

Registration number: 07610916

Moulsham Infant School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Moulsham Infant School

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Moulsham Infant School

Reference and Administrative Details

Members	N Taylor J Jay I Morris
Governors	L Cannon, (Headteacher of Academy School & Accounting Officer) (resigned 31 December 2019) J Jay C Byford, (Chairman) J Landa-Arrese, (Headteacher of Academy School & Accounting Officer) (wef 01/01/2020) C Fitzpatrick P Cox E Fagg, (Deputy Headteacher & staff trustee) G Butler Rev. G Fraser D Horsman, (Vice Chairman) C Brice, (Responsible Officer) (appointed 3 September 2019) R Freeman, (staff trustee) (appointed 30 June 2020)
Company Secretary	S Hamnett
Senior Management Team	L Cannon, Headteacher (resigned 31/12/2019) J Landa-Arrese, Headteacher (wef 01/01/2020) E Fagg, Deputy Headteacher S Hamnett, Company Secretary L Crook, Bursar (resigned 05/07/2020) Y Singh, Bursar (wef 06/07/2020) F Archer, Senior teacher H Buttlings, Senior teacher T Keogh, Senior teacher L Kendle, SENCo
Company Registration Number	07610916

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Reference and Administrative Details (continued)

Head Teacher and Registered Office	J Landa-Arrese
	Moulsham Infant School Princes Road Chelmsford Essex CM2 9DG
Auditors	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW
Bankers	Lloyds Bank PLC 88-89 High Street Chelmsford Essex CM1 1DX
Solicitors	Essex Legal Services New Bridge House 60 - 68 New London Road Chelmsford Essex CM2 0PD

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Principal Activities

Moulsham Infant School (hereafter the "Academy") is an Academy Trust and a charitable company. Its principal activity is to advance, for the public benefit, education in south Chelmsford, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an Academy offering a broad and balanced curriculum.

The Academy will be at the heart of its community, promoting community cohesion and sharing facilities with the wider community. There will be assessment of pupils' performance and there will be an emphasis on the needs of the individual pupil including those with special educational needs.

The Academy will ensure that the curriculum being provided is broad and balanced and includes English, mathematics and science. It will make provision for a daily act of collective worship and the teaching of religious education. It will comply with any guidance issued by the Secretary of State to ensure that pupils take part in assessments of their performance and will report on such assessments and provide such information as may be required as applied to maintained Academy's.

Structure, governance and management

Constitution

The Academy is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The trustees of the Academy are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

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

Professional indemnity insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides an aggregate limit of indemnity within the Public Liability Insurance of £25,000,000.

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Method of recruitment and appointment or election of Trustees

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

New trustees will be appointed to the board by the existing trustees for a period of 4 years. At the end of each 4 year term, retiring trustees are eligible for re-election for a further term.

The Board of Trustees shall consist of:

Up to 7 Community Trustees

2 Staff Trustees

Up to 3 Parent Trustees

The Headteacher (ex-officio)

Up to 3 co-opted Trustees

The board of trustees will make all necessary arrangements for, and determine all other matters relating to, an election of Parent trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent trustees which is contested will be held by secret ballot.

The Staff trustees will be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate will be determined by the trustees. If a Staff trustee ceases to work at the Academy then he/she will be deemed to have resigned and will cease to be a trustee automatically on termination of his/her work at the Academy. Any election of a Staff trustee which is contested will be held by secret ballot

Policies and procedures adopted for the induction and training of Trustees

New Trustees are invited to meet the Headteacher and Chairman of the Board of Trustees to receive a comprehensive induction package covering a broad range of issues and topics. New Trustees receive:

The DfE's "Guide to the Law for Governors"

The Academy prospectus

The Governors' Handbook

The Local Authority's governor training programme

Details of the Board of Trustees' committees and their terms of reference.

Dates of future meetings.

Individual governors attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. A series of training courses, based on areas of potential interest and/or concern, has been designed for the board and the Academy staff as a whole.

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Organisational structure

The Trustees 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 Trustees meet as a board four or five times each year. All decisions reserved to the Trustees are taken by the board as a whole. Board committees meet three or four times each year to consider detailed matters and recommend decisions to the full board.

There are 4 such committees:

- 1) Teaching and Learning & Pupil Related Matters
- 2) Admissions
- 3) Finance, Personnel, Premises & Audit
- 4) Pay Review

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

Christopher Brice is the Responsible Officer and as such has an oversight role in relation to the systems and processes of control and risk management that operate throughout the Academy.

The Headteacher is the Accounting Officer and works closely with both the other Trustees and the senior staff of the Academy.

The day-to-day management of the Academy rests with the Headteacher who has overall responsibility for the Academy. The Headteacher is responsible for establishing a Senior Leadership Team, including the Bursar and the Deputy Head.

