

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 2020

!RickardLuckin

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

L Evans
IJ Holroyd
GM Williams
L Hutchings

Trustees

IJ Holroyd (Chair)
GM Williams (Resigned 30 November 2019)
G Moore (Resigned 31 August 2020)
PL Burls
J Batch
D Glanville
C Ryan
SV Proctor (Principal)
S Basnett
K Wall
J Hunt (Appointed 11 November 2019)
D Long (Appointed 11 November 2019)
E Hunt (Appointed 11 November 2019)
LW Wyatt (Appointed 11 November 2019)
R Conran (Appointed 1 December 2019)

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 2020

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. 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 2020

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 reviewer 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 2020

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 2020

Objectives, strategies and activities

The Hadleigh Infants & Nursery School (Academy) provides a broad and balanced curriculum for the pupils who attend (currently 303).

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 2019 - 2020 were:

- Construct an inclusive, broad, balanced and challenging school curriculum that has our values, ethos, wellbeing, SMSC and British Values at the centre which is effectively implemented through high quality teaching and learning.
- Develop the attitudes of children to ensure that they are resilient and take pride in their work and achievements and attend school regularly and on time.
- Provide children with experiences and opportunities that develop and stretch their talents and interests and teaches them how to stay physically and mentally healthy citizens who contribute positively to society.
- Governors ensure that all leaders, including middle leaders, have a clear vision of intent and strategy for the quality of education and hold leaders to account effectively for its implementation of the individual and collective intents.
- Develop the provision of Early Years to ensure that all children have access to and benefit from an ambitious, engaging and meaningful curriculum providing them with the skills and knowledge to be successful in Key Stage 1.

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 Full Governing Body meetings that took place during the past 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 2019-2020 all targets had mostly been met; however, due to the circumstances that the school has been faced with over the past year, these targets are likely to need further developing over the coming year to ensure that they are fully embedded.

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

During the past year, the Head Teacher, members, trustees, senior leaders and staff have ensured that the children at the school have been provided with the best educational opportunities both at school and whilst working from home during the Lockdown. The school ensured that its values and key objectives continued to be met during the period of closure and phased reopening in the summer. The teaching staff continued to ensure that the children had opportunities to complete academic activities as well as additional opportunities to further develop the school's core values 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.

Before, during and after the lockdown, the school continued to adapt its procedures to ensure that the children were safeguarded from harm. The school's safeguarding leaders met regularly throughout the year (including the lockdown period). During these meetings, the team looked at how to best support and protect our vulnerable children and their families. The school continued to adapt our procedures to ensure we remained in regular contact with our children and their families during the full and partial closure of the school. 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 2020-2021.

The Headteacher, members, trustees and senior leaders have ensured that the teaching staff have been provided with the training and resources they need to ensure that the school continues to meet and exceed its aims and objectives.

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 2020

Strategic report

Achievements and performance

EYFS Teacher Assessment 2019/2020

| | % achieving a Good Level of Development | % achieving the expected standard in all Early Learning Goals |
|-----------------|---|---|
| Reception 19/20 | 74% | 72% |

End of Key Stage 1 Teacher Assessment 2019/2020

| | Reading | | Writing | | Maths | |
|--------------|---------|------|---------|------|-------|------|
| | WAE | WAGD | WAE | WAGD | WAE | WAGD |
| Year 2 19/20 | 76% | 20% | 70% | 16% | 75% | 24% |

During the past year, the school took part in an Ofsted Inspection. The Section 8 Inspection took place over two days in February. During the inspection the inspector completed the following tasks:

- Met with the head teacher and the two assistant head teachers.
- Met with six governors, including the chair of the governing body.
- Examined the single central safeguarding record and the checks that leaders make on staff prior to them starting at the school. The inspector also spoke with those leaders responsible for safeguarding to discuss how pupils are kept safe.
- Spoke to pupils about their experience of school and their views on behaviour and bullying. The inspector also observed pupils' behaviour during lessons and at break times.
- Considered the following subjects in depth: reading, science and physical education. Inspection activities included: evaluation of curriculum planning; scrutiny of improvement plans; visits to lessons with leaders; scrutiny of pupils' work; listening to pupils read; discussions with subject leaders and teachers; and discussions with pupils.
- Took account of the 124 responses to Ofsted's online survey, Parent View, and 121 free-text comments. The inspector also considered the 31 responses to the survey for staff.

The report states -

'Hadleigh Infant and Nursery School continues to be a good school.'

This is a school that is extremely popular with its pupils and parents. They love the family atmosphere, and pupils radiate enthusiasm for their work. Pupils study a wide range of subjects. A typical comment from a parent was that their child was highly engaged with their learning and they knew what to do to improve and succeed. Pupils wear their uniforms with pride. They grow in confidence and develop a love of learning as they move through school. They work hard in lessons. Pupils told me that poor behaviour and bullying rarely happen and that staff quickly sort out any problems. Staff have high expectations of pupils. They are committed to equipping pupils with a good work ethic and with values that will enable them to make the right moral choices. Pupils have a rich range of first-hand experiences. They speak with enthusiasm about how they learn from visits and visitors, in particular the reptile visits that took place recently. They enjoy many outdoor learning opportunities. Teachers and teaching assistants encourage them to take responsibility for their own learning. Leaders involve pupils in choosing and shaping learning projects.

