, the Head Teacher and Finance Officer are going to identify other advisory services that can be changed to ensure that the school gets better value for money these will be Payroll and HR.
- 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 increased considerably.
- Key training is delivered by the school's senior leaders. The Head Teacher has completed high level training linked to Safeguarding and Health and Safety; this training has allowed him to complete regular and routine training which the school had previously paid for. It is estimated that this will save the school anywhere from £1000 - £2000 per year on outsourced training costs.
- 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 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of 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 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 P Sedgwick, from the external auditor, to perform a programme of material checks.

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. The Audit Committee shares this information with the Full Governing Body.

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 05 December 2019 and signed on its behalf by:

IJ Holroyd  
**Chair**

SV Proctor  
**Principal**

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

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

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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 2018.

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 2018.

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

SV Proctor  
**Accounting Officer**

05 December 2019

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 05 December 2019 and signed on its behalf by:

IJ Holroyd  
**Chair**

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 2019**

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### Opinion

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

In our opinion the accounts:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

# 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 2019**

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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 2019***

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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**

9 December 2019

**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 2019***

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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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 2019***

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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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

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

Dated: 09 December 2019

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	18,867	-	19,570	38,437	57,153
Charitable activities:						
- Funding for educational operations	4	-	1,407,815	-	1,407,815	1,284,767
Other trading activities	5	3,620	-	-	3,620	5,777
Investments	6	363	-	-	363	192
<b>Total</b>		<u>22,850</u>	<u>1,407,815</u>	<u>19,570</u>	<u>1,450,235</u>	<u>1,347,889</u>
<b>Expenditure on:</b>						
Raising funds	7	-	-	-	-	1,455
Charitable activities:						
- Educational operations	8	6,395	1,480,845	58,448	1,545,688	1,489,053
<b>Total</b>	7	<u>6,395</u>	<u>1,480,845</u>	<u>58,448</u>	<u>1,545,688</u>	<u>1,490,508</u>
<b>Net income/(expenditure)</b>		16,455	(73,030)	(38,878)	(95,453)	(142,619)
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(147,000)	-	(147,000)	192,000
<b>Net movement in funds</b>		16,455	(220,030)	(38,878)	(242,453)	49,381
<b>Reconciliation of funds</b>						
Total funds brought forward		51,894	(789,050)	2,350,804	1,613,648	1,564,268
Total funds carried forward		<u>68,349</u>	<u>(1,009,080)</u>	<u>2,311,926</u>	<u>1,371,195</u>	<u>1,613,649</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2018
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	12,410	4,682	40,061	57,153
Charitable activities:					
- Funding for educational operations	4	-	1,284,767	-	1,284,767
Other trading activities	5	5,777	-	-	5,777
Investments	6	192	-	-	192
<b>Total</b>		<u>18,379</u>	<u>1,289,449</u>	<u>40,061</u>	<u>1,347,889</u>
<b>Expenditure on:</b>					
Raising funds	7	1,455	-	-	1,455
Charitable activities:					
- Educational operations	8	6,014	1,426,562	56,477	1,489,053
<b>Total</b>	7	<u>7,469</u>	<u>1,426,562</u>	<u>56,477</u>	<u>1,490,508</u>
<b>Net income/(expenditure)</b>		10,910	(137,113)	(16,416)	(142,619)
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	192,000	-	192,000
<b>Net movement in funds</b>		10,910	54,887	(16,416)	49,381
<b>Reconciliation of funds</b>					
Total funds brought forward		40,985	(843,937)	2,367,220	1,564,268
Total funds carried forward		<u>51,895</u>	<u>(789,050)</u>	<u>2,350,804</u>	<u>1,613,649</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,311,645		2,343,528
<b>Current assets</b>					
Debtors	14	21,412		8,734	
Cash at bank and in hand		264,180		260,078	
		<u>285,592</u>		<u>268,812</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(138,042)		(167,691)	
<b>Net current assets</b>			147,550		101,121
<b>Net assets excluding pension liability</b>			2,459,195		2,444,649
Defined benefit pension scheme liability	18	(1,088,000)		(831,000)	
<b>Total net assets</b>			<u>1,371,195</u>		<u>1,613,649</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			2,311,926		2,350,804
- Restricted income funds			78,920		41,950
- Pension reserve			(1,088,000)		(831,000)
<b>Total restricted funds</b>			<u>1,302,846</u>		<u>1,561,754</u>
<b>Unrestricted income funds</b>	16		68,349		51,895
<b>Total funds</b>			<u>1,371,195</u>		<u>1,613,649</u>