Arrangements for setting pay and remuneration of key management personnel

Remuneration of key management personnel is limited to members of the Academy staff. Their pay is set in accordance with national pay scales, moderated by performance management. Trustees who are not members of the Academy's staff receive no remuneration.

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Decision Making and Delegation

In order to ensure the most efficient conduct of business, the Trustees may delegate to any Trustees, committee, the Headteacher or any other holder of an executive office, such of their powers or functions as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the Trustees may impose and may be revoked or altered.

Where any power or function of the Trustees is exercised by any committee, any Trustees, Principal or any other holder of an executive office, that person or committee shall report to the Board of Trustees in respect of any action taken or decision made with respect to the exercise of that power or function at the meeting of the Trustees immediately following the taking of the action or the making of the decision.

Decisions of the Board of Trustees are binding upon all its members. A resolution to rescind or vary a resolution carried at a previous meeting of the board shall not be proposed at a meeting of the board unless the consideration of the rescission or variation of the previous resolution is a specific item of business on the agenda for that meeting.

The arrangements for delegating functions are reviewed annually by the full Board of Trustees. In delegating functions to individuals, the board will have regard to the restrictions set out in Regulation 17 of the School Governance (Procedures) (England) Regulations 2003.

The Governing Body has established the following Committees:

Finance, Personnel, Premises and Audit
Teaching, Learning & Pupil Related Matters
Pay Review
Admissions

Members of these committees are as follows:

Finance, Personnel, Premises and Audit:

Gareth Butler
Christine Byford
Jean Jay
Lorraine Cannon (Resigned 31.12.20)
Jane Landa-Arrese (wef 1.1.20)
Christopher Brice
Darren Horsman

Teaching, Learning and Pupil Related Matters:

Claire Fitzpatrick
Lorraine Cannon (Resigned 31.12.19)
Jane Landa-Arrese
Jean Jay
Pat Cox
Emma Fagg
Rev. Gemma Fraser
Darren Horsman
Rodica Freeman (wef 30.6.20)

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Pay Review:

Christine Byford

Jean Jay

Claire Fitzpatrick

Gareth Butler

Admissions:

Headteacher

Any 2 Trustees from the Teaching, Learning and Pupil Related Matters committee

Chairs of committees in **bold type**.

Committees to which the board of trustees has delegated any of its functions will act strictly in accordance with the terms of delegation.

The board of trustees will establish committees as required for the following purposes:

Staff Discipline/Dismissal

Salary Review Appeal

Appraisal of the Headteacher

Pupil Discipline

Staff Dismissal Appeal

Complaints

All committees with delegated powers keep formal minutes and copies are presented to the next meeting of the board of trustees for information. All meetings of committees will be clerked by a person who is not the Headteacher.

Connected organisations, including related party relationships

Moulsham Infant School is part of the 4 Schools Partnership, which includes Moulsham Junior School, Moulsham High School and Oaklands Infant School.

Moulsham Infant School is also part of a local network of 28 schools called the CTSA. Collectively we buy in other services, such as Educational Psychologists. As part of this we are also part of the Moulsham Cluster (6 primary schools).

The Academy is a training school for the Essex Primary SCITT (School-centred Initial Teacher Training).

The Academy works closely with the Local Authority, local pre-school groups and nurseries. For particular needs, the Academy also works with the Speech and Language service, EMTAS, Social Care, specialist teachers, school nurse, diabetic nurse and a local vicar.

Representation on Other Bodies

The Academy is represented on the following bodies:

SCITT management group.

4 Schools Partnership.

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

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 an Academy offering a broad and balanced curriculum.

Objectives, strategies and activities

The principal activity of the Academy is currently to run an Infant school for boys and girls located in Chelmsford, Essex.

In furtherance of the Object, the Academy may:

- raise funds and invite and receive contributions provided that in raising funds the Academy shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- employ such staff, as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants;
- co-operate with other charities, other independent and maintained Academies, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them;
- establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy;
- do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object.

Indicators, Milestones & Benchmarks

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

- Statistical analysis of pupils' achievements including Target Tracker, Analyse School Performance (ASP) and SATs results
- Reports from the Headteacher and other members of staff.
- Reports on financial management of the Academy.
- Feedback from all stakeholders.
- Visits by Governors to the Academy.

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Public benefit

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

Benefits & Beneficiaries

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

Trustees' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the trustees gather evidence of the success of Academy's activities by:

- Ensuring that all pupils receive a high quality education.
- Looking at external judgements e.g. OFSTED

Achievements and Performance

Review of activities and events.

Our main targets during 2019-2020 were:

1. To improve outcomes in reading.
2. For EAL cohort in Year 1 to make accelerated progress in Reading, Writing and Maths.
3. To accelerate the progress of boys writing in Year 2.