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

This school is well led. Staff are fully supportive of the leadership team. The overwhelming majority of those who responded to the staff survey said that the school has improved since the previous inspection. They also said that leaders do all they can to ensure that the school has a motivated, respected and effective teaching staff. School leaders have created an ambitious and carefully planned curriculum. Leaders want every pupil to enjoy learning, find their strengths and achieve highly. Hadleigh Infants' curriculum brings learning to life through memorable experiences such as educational visits and visitors. The curriculum also gives pupils the knowledge and skills that they need for the next stage of their learning. Leaders have devised a learning passport for every pupil that encourages pupils to broaden their experiences and take part in many different activities, such as 'searching for worms outside' and 'tasting something you have never eaten before'. Pupils enjoy these experiences and the challenge to complete as many as possible.

Children settle quickly in the early years. They respond well to routines and expectations. They enjoy learning and playing together. Resources are well organised so children can select what they need. Staff join in with children as they play, to extend learning. Both the indoor and outdoor areas give children lots of opportunities to investigate and explore. For example, during the inspection children in the Nursery were planting potatoes and were using a variety of hand tools. Pupils with special educational needs and/or disabilities (SEND) benefit from the same engaging curriculum as their peers and they take a full part in school activities. They too progress through the curriculum developing key skills because teachers and teaching assistants effectively adapt planning. The special educational needs coordinator works closely with teachers and teaching assistants, giving them good advice on how they can help pupils succeed in their learning. Pupils behave well in class and around the school. They love to be challenged in lessons and most have positive attitudes to their learning. Leaders have worked successfully to enhance pupils' personal development and parents value the work of the school's learning mentor. Pupils are encouraged to pursue their interests. Pupils enjoy the many after-school clubs that the school runs. These include cooking, jigsaws, gymnastics, football and Spanish. Leaders have worked successfully to improve pupils' attendance. Good attendance is celebrated. This encourages pupils to attend regularly. Overall attendance is improving this year as a result.

The arrangements for safeguarding are effective. Pupils feel overwhelmingly safe in school, and their parents share this view. Staff know the pupils and their families very well. They use this knowledge to help them to keep pupils safe. Leaders make sure that staff are well trained, so that they are vigilant and alert to any risks. If an issue arises, leaders take the right steps to involve other agencies that work with children. They keep good records. Leaders make the necessary checks on the staff who join the school. The governing body plays an effective part in safeguarding.'

In March the school was forced to close for the vast majority of pupils. The school remained open for the children of Key Workers and those who had a social worker. During the time of the closure the school provided online education for all of our pupils as well as paper based work for those who could not access the internet. Teaching staff called all families every two weeks and set up emails to ensure that parents and children had the opportunity to remain in contact with school. As a result of this the children were able to continue in their learning journey. At the beginning of June, the school was able to invite back the children in Nursery, Reception and Year 1 on a part time basis. We saw a huge uptake in these sessions which resulted in an average attendance of around 80%. By the end of June, the school was in a position to be able to offer Year 2 children the opportunity to return on a part time basis too. This was taken up by 91% of the children in the year group. During the summer term the school was also able to offer transition activities for the children to ensure that the full reopening in September would be as successful as it possibly could be.

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The school's main KPI is the Ofsted Framework for Inspection. During an Ofsted inspection, inspectors must judge the quality of education provided by the school. This is an overarching judgement. Inspectors will also make graded judgements on the following areas using the four-point scale:

- Quality of education
- Behaviour and attitudes
- Personal development
- Leadership and management.

As stated in the Achievements and Performance section of this report, the school was recently inspected under the framework set out above and was deemed to be Good. Although the school continues to be good, it is clear that the school has made huge amounts of progress from its previous inspection.

During the academic year of 2019/2020 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's approach to improving attendance continued to have a positive impact on the school's attendance figures until March when the school was closed. We also saw a higher % of children return to the school once we started our phased reopening in June compared to Local and national comparisons.

The school's wrap around care has continued to provide the school with an additional funding avenue. The first half of the year saw big increases in the level of generated income from these clubs. The increase in the first half of the year income allowed the school to make no losses with regards to wrap around care even though it was not able to function for the last four months of the academic year whilst still requiring to pay the staff.

At the beginning of the academic year, the Vice Chair of the academy resigned after spending 4 years serving as governor at the school. The governing body appointed two new Vice Chairs. Mr J Batch and Mrs K Wall now both complete the role of Vice Chair with the focus of Finance and Curriculum retrospectively.