The accounts on pages 22 to 43 were approved by the trustees and authorised for issue on 05 December 2019 and are signed on their behalf by:

IJ Holroyd  
Chair

SV Proctor  
Principal

Company Number 07698504

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		10,735		20,000
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		363		192	
Capital grants from DfE Group		19,570		40,061	
Purchase of tangible fixed assets		(26,566)		(32,785)	
<b>Net cash (used in)/provided by investing activities</b>			(6,633)		7,468
<b>Net increase in cash and cash equivalents in the reporting period</b>			4,102		27,468
Cash and cash equivalents at beginning of the year			260,078		232,610
<b>Cash and cash equivalents at end of the year</b>			<u>264,180</u>		<u>260,078</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 2018 to 2019 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 i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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 2019

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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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

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 2019

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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 2019

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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 Taxation

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

#### 1.10 Pensions benefits

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

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

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

#### 1.11 Fund accounting

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

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.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 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.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Private sponsorship	10	-	10	3,749
Capital grants	-	19,570	19,570	40,061
Other donations	18,857	-	18,857	13,343
	<u>18,867</u>	<u>19,570</u>	<u>38,437</u>	<u>57,153</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	969,988	969,988	914,574
Other DfE group grants	-	195,003	195,003	158,652
	-	1,164,991	1,164,991	1,073,226
<b>Other government grants</b>				
Special educational projects	-	163,520	163,520	145,079
<b>Other funding</b>				
Other incoming resources	-	79,304	79,304	66,462
<b>Total funding</b>	-	1,407,815	1,407,815	1,284,767

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	3,620	-	3,620	4,390
Catering income	-	-	-	238
Other income	-	-	-	1,149
	3,620	-	3,620	5,777

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	363	-	363	192

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	-	-	-	-	1,455
Academy's educational operations					
- Direct costs	935,227	-	68,126	1,003,353	957,821
- Allocated support costs	304,022	137,665	100,648	542,335	531,232
	<u>1,239,249</u>	<u>137,665</u>	<u>168,774</u>	<u>1,545,688</u>	<u>1,490,508</u>

Net income/(expenditure) for the year includes:	2019 £	2018 £
Fees payable to auditor for:		
- Audit	8,700	8,700
- Other services	264	1,864
Depreciation of tangible fixed assets	58,448	56,477
Net interest on defined benefit pension liability	21,000	23,000
	<u>88,412</u>	<u>90,041</u>

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	5,744	997,609	1,003,353	957,821
<b>Support costs</b>				
Educational operations	651	541,684	542,335	531,232
	<u>6,395</u>	<u>1,539,293</u>	<u>1,545,688</u>	<u>1,489,053</u>

Analysis of costs	2019 £	2018 £
<b>Direct costs</b>		
Teaching and educational support staff costs	935,227	877,190
Staff development	6,577	10,298
Educational supplies and services	43,165	51,369
Educational consultancy	5,211	5,212
Other direct costs	13,173	13,752
	<u>1,003,353</u>	<u>957,821</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities (Continued)

#### Support costs

Support staff costs	304,022	299,911
Depreciation	58,448	56,477
Maintenance of premises and equipment	26,828	27,353
Cleaning	13,146	12,324
Rent, rates and other occupancy costs	26,180	23,912
Insurance	8,733	7,401
Security and transport	4,330	1,662
Catering	37,901	34,427
Finance costs	21,000	23,000
Other support costs	32,583	34,201
Governance costs	9,164	10,564
	<u>542,335</u>	<u>531,232</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	894,995	874,480
Social security costs	61,155	56,348
Pension costs	246,564	243,482
Amounts paid to employees	<u>1,202,714</u>	<u>1,174,310</u>
Agency staff costs	1,984	2,791
Staff restructuring costs	34,551	-
Amounts paid to staff	<u>1,239,249</u>	<u>1,177,101</u>
Staff development and other staff costs	6,577	10,298
Total staff expenditure	<u>1,245,826</u>	<u>1,187,399</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>34,551</u>	<u>-</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Staff

(Continued)