1. To improve outcomes in reading

Action

- Update/improve reading material in the Academy
- Reading interventions to increase regular reading
- Raise profile of reading - reading event day

Outcome

- Library has been re-stocked and re-organised
- 'Treasure books' are available for all children to take home
- 72% of children working at or higher than Age Related Expectations (Spring 2)
- 34% of children working above or higher than Age Related Expectations (Spring 2)

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

2. EAL cohort in Year 1 to make accelerated progress in Reading, Writing and Maths

Action

- EAL children to be supported in class by teacher and additional adults
- Provide pre-teaching for vocabulary
- EAL support in small groups

Outcomes

- Cohort made average of 4.2 steps progress across Reading, Writing and Maths compared to 3.9 steps progress for the non EAL group

3. To accelerate progress of boys in writing in Year 2

Action

- Themes planned to engage boys
- Use of ipads
- Word of the day to widen vocabulary
- Flexibility to allow children to write using their own interests

Outcome

- Years progress for boys from end of Year 1 to Spring 2 is equal to 3.9 steps compared to 3.4 steps for the same time period 2017-18.

Targets for end of Y2 2021

Working at the expected standard or above

	% working at or above Reception entry expectations	% expected or above at end of Spring 2 2020 EYFS	% working at or above expectation at end of Spring 2020 Year 1	Target
Reading	51%	81%	71%	77%
Writing	39%	77%	70%	74%
Maths	50%	84%	71%	78%

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Fundraising practices that the Academy Trust undertakes

Moulsham Infants has raised funds this year through uniform sales (£6,908), school photos (£460), running a sponsored event (£1,557) and donations (£11,582). We also raised monies for other charities, such as Children in Need (£832), Essex & Herts Air Ambulance (£385), Save the Children (£116) and the Poppy Appeal (£42). We have an active Parent Teacher Association who organise their own events and donations.

Future Plans

- Identify gaps in pupils' knowledge, as a result of COVID, and ensure they are back on track
- Evaluate the whole Academy's Behaviour Management Policy
- To prepare for the implementation of the new EYFS Framework for September 2021
- Ensure high quality opportunities for writing across all subject areas of the curriculum

Strategic Report

A peer review in September 2017 and an OFSTED inspection in October 2017 confirmed that Moulsham Infants is a good Academy, consistently across all areas.

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Going Concern

Initially when schools went into lockdown we were expecting 30+ key worker children. We organised classes to have activities set up that gave children a focus on well-being. Very quickly the number of these children coming into school declined and we adapted the provision we were providing. Our numbers on a daily basis varied from 1-8. We then had a core group of staff on a rota basis - this meant we limited the amount of adults coming into contact with each other and with the children. It also meant staff with school age children could stay at home with their children. We remained open throughout the Easter holiday and May half term holiday.

With the announcement that schools would open from the 1st June for EYFS and Year 1 children we contacted parents to ascertain how many children would be returning from that date. From 1st June we operated with 8 bubbles of 15 children and then half way through June we opened a 9th bubble. Home learning was sent home to all children not in school in EYFS and Year 1 that reflected the work being done in school and Google classroom was set up for Year 2 children. By this time all staff - teachers and Learning Support Assistants were back to work. Midday Assistants did not return as it was felt this was not a necessity as it would introduce another adult to the individual bubbles. Lunches were provided for all children and staff to minimise things being brought in from home. Food was provided in take away containers so lunches could be eaten in the classrooms. Specific outside areas for each bubble were arranged so bubbles were kept separate at all times. Staggered times to drop off and pick up from different points in the school were arranged.

From September when schools were fully open similar arrangements were put in place to cater for 9 classes of 30 children. Staggered times have continued throughout the day as well as at the beginning and end e.g. playtimes, lunchtimes, access to the library, computer suite etc

The COVID pandemic has had an impact on the Academy's finances as we have had to increase the amount of cleaning materials we have had to buy. At the end of the summer term we received a payment of £412 to support with these additional costs. We are still incurring additional costs for products such as office screens (£123), soap, hand sanitiser, anti-bac spray, cloths, gloves, visors, etc. and staff supply costs which we are currently unable to claim for. There has also been an increase in our phone bill as teachers are now calling parents to discuss concerns/incidents at the end of the day rather than speaking to them at the school gate. We have also lost income due to being unable to rent out our community room to external companies. We are unable to run after school clubs which produce an income for us. We have also lost income from work that members of staff do in supporting a local initial teacher training provider.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future and certainly for more than the next 12 months. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

FINANCIAL REVIEW

The Academy's accounting period was from the 1st September 2019 to 31st August 2020. Most of the Academy's income comes directly from the EFSA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFSA during the period ending 31st August 2020 and associated expenditure are shown as restricted funds in the financial statements.

The Academy received a 2019-20 Formula Capital Grant of £7,510 from the DFE which has not yet been spent. Pupil premium of £53,050 and sports grant of £18,220 were also received and spent in accordance with DFE guidelines. Details of these grants and associated expenditure are also shown as restricted funds in the financial statements.

The Academy receives unrestricted funds in the form of lettings, catering income, uniform sales and other donations.