During the past year, the school has been accredited with the following awards:

- Key Stage 1 Sports Mark Award
- Bronze Eco Award
- Health Schools award

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 £1,409,217 (2019: £1,450,235), it incurred expenses totalling £1,521,122 (2019: £1,545,688), generating an operating deficit of £111,905 (2019: £95,453). There was an actuarial loss on the Local Government Pension Scheme (LGPS) of £120,000 (2019: £147,000 loss). The total Net Assets of the Academy at the year end were £1,139,290 (2019: £1,371,195) which is represented by Restricted Fixed Asset Fund of £2,260,583 (2019: £2,311,926), a Restricted General Fund of £100,168 (2019: £78,920), the LGPS deficit of £1,307,000 (2019: £1,088,000) and an Unrestricted Fund of £85,539 (2019: £68,349).

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 £28,000. This provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Investment policy

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

Cost implications of COVID - 19

During the month of February, the school began to prepare for the real threat of a global pandemic. By the middle of March, the school had been forced to close for the large majority of children and been asked to provide home learning for those who were to remain at home. Throughout the rest of the academic year, the number of children who were able to return increased. By the end of the academic year, over 85% of children had returned to the school on a part time basis. The school has been directly and indirectly impacted financially by the COVID-19 pandemic. During the financial year 19-20, the school spent an additional £13,468.30 on COVID-19 related transactions. These transactions covered items such as: personal protective equipment, financial support for families, additional staffing and cleaning costs. The cost of the school providing online and home education of around £4,300 is also included in the additional £13,468.30. Due to the school's carry forward increasing at the end of 2019-2020, the school was unable to claim any of the additional costs back from the Department of Education. In addition to these extra costs the academy also lost £33,000 in projected income from the school's lettings and wrap around care provision (projected income from March 2020 until August 2020 - After Schools Club - £21,849 / Breakfast Club - £9,751 / Lettings £1,500). The overall financial cost of COVID-19 to the school during the 2019-2020 financial year totals over £45,000. The academy looked to mitigate against these costs but unfortunately the school didn't meet any of the criteria to be entitled to financial support. As we move into the next financial year, the school will continue to be impacted financially by the pandemic - a group of governors have been formed to ensure that the school is able to navigate the financial implications of COVID-19 until the pandemic is over.

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.

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 during Full Governing Body meetings. Changes are minuted and the risk register is updated accordingly.

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

- The continued financial impact of COVID-19 including the reduction in incomes linked to wrap around care, lettings and increases in resources such as PPE. The controls in place to mitigate the risk is that the school has created a Finance COVID-19 working group who have been tasked with looking at how we can further generate money and plan for the long term future of areas such as wrap around care. These plans will consider a reduction in staffing or closing the offer completely. Additional savings are being planned within the school's 2020/2021 budget to ensure that additional resources such as PPE do not use surplus funds planned to be carried forward.
- 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, annual rises and increased teacher starting salaries. The control in place is that a working group will 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 2020

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 2020/2021. 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. The Head Teacher, Finance Officer and a select group of trustees/members will closely look at how the COVID-19 pandemic restrictions affects the sustainability of the wrap around care offer. Changes will be made to ensure the school is able to sustainably provide this service for parents.

During 2020/2021 academic year, the school will use an online payment system for all paid activities such as wrap around care, Nursery lunches and Nursery sessions. This system will improve our procedures linked to invoicing and receiving money linked to chargeable activities. The new system will also improve the speed and effectiveness of the collection of missing monies.

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 2020/2021). As projected numbers of the Nursery are lower than previously expected the school's trustees will also look at amending our provision to increase the number of children who are eligible to attend - (extending to children who turn three in the summer term).

During the past few years, the school has started to develop areas around the school. Around 60% of the school has now been decorated or redeveloped. This continual level of improvements will continue into the next financial year. The school's capital funding will be used to allow for continued improvement during 2020/2021. These changes 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.

During 2020/2021, the school will look to improve its computing teaching and resources by investing at least 30 iPads. This will dramatically improve the school's technology teaching and coverage. This will be joint funded by the school's capital money and donations from the school's Parents Association.

The Head Teacher will continue to advertise the school in creative ways to ensure that the school continues to fill any vacant spaces in the school. During the past year the school has seen the number of spaces available in the school reduce from 25 to 8. This will positively impact on the 2021/2022 budget by at least £63,750. If the remaining 8 spaces can be filled by the end of the 2022/2023 budget could be further increased by £32,000.

The school will look at additional means to identify children eligible for Pupil Premium funding.

Funds held as custodian trustee on behalf of others

None held

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

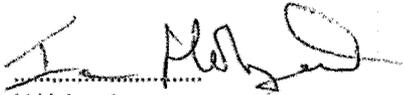
Auditor

In so far as the trustees are aware:

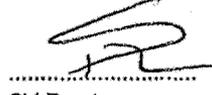
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 ~~12/12/20~~ 25/12/20 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 2020

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.