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	12	13
Administration and support	46	51
Management	3	3
	<u>61</u>	<u>67</u>

#### 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 £250,890 (2018 - £224,385).

### 10 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):

Remuneration: £50,000 - £55,000 (2018 - £50,000 - £55,000)

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

#### D Glanville (Staff governor):

Remuneration: £35,000 - £40,000 (2018 - £35,000 - £40,000)

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

#### K Ryan (Staff governor):

Remuneration: £40,000 - £45,000 (2018 - £40,000 - £45,000)

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

#### P Burls (Staff governor):

Remuneration: £15,000 - £20,000 (2018 - £15,000 - £20,000)

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

During the year ended 31 August 2019, Governor expenses totalling £nil (2018 - £106) were reimbursed directly to no trustees (2018 - 1).

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 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.

### 12 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Furniture and equipment £	Total £
<b>Cost</b>				
At 1 September 2018	2,696,824	80,557	10,966	2,788,347
Additions	11,916	7,476	7,174	26,566
	<u>2,708,740</u>	<u>88,033</u>	<u>18,140</u>	<u>2,814,913</u>
At 31 August 2019	2,708,740	88,033	18,140	2,814,913
	<u>2,708,740</u>	<u>88,033</u>	<u>18,140</u>	<u>2,814,913</u>
<b>Depreciation</b>				
At 1 September 2018	355,648	78,207	10,964	444,819
Charge for the year	52,175	4,840	1,434	58,449
	<u>407,823</u>	<u>83,047</u>	<u>12,398</u>	<u>503,268</u>
At 31 August 2019	407,823	83,047	12,398	503,268
	<u>407,823</u>	<u>83,047</u>	<u>12,398</u>	<u>503,268</u>
<b>Net book value</b>				
At 31 August 2019	2,300,917	4,986	5,742	2,311,645
	<u>2,300,917</u>	<u>4,986</u>	<u>5,742</u>	<u>2,311,645</u>
At 31 August 2018	2,341,176	2,350	2	2,343,528
	<u>2,341,176</u>	<u>2,350</u>	<u>2</u>	<u>2,343,528</u>

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

### 13 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,917	4,926
	<u>3,917</u>	<u>4,926</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	16,850	17,303
	<u>16,850</u>	<u>17,303</u>

### 14 Debtors

	2019 £	2018 £
Trade debtors	677	35
VAT recoverable	2,415	931
Prepayments and accrued income	18,320	7,768
	<u>21,412</u>	<u>8,734</u>
	<u>21,412</u>	<u>8,734</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year			2019	2018	
			£	£	
Other taxation and social security			35,478	32,959	
Other creditors			85,026	101,947	
Accruals and deferred income			17,538	32,785	
			<u>138,042</u>	<u>167,691</u>	
			<u><u>138,042</u></u>	<u><u>167,691</u></u>	
16 Funds	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	41,950	969,988	(953,226)	-	58,712
Other DfE / ESFA grants	-	195,003	(174,795)	-	20,208
Other government grants	-	163,520	(163,520)	-	-
Other restricted funds	-	79,304	(79,304)	-	-
Pension reserve	(831,000)	-	(110,000)	(147,000)	(1,088,000)
	<u>(789,050)</u>	<u>1,407,815</u>	<u>(1,480,845)</u>	<u>(147,000)</u>	<u>(1,009,080)</u>
	<u><u>(789,050)</u></u>	<u><u>1,407,815</u></u>	<u><u>(1,480,845)</u></u>	<u><u>(147,000)</u></u>	<u><u>(1,009,080)</u></u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	2,300,858	-	(48,000)	(240,858)	2,012,000
DfE group capital grants	49,946	19,570	(10,448)	240,858	299,926
	<u>2,350,804</u>	<u>19,570</u>	<u>(58,448)</u>	<u>-</u>	<u>2,311,926</u>
	<u><u>2,350,804</u></u>	<u><u>19,570</u></u>	<u><u>(58,448)</u></u>	<u><u>-</u></u>	<u><u>2,311,926</u></u>
<b>Total restricted funds</b>	<u><u>1,561,754</u></u>	<u><u>1,427,385</u></u>	<u><u>(1,539,293)</u></u>	<u><u>(147,000)</u></u>	<u><u>1,302,846</u></u>
<b>Unrestricted funds</b>					
General funds	<u>51,894</u>	<u>22,850</u>	<u>(6,395)</u>	<u>-</u>	<u>68,349</u>
	<u><u>51,894</u></u>	<u><u>22,850</u></u>	<u><u>(6,395)</u></u>	<u><u>-</u></u>	<u><u>68,349</u></u>
<b>Total funds</b>	<u><u>1,613,648</u></u>	<u><u>1,450,235</u></u>	<u><u>(1,545,688)</u></u>	<u><u>(147,000)</u></u>	<u><u>1,371,195</u></u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 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 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 2019