Condition Improvement Fund Bid

The Academy submitted two bids to the EFSA condition improvement for:-

Heating controls and boiler works

Installation of fire doors down the main corridor and replacing doors/windows to be compliant with fire regulations

The fire regulations bid was successful and £64,523 has been allocated.

The financial statements show the movement on restricted and unrestricted funds. Of the Charitable Company's total funds only £306,638 is freely available because the balance is invested in fixed assets or has a restriction for other purposes including the deficit on the local government pension scheme of £1,281,000.

Reserves Policy

The trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Academy and to fund future projects. The trustees intend to review the reserves policy annually to ensure that this aim can be achieved. The trustees aim to hold reserves of at least £100,000 to meet the uncertainty of future income streams and the future development of the Academy.

At the balance sheet date, the charitable company had free reserves of £306,638.

Investments Policy

The trustees' 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 any restrictions which may from time to time be imposed or required by law.

The charitable company's policy will be to invest surplus funds in short-term cash deposits.

For the period ended 31 August 2020, the charitable company's cash balances generated an average income return of £871.

Trustees' Report for the Year Ended 31 August 2020 (continued)

Principal Risks and Uncertainties

The trustees have assessed the major risks to which the Academy is exposed, particularly to those related to the operation and finances of the Academy and are satisfied that systems are in place to mitigate any exposure to major risks. A formal review of the risk management process is undertaken on an annual basis.

The key controls used by the Academy include:

- Formal agendas for all committee and board activity
- Terms of reference for all committees
- Comprehensive planning, budgeting and management reporting
- Established organisation structure and clear lines for reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law
- Monitoring of financial procedures by the Responsible Officer

The trustees assess that the principal risk to the Academy are changes to the funding arrangements as a result of political decisions outside the control of trustees or changes in legislation.

Funds held as Custodian Trustee on behalf of others

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

Moulsham Infant School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Auditor

Insofar 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.

Reappointment of auditor

Under section 487(2) of the Companies Act 2006 Edmund Carr LLP will be deemed to have been reappointed as auditor 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on and signed on its behalf by:

.....
C Byford
Governor

Moulsham Infant School

Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Moulsham Infant School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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, either as a committee or the full board, has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Jay	2	5
L Cannon	2	2
J Landa-Arrese	5	5
C Byford	5	5
E Fagg	4	5
C Fitzpatrick	3	5
P Cox	5	5
G Butler	5	5
D Horsman	5	5
Rev. G Fraser	4	5
C Brice	5	5
R Freeman	0	0

Moulsham Infant School

Governance Statement (continued)

As can be seen from the Board attendance analysis (above) there is a strong commitment from board members to the governance of the Academy. The skills mix is strong with finance, personnel, legal and buildings industry represented added to nursery, early years and mainstream Academy's experience. These skills, commitment and experience provide for effective governance at the Academy.

The Board receives regular reports on pupil progress, budget monitoring, financial management and safeguarding. Reports are developing as the needs of the Board change as their experience of governance develops. Policies and Terms of Reference are reviewed annually and provide a strong framework for an effective Board.

The trust will carry out a review of governance annually.

The **Finance, Personnel, Premises and Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to challenge all financial aspects of the Academy, approve expenditure as delegated through the Financial Regulations and ensure maintenance of the Estate and monitor compliance to all Health and Safety regulations. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
J Jay	1	2
L Cannon	1	1
J Landa-Arrese	1	1
C Byford	2	2
G Butler	2	2
C Brice	1	2
D Horsman	2	2

Review of value for money

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

The accounting officer considers how the 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 appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

- We have not replaced some of the LSAs who left
- One member of our LSA team reduced their hours
- We have enabled SCITT to run their teacher training courses in our training room despite COVID which has generated additional income.
- The Deputy Headteacher is now a SCITT mentor generating income for the school

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Governance Statement (continued)

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Moulsham Infant School

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Personnel, Premises and Audit 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 appointed Christopher Brice, as Responsible Officer ('RO').

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the board of trustees through the Finance, Personnel, Premises and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


Review of effectiveness

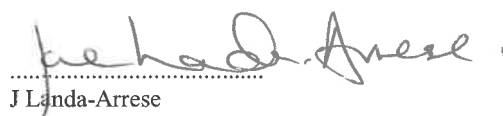
As Accounting Officer, L Cannon (resigned 31/12/2019) and J Landa-Arrese (wef 01/01/2020) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Bursar and Consortium Finance Manager within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 17.11.20 and signed on its behalf by:


.....
C Byford
Chairman


.....
J Landa-Arrese
Accounting Officer

Moulsham Infant School

Governance Statement (continued)

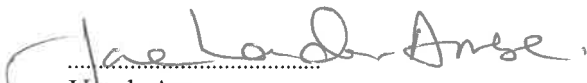
Moulsham Infant School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Moulsham Infant School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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.