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

The board of trustees has delegated the day-to-day responsibility to the 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:

| Trustees | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| IJ Holroyd (Chair) | 6 | 6 |
| GM Williams (Resigned 30 November 2019) | 2 | 2 |
| G Moore (Resigned 31 August 2020) | 2 | 6 |
| PL Buris | 6 | 6 |
| J Batch | 5 | 6 |
| D Glanville | 5 | 6 |
| C Ryan | 3 | 6 |
| SV Proctor (Principal) | 6 | 6 |
| S Basnett | 4 | 6 |
| K Wall | 4 | 6 |
| J Hunt (Appointed 11 November 2019) | 5 | 5 |
| D Long (Appointed 11 November 2019) | 5 | 5 |
| E Hunt (Appointed 11 November 2019) | 4 | 5 |
| LW Wyatt (Appointed 11 November 2019) | 5 | 5 |
| R Conran (Appointed 1 December 2019) | 4 | 5 |

The audit 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.

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|---------------------------------------|-------------------|-----------------|
| IJ Holroyd (Chair) | 1 | 1 |
| G Moore (Resigned 31 August 2020) | 0 | 1 |
| J Batch | 0 | 1 |
| SV Proctor (Principal) | 1 | 1 |
| S Basnett | 0 | 1 |
| K Wall | 1 | 1 |
| J Hunt (Appointed 11 November 2019) | 1 | 1 |
| D Long (Appointed 11 November 2019) | 1 | 1 |
| E Hunt (Appointed 11 November 2019) | 1 | 1 |
| LW Wyatt (Appointed 11 November 2019) | 1 | 1 |
| R Conran (Appointed 1 December 2019) | 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 2020

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:

- 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 £5000 last year on cover which without the support staff completing the role would have seen cover costs increased considerably as the school struggled to manage staffing shortages during the COVID-19 pandemic.
- 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.
- The trust has moved away from the model of 1:1 support for children with mild additional needs. They have now adopted a model where a team of SEND support staff work across year groups to support a larger number of children. This has reduced the SEND spend by around 40% - the educational outcomes for these children have not be adversely affected by these changes.
- 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 2019 to 31 August 2020 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 2019 to 31 August 2020 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 2020

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 internal 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.

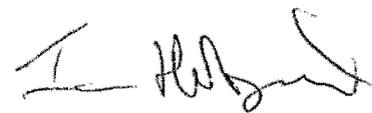
Review of effectiveness

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 18/12/20 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 2020

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 and 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 2019.

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 2019.

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

18/12/20

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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.

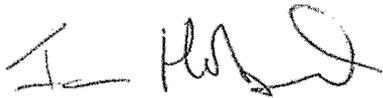
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 18/12/20 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 2020

Opinion

We have audited the accounts of Hadleigh Infants and Nursery School (Academy) for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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 2020

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 has 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 2020

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

18/12/20

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 AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 13 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 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: 18/12/20

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

| | Notes | Unrestricted funds £ | Restricted funds: General £ Fixed asset £ | Total 2020 £ | Total 2019 £ | |
|---|-------|-------------------------|--|--------------------|--------------------|------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 15,698 | - | 7,132 | 22,830 | 38,437 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 1,383,921 | - | 1,383,921 | 1,407,815 |
| Other trading activities | 5 | 2,120 | - | - | 2,120 | 3,620 |
| Investments | 6 | 346 | - | - | 346 | 363 |
| Total | | <u>18,164</u> | <u>1,383,921</u> | <u>7,132</u> | <u>1,409,217</u> | <u>1,450,235</u> |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 974 | 1,461,526 | 58,622 | 1,521,122 | 1,545,688 |
| Total | 7 | <u>974</u> | <u>1,461,526</u> | <u>58,622</u> | <u>1,521,122</u> | <u>1,545,688</u> |
| Net income/(expenditure) | | 17,190 | (77,605) | (51,490) | (111,905) | (95,453) |
| Transfers between funds | 16 | - | (147) | 147 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial losses on defined benefit pension schemes | 18 | - | (120,000) | - | (120,000) | (147,000) |
| Net movement in funds | | 17,190 | (197,752) | (51,343) | (231,905) | (242,453) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 68,349 | (1,009,080) | 2,311,926 | 1,371,195 | 1,613,648 |
| Total funds carried forward | | <u>85,539</u> | <u>(1,206,832)</u> | <u>2,260,583</u> | <u>1,139,290</u> | <u>1,371,195</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

FOR THE YEAR ENDED 31 AUGUST 2020

| Comparative year information Year ended 31 August 2019 | Notes | Unrestricted funds £ | Restricted funds: General | Fixed asset £ | Total 2019 £ |
|---|-------|----------------------------|------------------------------|------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 18,867 | - | 19,570 | 38,437 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 1,407,815 | - | 1,407,815 |
| Other trading activities | 5 | 3,620 | - | - | 3,620 |
| Investments | 6 | 363 | - | - | 363 |
| Total | | <u>22,850</u> | <u>1,407,815</u> | <u>19,570</u> | <u>1,450,235</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 6,395 | 1,480,845 | 58,448 | 1,545,688 |
| Total | 7 | <u>6,395</u> | <u>1,480,845</u> | <u>58,448</u> | <u>1,545,688</u> |
| Net Income/(expenditure) | | 16,455 | (73,030) | (38,878) | (95,453) |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 18 | - | (147,000) | - | (147,000) |
| Net movement in funds | | 16,455 | (220,030) | (38,878) | (242,453) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 51,894 | (789,050) | 2,350,804 | 1,613,648 |
| Total funds carried forward | | <u>68,349</u> | <u>(1,009,080)</u> | <u>2,311,926</u> | <u>1,371,195</u> |