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	2,311,645	2,311,645
Current assets	129,168	156,143	281	285,592
Creditors falling due within one year	(60,819)	(77,223)	-	(138,042)
Defined benefit pension liability	-	(1,088,000)	-	(1,088,000)
<b>Total net assets</b>	<b>68,349</b>	<b>(1,009,080)</b>	<b>2,311,926</b>	<b>1,371,195</b>

	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>	<b>51,895</b>	<b>(789,050)</b>	<b>2,350,804</b>	<b>1,613,649</b>

### 18 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.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £74,598 (2018: £72,369).

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.

Total contributions made	2019 £	2018 £
Employer's contributions	83,000	79,000
Employees' contributions	23,000	23,000
Total contributions	<u>106,000</u>	<u>102,000</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.2	2.3
RPI increase	3.2	3.3

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

	2019 Years	2018 Years
Retiring today		
- Males	21.3	22.3
- Females	23.6	24.8
Retiring in 20 years		
- Males	23.0	24.5
- Females	25.4	27.1

	+0.1%	0.0%	-0.1%
<b>Adjustment to discount rate</b>	£	£	£
Present value of total obligation	1,934,000	1,980,000	2,027,000
Projected service cost	173,000	177,000	182,000

	+0.1%	0.0%	-0.1%
<b>Adjustment to long term salary increase</b>	£	£	£
Present value of total obligation	1,985,000	1,980,000	1,975,000
Projected service cost	177,000	177,000	177,000

	+0.1%	0.0%	-0.1%
<b>Adjustment to pension increases and deferred revaluation</b>	£	£	£
Present value of total obligation	2,022,000	1,980,000	1,939,000
Projected service cost	182,000	177,000	173,000

	+1 Year	None	-1 Year
<b>Adjustment to life expectancy assumptions</b>	£	£	£
Present value of total obligation	2,059,000	1,980,000	1,904,000
Projected service cost	184,000	177,000	171,000

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	563,000	469,000
Gilts	49,000	39,000
Other bonds	50,000	43,000
Cash	26,000	25,000
Property	71,000	66,000
Other assets	133,000	94,000
Total market value of assets	<u>892,000</u>	<u>736,000</u>

The actual return on scheme assets was £65,000 (2018: £40,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	151,000	172,000
Past service cost	21,000	-
Interest cost	21,000	23,000
Total operating charge	<u>193,000</u>	<u>195,000</u>

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	1,567,000
Current service cost	151,000
Interest cost	42,000
Employee contributions	23,000
Actuarial loss/(gain)	191,000
Benefits paid	(15,000)
Past service cost	21,000
At 31 August 2019	<u>1,980,000</u>

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations (Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

		<b>2019</b>
		<b>£</b>
At 1 September 2018		736,000
Interest income		21,000
Actuarial gain		44,000
Employer contributions		83,000
Employee contributions		23,000
Benefits paid		(15,000)
		892,000
At 31 August 2019		892,000

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the statement of financial activities)	(95,453)	(142,619)
Adjusted for:		
Capital grants from DfE and other capital income	(19,570)	(40,061)
Investment income receivable	(363)	(192)
Defined benefit pension costs less contributions payable	89,000	93,000
Defined benefit pension scheme finance cost	21,000	23,000
Depreciation of tangible fixed assets	58,448	56,477
Decrease in stocks	-	283
(Increase) in debtors	(12,678)	(2,539)
(Decrease)/increase in creditors	(29,649)	32,651
	10,735	20,000
<b>Net cash provided by operating activities</b>	<b>10,735</b>	<b>20,000</b>

### 20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	676	1,158
Amounts due in two and five years	-	676
	676	1,834
	676	1,834

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **21 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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 10.

### **22 Members' liability**

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