.....
J Landa-Arrese
Accounting officer

Date: 7-12-20
.....

Moulsham Infant School

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on ~~17.11.20~~ and signed on its behalf by:

.....
C Byford
Governor

Moulsham Infant School

Independent Auditor's Report on the Financial Statements to the Members of Moulsham Infant School

Opinion

We have audited the financial statements of Moulsham Infant School (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP and the Academies Accounts Direction 2019 to 2020 issued by the Education Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs 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 and 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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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 financial statements are authorised for issue.

Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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

Moulsham Infant School

Independent Auditor's Report on the Financial Statements to the Members of Moulsham Infant School (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 22], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Moulsham Infant School

Independent Auditor's Report on the Financial Statements to the Members of Moulsham Infant School (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Moulsham Infant School

Independent Auditor's Report on the Financial Statements to the Members of Moulsham Infant School (continued)

SPN Martin

Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road

Chelmsford

Essex

CM2 0AW

Date:

17/11/2020

Moulsham Infant School

Independent Reporting Accountant's Report on Regularity to Moulsham Infant School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 January 2013 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 Moulsham Infant School 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 the Board of Trustees and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Board of Trustees and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Trustees and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 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 year from 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's income and expenditure.

Summary of work undertaken, demonstrating application of the principles outlined in the ICAEW guidance (TECH 08/12AAF).

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 year from 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.

Moulsham Infant School

Independent Reporting Accountant's Report on Regularity to Moulsham Infant School and the Education and Skills Funding Agency (continued)

S.P. Martin

Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road
Chelmsford
Essex
CM2 0AW

Date: *17/11/2024*

Moulsham Infant School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	2,716	8,866	67,253	78,835
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,425,565	-	1,425,565
Other trading activities	4	35,114	3,447	-	38,561
Investments	5	924	-	-	924
Total		<u>38,754</u>	<u>1,437,878</u>	<u>67,253</u>	<u>1,543,885</u>
Expenditure on:					
Raising funds	6	7,044	-	-	7,044
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	1,532,192	125,191	1,657,383
Total		<u>7,044</u>	<u>1,532,192</u>	<u>125,191</u>	<u>1,664,427</u>
Net income/(expenditure)		31,710	(94,314)	(57,938)	(120,542)
Transfers between funds		-	(8,204)	8,204	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	(87,000)	-	(87,000)
Net movement in funds/(deficit)		31,710	(189,518)	(49,734)	(207,542)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>274,928</u>	<u>(1,015,584)</u>	<u>2,312,545</u>	<u>1,571,889</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>306,638</u>	<u>(1,205,102)</u>	<u>2,262,811</u>	<u>1,364,347</u>

Moulsham Infant School

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	3,008	2,432	21,001	26,441
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,499,855	-	1,499,855
Other trading activities	4	50,149	16,369	-	66,518
Investments	5	574	-	-	574
Total		<u>53,731</u>	<u>1,518,656</u>	<u>21,001</u>	<u>1,593,388</u>
Expenditure on:					
Raising funds	6	11,743	-	-	11,743
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	1,586,646	134,138	1,720,784
Total		<u>11,743</u>	<u>1,586,646</u>	<u>134,138</u>	<u>1,732,527</u>
Net income/(expenditure)		41,988	(67,990)	(113,137)	(139,139)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	(136,000)	-	(136,000)
Net movement in funds/(deficit)		41,988	(203,990)	(113,137)	(275,139)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>232,940</u>	<u>(811,594)</u>	<u>2,425,682</u>	<u>1,847,028</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>274,928</u>	<u>(1,015,584)</u>	<u>2,312,545</u>	<u>1,571,889</u>

Moulsham Infant School

(Registration number: 07610916)

Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	2,191,031	2,300,621
Current assets			
Stocks	12	3,968	7,185
Debtors	13	71,651	38,283
Cash at bank and in hand		516,882	456,400
		592,501	501,868
Creditors: Amounts falling due within one year	14	(138,185)	(127,600)
Net current assets		454,316	374,268
Total assets less current liabilities		2,645,347	2,674,889
Net assets excluding pension liability		2,645,347	2,674,889
Pension scheme liability	21	(1,281,000)	(1,103,000)
Net assets including pension liability		1,364,347	1,571,889
Funds of the Academy:			
Restricted funds			
Restricted general fund		75,898	87,416
Restricted fixed asset fund		2,262,811	2,312,545
Restricted pension fund		(1,281,000)	(1,103,000)
		1,057,709	1,296,961
Unrestricted funds			
Unrestricted general fund		306,638	274,928
Total funds		1,364,347	1,571,889

The financial statements on pages 29 to 55 were approved by the Trustees, and authorised for issue on 17/11/20... and signed on their behalf by:

.....
C Byford
Governor

Moulsham Infant School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	4,629	44,993
Cash flows from investing activities	24	<u>55,853</u>	<u>21,575</u>
Change in cash and cash equivalents in the year		60,482	66,568
Cash and cash equivalents at 1 September		<u>456,400</u>	<u>389,832</u>
Cash and cash equivalents at 31 August	23	<u><u>516,882</u></u>	<u><u>456,400</u></u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy, 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 2019 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Other income

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

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Donated goods, facilities and services

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

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. In addition, any bulk purchases of IT equipment costing £5,000 or more are capitalised as above.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Long leasehold land	Over the life of the lease
Long leasehold buildings	4% straight line
Leasehold improvements	10% - 25% straight line
Fixtures, fittings and equipment	25% straight line
ICT equipment	33% straight line

Liabilities

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

Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost or net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

The Academy 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 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.