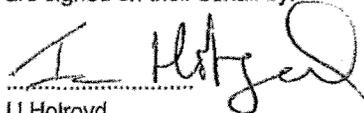
HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

BALANCE SHEET

AS AT 31 AUGUST 2020

| | Notes | 2020 | | 2019 | |
|--|-------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 2,260,583 | | 2,311,645 |
| Current assets | | | | | |
| Debtors | 13 | 13,786 | | 21,412 | |
| Cash at bank and in hand | | 318,638 | | 264,180 | |
| | | <u>332,424</u> | | <u>285,592</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (146,717) | | (138,042) | |
| Net current assets | | | 185,707 | | 147,550 |
| Net assets excluding pension liability | | | 2,446,290 | | 2,459,195 |
| Defined benefit pension scheme liability | 18 | | (1,307,000) | | (1,088,000) |
| Total net assets | | | <u>1,139,290</u> | | <u>1,371,195</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | 16 | | | | |
| - Fixed asset funds | | | 2,260,583 | | 2,311,926 |
| - Restricted income funds | | | 100,168 | | 78,920 |
| - Pension reserve | | | (1,307,000) | | (1,088,000) |
| Total restricted funds | | | 1,053,751 | | 1,302,846 |
| Unrestricted income funds | 16 | | 85,539 | | 68,349 |
| Total funds | | | <u>1,139,290</u> | | <u>1,371,195</u> |

The accounts on pages 25 to 46 were approved by the trustees and authorised for issue on 18/12/20 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 2020

| | Notes | 2020 | | 2019 | |
|--|-------|---------|----------------|----------|----------------|
| | | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Net cash provided by operating activities | 19 | | 54,540 | | 10,735 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 346 | | 363 | |
| Capital grants from DfE Group | | 7,132 | | 19,570 | |
| Purchase of tangible fixed assets | | (7,580) | | (26,566) | |
| Net cash used in investing activities | | | (82) | | (6,633) |
| Net increase in cash and cash equivalents in the reporting period | | | 54,458 | | 4,102 |
| Cash and cash equivalents at beginning of the year | | | 264,180 | | 260,078 |
| Cash and cash equivalents at end of the year | | | <u>318,638</u> | | <u>264,180</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

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 2020

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 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 based on 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 net income or expenditure 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 2020

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 2020. 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 2020 £ | Total 2019 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Private sponsorship | - | - | - | 10 |
| Capital grants | - | 7,132 | 7,132 | 19,570 |
| Other donations | 15,698 | - | 15,698 | 18,857 |
| | <u>15,698</u> | <u>7,132</u> | <u>22,830</u> | <u>38,437</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|--------------------------------|-------------------------|-----------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 925,017 | 925,017 | 969,988 |
| Other DfE group grants | - | 216,133 | 216,133 | 195,003 |
| | - | 1,141,150 | 1,141,150 | 1,164,991 |
| Other government grants | | | | |
| Special educational projects | - | 187,941 | 187,941 | 163,520 |
| Other funding | | | | |
| Other incoming resources | - | 54,830 | 54,830 | 79,304 |
| Total funding | - | 1,383,921 | 1,383,921 | 1,407,815 |

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|--------------------|-------------------------|-----------------------|--------------------|--------------------|
| Hire of facilities | 2,120 | - | 2,120 | 3,620 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|---------------------|-------------------------|-----------------------|--------------------|--------------------|
| Short term deposits | 346 | - | 346 | 363 |