Pension benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(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.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

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 as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	Total 2019 £
Capital grants	-	-	67,253	67,253	21,001
Other donations	2,716	8,866	-	11,582	5,440
	<u>2,716</u>	<u>8,866</u>	<u>67,253</u>	<u>78,835</u>	<u>26,441</u>

The income from donations and capital grants was £78,835 (2019: £26,441 of which £2,716 was unrestricted (2019: £3,008), £8,866 restricted (2019: £2,432) and £67,253 restricted fixed assets (2019: £21,001)).

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,131,567	1,131,567	1,208,068
Other DfE grants	<u>228,907</u>	<u>228,907</u>	<u>193,123</u>
	<u>1,360,474</u>	<u>1,360,474</u>	<u>1,401,191</u>
Other government grants			
SEN Funding	37,770	37,770	36,202
Other	<u>27,321</u>	<u>27,321</u>	<u>62,462</u>
	<u>65,091</u>	<u>65,091</u>	<u>98,664</u>
Total grants	<u>1,425,565</u>	<u>1,425,565</u>	<u>1,499,855</u>

The funding for educational operations was £1,425,565 (2019: £1,499,855) of which £Nil was unrestricted (2019: £Nil), £1,425,565 restricted (2019: £1,499,855) and £Nil restricted fixed assets (2019: £Nil).

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	11,850	-	11,850	22,747
Catering income	1,668	1,085	2,753	13,316
Miscellaneous other income	9,873	2,362	12,235	21,212
Educational Visits	3,702	-	3,702	2,156
Class Sales	1,113	-	1,113	473
Uniform Sales	6,908	-	6,908	6,614
	<u>35,114</u>	<u>3,447</u>	<u>38,561</u>	<u>66,518</u>

The income from other trading activities was £38,561 (2019: £66,518) of which £35,114 was unrestricted (2019: £50,149), £3,447 restricted (2019: £16,369) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	<u>924</u>	<u>924</u>	<u>574</u>

The income from investments was £924 (2019: £574) of which £924 was unrestricted (2019: £574), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure

	Non Pay Expenditure			2019/20	2018/19
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	-	7,044	7,044	11,743
Academy's educational operations					
Direct costs	964,741	-	71,782	1,036,523	1,070,588
Allocated support costs	311,465	229,768	79,627	620,860	650,196
	<u>1,276,206</u>	<u>229,768</u>	<u>158,453</u>	<u>1,664,427</u>	<u>1,732,527</u>

Net expenditure for the year includes:

	2019/20	2018/19
	£	£
Operating leases - plant and machinery	702	1,233
Audit fees	6,830	7,470
Other services	625	600
Depreciation	<u>121,914</u>	<u>125,062</u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities

	2019/20	2018/19
	£	£
Direct costs - educational operations	1,036,523	1,070,588
Support costs - educational operations	<u>620,860</u>	<u>650,196</u>
	<u><u>1,657,383</u></u>	<u><u>1,720,784</u></u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities (continued)

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	311,465	311,465	320,696
Depreciation	121,916	121,916	125,062
Premises costs	107,852	107,852	107,827
Legal costs - other	27,260	27,260	30,075
Other support costs	44,912	44,912	58,466
Governance costs	7,455	7,455	8,070
Total support costs	<u>620,860</u>	<u>620,860</u>	<u>650,196</u>

8 Staff

Staff costs

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	879,812	967,328
Social security costs	62,888	67,875
Pension costs	<u>290,475</u>	<u>274,582</u>
	1,233,175	1,309,785
Supply teacher costs	488	19,756
Staff restructuring costs	<u>42,543</u>	<u>-</u>
	<u>1,276,206</u>	<u>1,329,541</u>
		2020 £
Staff restructuring costs comprise:		
Severance payments		<u>42,543</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000 (2019: £Nil). Individually, the payments were:

Non-contractual payments £25,000

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	15	16
Administration and support	41	48
Management	2	2
	<u>58</u>	<u>66</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2020 No	2019 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £313,548 (2019: £286,139).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

L Cannon (Principal and trustee (resigned 31/12/2019)):

Remuneration: £60,000 - £65,000 (2019 - £65,000 - £70,000)

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

J Landa-Arrese (Principal (wef 01/01/2020) and trustee):

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

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

E Fagg (Deputy Head):

Remuneration: £40,000 - £45,000 (2019 - £30,000 - £35,000)

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

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

During the year ended 31 August 2020, travel and subsistence expenses totalling £81 (2019 - £142) were reimbursed or paid directly to 3 trustees (2019 - 2).