7 Expenditure

| | Staff costs £ | Non-pay expenditure | | Total 2020 £ | Total 2019 £ |
|----------------------------------|------------------|---------------------|------------|--------------------|--------------------|
| | | Premises £ | Other £ | | |
| Academy's educational operations | | | | | |
| - Direct costs | 929,277 | - | 88,026 | 1,017,303 | 1,003,353 |
| - Allocated support costs | 283,998 | 138,656 | 81,165 | 503,819 | 542,335 |
| | 1,213,275 | 138,656 | 169,191 | 1,521,122 | 1,545,688 |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 7 Expenditure | | (Continued) | |
|---|--------------------|------------------|------------------|
| Net income/(expenditure) for the year includes: | | 2020 | 2019 |
| | | £ | £ |
| Fees payable to auditor for: | | | |
| - Audit | | 8,700 | 8,700 |
| - Other services | | 1,500 | 264 |
| Depreciation of tangible fixed assets | | 58,622 | 58,448 |
| Net interest on defined benefit pension liability | | 20,000 | 21,000 |
| | | <u>20,000</u> | <u>21,000</u> |
| 8 Charitable activities | | | |
| | Unrestricted funds | Restricted funds | Total |
| | £ | £ | 2020 |
| | | | £ |
| | | | 2019 |
| | | | £ |
| Direct costs | | | |
| Educational operations | - | 1,017,303 | 1,017,303 |
| Support costs | | | |
| Educational operations | 974 | 502,845 | 503,819 |
| | <u>974</u> | <u>1,520,148</u> | <u>1,521,122</u> |
| | | | <u>1,545,688</u> |
| Analysis of costs | | 2020 | 2019 |
| | | £ | £ |
| Direct costs | | | |
| Teaching and educational support staff costs | | 929,277 | 935,227 |
| Staff development | | 5,461 | 6,577 |
| Educational supplies and services | | 69,277 | 43,165 |
| Educational consultancy | | 4,016 | 5,211 |
| Other direct costs | | 9,272 | 13,173 |
| | | <u>1,017,303</u> | <u>1,003,353</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 8 Charitable activities | (Continued) | |
|---|-------------|-----------|
| Support costs | | |
| Support staff costs | 283,998 | 304,022 |
| Depreciation | 58,622 | 58,448 |
| Maintenance of premises and equipment | 30,700 | 26,828 |
| Cleaning | 14,328 | 13,146 |
| Rent, rates and other occupancy costs | 29,049 | 26,180 |
| Insurance | 5,957 | 8,733 |
| Security and transport | - | 4,330 |
| Catering | 25,941 | 37,901 |
| Finance costs | 20,000 | 21,000 |
| Other support costs | 25,024 | 32,583 |
| Governance costs | 10,200 | 9,164 |
| | 503,819 | 542,335 |
| | 503,819 | 542,335 |
| | | |
| 9 Staff | | |
| Staff costs | | |
| Staff costs during the year were: | | |
| | 2020 | 2019 |
| | £ | £ |
| Wages and salaries | 877,567 | 894,995 |
| Social security costs | 62,603 | 61,155 |
| Pension costs | 269,175 | 246,564 |
| | 1,209,345 | 1,202,714 |
| Staff costs - employees | 1,209,345 | 1,202,714 |
| Agency staff costs | 3,930 | 1,984 |
| Staff restructuring costs | - | 34,551 |
| | 1,213,275 | 1,239,249 |
| Staff development and other staff costs | 5,461 | 6,577 |
| | 1,218,736 | 1,245,826 |
| | 1,218,736 | 1,245,826 |
| | | |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | 34,551 |
| | - | 34,551 |
| | - | 34,551 |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Staff numbers

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

| | 2020 Number | 2019 Number |
|----------------------------|----------------|----------------|
| Teachers | 12 | 12 |
| Administration and support | 37 | 46 |
| Management | 3 | 3 |
| | <u>52</u> | <u>61</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 £270,673 (2019 - £250,890).

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: £55,000 - £60,000 (2019 - £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

D Glanville (Staff governor):

Remuneration: £40,000 - £45,000 (2019 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

K Ryan (Staff governor):

Remuneration: £40,000 - £45,000 (2019 - £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

P Burls (Staff governor):

Remuneration: £15,000 - £20,000 (2019 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2019 - £0 - £5,000)

During the year ended 31 August 2020, expenses totalling £3,747.12 (2019 - £0) were reimbursed directly to one trustee (2019 - 0).

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Insurance for trustees and officers

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 |
|-----------------------|-----------------------------------|-----------------------|-------------------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 September 2019 | 2,708,740 | 88,035 | 18,140 | 2,814,915 |
| Additions | - | 7,560 | - | 7,560 |
| At 31 August 2020 | 2,708,740 | 95,595 | 18,140 | 2,822,475 |
| Depreciation | | | | |
| At 1 September 2019 | 407,823 | 83,049 | 12,398 | 503,270 |
| Charge for the year | 52,175 | 5,012 | 1,435 | 58,622 |
| At 31 August 2020 | 459,998 | 88,061 | 13,833 | 561,892 |
| Net book value | | | | |
| At 31 August 2020 | 2,248,742 | 7,534 | 4,307 | 2,260,583 |
| At 31 August 2019 | 2,300,917 | 4,986 | 5,742 | 2,311,645 |