Other related party transactions involving the trustees are set out in note 22.

10 Trustees' and officers' insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2019	2,820,187	56,437	2,876,624
Additions	12,324	-	12,324
At 31 August 2020	2,832,511	56,437	2,888,948
Depreciation			
At 1 September 2019	522,305	53,698	576,003
Charge for the year	119,175	2,739	121,914
At 31 August 2020	641,480	56,437	697,917
Net book value			
At 31 August 2020	2,191,031	-	2,191,031
At 31 August 2019	2,297,882	2,739	2,300,621

12 Stock

	2020 £	2019 £
Clothing and catering	3,968	7,185

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Debtors

	2020 £	2019 £
Trade debtors	-	781
Prepayments and accrued income	65,423	36,431
VAT recoverable	6,228	1,071
	<u>71,651</u>	<u>38,283</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	11,137	892
Other taxation and social security	11,806	16,329
Other creditors	63	-
Pension scheme creditor	19,949	20,565
Accruals	27,528	21,717
Deferred income	67,702	68,097
	<u>138,185</u>	<u>127,600</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	68,097	72,269
Resources deferred in the period	67,702	68,097
Amounts released from previous periods	<u>(68,097)</u>	<u>(72,269)</u>
Deferred income at 31 August 2020	<u>67,702</u>	<u>68,097</u>

At the balance sheet date, the Academy was holding £63,282 (2019: £64,367) free school meal funding for the period beginning September 2020 and £4,420 (2019: £3,730) rates relief.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	87,416	1,131,567	(1,134,881)	(8,204)	75,898
Other DfE/ESFA grants	-	228,907	(228,907)	-	-
SEN Funding	-	37,770	(37,770)	-	-
Other restricted income	-	12,313	(12,313)	-	-
Other Government grants	-	27,321	(27,321)	-	-
	<u>87,416</u>	<u>1,437,878</u>	<u>(1,441,192)</u>	<u>(8,204)</u>	<u>75,898</u>
Restricted fixed asset funds					
Capital expenditure from GAG	29,710	-	(7,233)	-	22,477
DfE/ESFA capital grants	24,721	67,253	(5,835)	8,204	94,343
Inherited fixed assets	2,224,078	-	(106,449)	-	2,117,629
LEA other income	34,036	-	(5,674)	-	28,362
	<u>2,312,545</u>	<u>67,253</u>	<u>(125,191)</u>	<u>8,204</u>	<u>2,262,811</u>
Restricted pension funds					
Pension reserve	<u>(1,103,000)</u>	<u>-</u>	<u>(91,000)</u>	<u>(87,000)</u>	<u>(1,281,000)</u>
Total restricted funds	1,296,961	1,505,131	(1,657,383)	(87,000)	1,057,709
Unrestricted funds					
Unrestricted general funds	<u>274,928</u>	<u>38,754</u>	<u>(7,044)</u>	<u>-</u>	<u>306,638</u>
Total funds	<u>1,571,889</u>	<u>1,543,885</u>	<u>(1,664,427)</u>	<u>(87,000)</u>	<u>1,364,347</u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	87,416	1,208,068	(1,174,058)	-	121,426
Other DfE/ESFA grants	-	193,123	(193,123)	-	-
SEN Funding	-	36,202	(36,202)	-	-
Other restricted income	-	18,801	(18,801)	-	-
Other Government grants	-	62,462	(62,462)	-	-
	<u>87,416</u>	<u>1,518,656</u>	<u>(1,484,646)</u>	<u>-</u>	<u>121,426</u>
Restricted fixed asset funds					
Capital expenditure from GAG	29,710	-	(685)	-	29,025
DfE/ESFA capital grants	24,721	21,001	(19,009)	-	26,713
Inherited fixed assets	2,224,078	-	(106,449)	-	2,117,629
LEA other income	34,036	-	(7,995)	-	26,041
	<u>2,312,545</u>	<u>21,001</u>	<u>(134,138)</u>	<u>-</u>	<u>2,199,408</u>
Restricted pension funds					
Pension reserve	<u>(1,103,000)</u>	<u>-</u>	<u>(102,000)</u>	<u>(136,000)</u>	<u>(1,341,000)</u>
Total restricted funds	1,296,961	1,539,657	(1,720,784)	(136,000)	979,834
Unrestricted funds					
Unrestricted general funds	<u>274,928</u>	<u>53,731</u>	<u>(11,743)</u>	<u>-</u>	<u>316,916</u>
Total funds	<u>1,571,889</u>	<u>1,593,388</u>	<u>(1,732,527)</u>	<u>(136,000)</u>	<u>1,296,750</u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

The SEN funding represents grants received from Essex County Council in order to provide additional teaching resources to children with special learning needs. The cost of these teaching resources has been set against the income.

The DfE/ESFA capital grant income is an annual devolved capital grant received to assist the Academy with funding capital projects.

The LEA other income included under restricted funds relates to funding received from Essex County Council for a growth fund.

The Academy is not subject to a limit on the amount of the General Annual Grant that can be carried forward.

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,191,031	2,191,031
Current assets	306,638	214,083	71,780	592,501
Current liabilities	-	(138,185)	-	(138,185)
Pension scheme liability	-	(1,281,000)	-	(1,281,000)
Total net assets	<u>306,638</u>	<u>(1,205,102)</u>	<u>2,262,811</u>	<u>1,364,347</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,300,621	2,300,621
Current assets	274,928	215,016	11,924	501,868
Current liabilities	-	(127,600)	-	(127,600)
Pension scheme liability	-	(1,103,000)	-	(1,103,000)
Total net assets	<u>274,928</u>	<u>(1,015,584)</u>	<u>2,312,545</u>	<u>1,571,889</u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Commitments under operating leases

Operating leases

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

	2020 £	2019 £
Amounts due within one year	351	702
Amounts due between one and five years	-	351
	<u>351</u>	<u>1,053</u>

18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020 £	2019 £
Net expenditure	(120,542)	(139,139)
Depreciation	121,914	125,062
Capital grants from DfE and other capital income	(67,253)	(21,001)
Interest receivable	(924)	(574)
Defined benefit pension scheme obligation inherited	91,000	102,000
Decrease/(increase) in stocks	3,217	(1,056)
Increase in debtors	(33,368)	(6,080)
Increase/(decrease) in creditors	<u>10,585</u>	<u>(14,219)</u>
Net cash provided by Operating Activities	<u>4,629</u>	<u>44,993</u>

19 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	<u>456,400</u>	<u>60,482</u>	<u>516,882</u>
Total	<u>456,400</u>	<u>60,482</u>	<u>516,882</u>

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Members' liability

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

21 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are 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 of the LGPS 31 March 2016.

Contributions amounting to £19,949 (2019 - £20,565) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 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.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every 4 years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £119,894 (2019: £89,160).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £103,000 (2019 - £106,000), of which employer's contributions totalled £81,000 (2019 - £83,000) and employees' contributions totalled £22,000 (2019 - £23,000). The agreed contribution rates for future years are 22.1% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.30	3.80
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.60	1.90
Inflation assumptions (CPI)	2.30	2.30
RPI increases	3.10	3.30

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.30
Females retiring today	23.80	23.60
Retiring in 20 years		
Males retiring in 20 years	23.20	23.00
Females retiring in 20 years	25.20	25.40

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	2,245	2,114.00
Discount rate -0.1%	2,346	2,201.00
Mortality assumption – 1 year increase	2,377	2,238.00
Mortality assumption – 1 year decrease	2,215	2,079.00
CPI rate +0.1%	2,343	2,197.00
CPI rate -0.1%	2,248	2,118.00

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Pension and similar obligations (continued)

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

	2020	2019
	£	£
Equities	627,000	665,000
Gilts	43,000	58,000
Other bonds	57,000	59,000
Property	79,000	84,000
Cash and other liquid assets	28,000	31,000
Other	180,000	157,000
Total market value of assets	<u>1,014,000</u>	<u>1,054,000</u>

The actual return on scheme assets was £28,000 (2019 - £77,000).

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	151,000	164,000
Total amount recognized in the SOFA	151,000	164,000

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

	2019/20 £	2018/19 £
At start of period	2,157,000	1,739,000
Current service cost	151,000	148,000
Interest cost	40,000	46,000
Employee contributions	22,000	23,000
Actuarial (gain)/loss	98,000	188,000
Losses or gains on curtailments	(110,000)	-
Benefits paid	(63,000)	(3,000)
Past service cost	-	16,000
At 31 August	2,295,000	2,157,000

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

	2019/20 £	2018/19 £
At start of period	1,054,000	874,000
Interest income	20,000	25,000
Actuarial gain/(loss)	(99,000)	52,000
Employer contributions	81,000	83,000
Employee contributions	22,000	23,000
Benefits paid	(64,000)	(3,000)
At 31 August	1,014,000	1,054,000

22 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

Moulsham Infant School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>516,882</u>	<u>456,400</u>
Total cash and cash equivalents	<u>516,882</u>	<u>456,400</u>

24 Cash flows from investing activities

	2020	2019
	£	£
Dividends, interest and rents from investments	924	574
Purchase of tangible fixed assets	(12,324)	-
Capital funding received from sponsors and others	<u>67,253</u>	<u>21,001</u>
Net cash provided by investing activities	<u>55,853</u>	<u>21,575</u>