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

13 Debtors

| | 2020 | 2019 |
|--------------------------------|--------|--------|
| | £ | £ |
| Trade debtors | 190 | 677 |
| VAT recoverable | 2,251 | 2,415 |
| Prepayments and accrued income | 11,345 | 18,320 |
| | 13,786 | 21,412 |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| | | | | | | | |
|----|---|-------------|-----------|-------------|-----------|------------|-------------|
| 14 | Financial instruments | | | | | | |
| | | | | | | 2020 | 2019 |
| | | | | | | £ | £ |
| | Carrying amount of financial assets | | | | | | |
| | Debt instruments measured at amortised cost | | | | | 3,190 | 10,913 |
| | | | | | | | |
| | Carrying amount of financial liabilities | | | | | | |
| | Measured at amortised cost | | | | | 34,032 | 26,238 |
| | | | | | | | |
| 15 | Creditors: amounts falling due within one year | | | | | 2020 | 2019 |
| | | | | | | £ | £ |
| | Other taxation and social security | | | | | 36,494 | 35,478 |
| | Other creditors | | | | | 84,891 | 85,026 |
| | Accruals and deferred income | | | | | 25,332 | 17,538 |
| | | | | | | | |
| | | | | | | 146,717 | 138,042 |
| | | | | | | | |
| 16 | Funds | | | | | | |
| | | Balance at | | | | Gains, | Balance at |
| | | 1 September | | | | losses and | 31 August |
| | | 2019 | Income | Expenditure | | transfers | 2020 |
| | | £ | £ | £ | | £ | £ |
| | Restricted general funds | | | | | | |
| | General Annual Grant (GAG) | 58,712 | 925,017 | (903,743) | (147) | | 79,839 |
| | Other DfE / ESFA grants | 20,208 | 216,133 | (216,012) | - | | 20,329 |
| | Other government grants | - | 187,941 | (187,941) | - | | - |
| | Other restricted funds | - | 54,830 | (54,830) | - | | - |
| | Pension reserve | (1,088,000) | - | (99,000) | (120,000) | | (1,307,000) |
| | | (1,009,080) | 1,383,921 | (1,461,526) | (120,147) | | (1,206,832) |
| | | | | | | | |
| | Restricted fixed asset funds | | | | | | |
| | Inherited on conversion | 2,012,000 | - | (48,000) | - | | 1,964,000 |
| | DfE group capital grants | 299,926 | 7,132 | (10,622) | 147 | | 296,583 |
| | | 2,311,926 | 7,132 | (58,622) | 147 | | 2,260,583 |
| | | | | | | | |
| | Total restricted funds | 1,302,846 | 1,391,053 | (1,520,148) | (120,000) | | 1,053,751 |
| | | | | | | | |
| | Unrestricted funds | | | | | | |
| | General funds | 68,349 | 18,164 | (974) | - | | 85,539 |
| | | | | | | | |
| | Total funds | 1,371,195 | 1,409,217 | (1,521,122) | (120,000) | | 1,139,290 |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2019 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| 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> |
| Restricted fixed asset funds | | | | | |
| Transfer 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> |
| Total restricted funds | <u>1,561,754</u> | <u>1,427,385</u> | <u>(1,539,293)</u> | <u>(147,000)</u> | <u>1,302,846</u> |
| Unrestricted funds | | | | | |
| General funds | <u>51,894</u> | <u>22,850</u> | <u>(6,395)</u> | <u>-</u> | <u>68,349</u> |
| Total funds | <u>1,613,648</u> | <u>1,450,235</u> | <u>(1,545,688)</u> | <u>(147,000)</u> | <u>1,371,195</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

| | Unrestricted | Restricted funds: | | Total |
|--|---------------|--------------------|------------------|------------------|
| | Funds | General | Fixed asset | Funds |
| | £ | £ | £ | £ |
| Fund balances at 31 August 2020 are represented by: | | | | |
| Tangible fixed assets | - | - | 2,260,583 | 2,260,583 |
| Current assets | 85,539 | 246,885 | - | 332,424 |
| Creditors falling due within one year | - | (146,717) | - | (146,717) |
| Defined benefit pension liability | - | (1,307,000) | - | (1,307,000) |
| Total net assets | 85,539 | (1,206,832) | 2,260,583 | 1,139,290 |

| | Unrestricted | Restricted funds: | | Total |
|--|---------------|--------------------|------------------|------------------|
| | Funds | General | Fixed asset | Funds |
| | £ | £ | £ | £ |
| Fund balances at 31 August 2019 are represented by: | | | | |
| Tangible fixed assets | - | - | 2,311,645 | 2,311,645 |
| Current assets | 129,168 | 156,143 | 281 | 285,592 |
| Creditors falling due within one year | (80,819) | (77,223) | - | (138,042) |
| Defined benefit pension liability | - | (1,088,000) | - | (1,088,000) |
| Total net assets | 68,349 | (1,009,080) | 2,311,926 | 1,371,195 |

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 2016, and that of the LGPS related to the period ended 31 March 2016.

There was £13,000 (2019: £9,829) outstanding Teachers pensions contributions and £8,326 (2019: £9,663) outstanding LGPS contributions at the end of the financial year. There were no 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £112,550 (2019: £74,598).

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 23.8% 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 | 2020 £ | 2019 £ |
|--------------------------|---------------|----------------|
| Employer's contributions | 78,000 | 83,000 |
| Employees' contributions | 21,000 | 23,000 |
| Total contributions | <u>99,000</u> | <u>106,000</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations (Continued)

| Principal actuarial assumptions | 2020 % | 2019 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.25 | 3.7 |
| Rate of increase for pensions in payment/inflation | 2.25 | 2.2 |
| Discount rate for scheme liabilities | 1.6 | 1.85 |
| Inflation assumption (CPI) | 2.25 | 2.2 |
| RPI increase | 3.05 | 3.2 |

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

| | 2020 Years | 2019 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 21.8 | 21.3 |
| - Females | 23.8 | 23.6 |
| Retiring in 20 years | | |
| - Males | 23.2 | 23.0 |
| - Females | 25.2 | 25.4 |

| | +0.1% | 0.0% | -0.1% |
|------------------------------------|-----------|-----------|-----------|
| Adjustment to discount rate | £ | £ | £ |
| Present value of total obligation | 2,239,000 | 2,295,000 | 2,352,000 |
| Projected service cost | 212,000 | 218,000 | 225,000 |

| | +0.1% | 0.0% | -0.1% |
|--|-----------|-----------|-----------|
| Adjustment to long term salary increase | £ | £ | £ |
| Present value of total obligation | 2,300,000 | 2,295,000 | 2,290,000 |
| Projected service cost | 218,000 | 218,000 | 218,000 |

| | +0.1% | 0.0% | -0.1% |
|---|-----------|-----------|-----------|
| Adjustment to pension increases and deferred revaluation | £ | £ | £ |
| Present value of total obligation | 2,347,000 | 2,295,000 | 2,244,000 |
| Projected service cost | 224,000 | 218,000 | 212,000 |

| | +1 Year | None | -1 Year |
|--|-----------|-----------|-----------|
| Adjustment to life expectancy assumptions | £ | £ | £ |
| Present value of total obligation | 2,380,000 | 2,295,000 | 2,213,000 |
| Projected service cost | 226,000 | 218,000 | 210,000 |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations (Continued)

| The academy trust's share of the assets in the scheme | 2020 Fair value £ | 2019 Fair value £ |
|---|-------------------------|-------------------------|
| Equities | 612,000 | 563,000 |
| Gilts | 42,000 | 49,000 |
| Other bonds | 55,000 | 50,000 |
| Cash | 27,000 | 26,000 |
| Property | 77,000 | 71,000 |
| Other assets | 175,000 | 133,000 |
| Total market value of assets | <u>988,000</u> | <u>892,000</u> |

The actual return on scheme assets was £24,000 (2019: £65,000).

| Amount recognised in the Statement of Financial Activities | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Current service cost | 157,000 | 151,000 |
| Past service cost | - | 21,000 |
| Interest cost | 20,000 | 21,000 |
| Total operating charge | <u>177,000</u> | <u>193,000</u> |

| Changes in the present value of defined benefit obligations | 2020 £ |
|---|------------------|
| At 1 September 2019 | 1,980,000 |
| Current service cost | 157,000 |
| Interest cost | 37,000 |
| Employee contributions | 21,000 |
| Actuarial loss | 113,000 |
| Benefits paid | (13,000) |
| At 31 August 2020 | <u>2,295,000</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 18 Pension and similar obligations | | (Continued) | | |
|---|--|-------------------------|-------------------|-----------------------|
| Changes in the fair value of the academy trust's share of scheme assets | | | | |
| | | 2020 | | |
| | | £ | | |
| At 1 September 2019 | | 892,000 | | |
| Interest income | | 17,000 | | |
| Actuarial loss/(gain) | | (7,000) | | |
| Employer contributions | | 78,000 | | |
| Employee contributions | | 21,000 | | |
| Benefits paid | | (13,000) | | |
| At 31 August 2020 | | <u>988,000</u> | | |
| | | | | |
| 19 Reconciliation of net expenditure to net cash flow from operating activities | | 2020 | 2019 | |
| | | £ | £ | |
| Net expenditure for the reporting period (as per the statement of financial activities) | | (111,905) | (95,453) | |
| Adjusted for: | | | | |
| Capital grants from DfE and other capital income | | (7,132) | (19,570) | |
| Investment income receivable | | (346) | (363) | |
| Defined benefit pension costs less contributions payable | | 79,000 | 89,000 | |
| Defined benefit pension scheme finance cost | | 20,000 | 21,000 | |
| Depreciation of tangible fixed assets | | 58,622 | 58,448 | |
| Decrease/(increase) in debtors | | 7,626 | (12,678) | |
| Increase/(decrease) in creditors | | 8,675 | (29,649) | |
| Net cash provided by operating activities | | <u>54,540</u> | <u>10,735</u> | |
| | | | | |
| 20 Analysis of changes in net funds | | 1 September 2019 | Cash flows | 31 August 2020 |
| | | £ | £ | £ |
| Cash | | <u>264,180</u> | <u>54,458</u> | <u>318,638</u> |

HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2020 | 2019 |
|-----------------------------------|--------------|------------|
| | £ | £ |
| Amounts due within one year | 1,465 | 676 |
| Amounts due in two and five years | 2,441 | - |
| | <u>3,906</u> | <u>676</u> |

22 Related party transactions

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

The son of D Glanville, a trustee, is employed by the Academy on a part time contract. His appointment was made in open competition and D Glanville was not involved in the decision-making process regarding the appointment. He is paid within the normal pay scale for the role and receives no special treatment as a result of his relationship to the trustee.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

23 Members' liability

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