

Company Registration No. 07698504 (England and Wales)

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

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**!RickardLuckin**

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

L Evans  
IJ Holroyd  
GM Williams  
L Hutchings

### Trustees

IJ Holroyd (Resigned 31 August 2021)  
J Batch  
K Wall (Resigned 30 November 2020)  
S Basnett  
SV Proctor (Principal)  
PL Burls  
C Ryan (Resigned 31 August 2021)  
D Glanville  
E Hunt (Resigned 31 August 2021)  
D Long (Chair)  
LW Wyatt  
J Hunt  
R Conran  
LA Bicknell (Appointed 1 September 2021)  
Dr PB Hayman (Appointed 1 September 2021)

### Senior management team

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

### Company registration number

07698504 (England and Wales)

### Registered office

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

### Independent auditor

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

Hadleigh Infants and Nursery School is based in the borough of Castle Point. It is a larger than average-size infants school with just over 300 pupils. We provide an excellent creative learning experience for all pupils. The school's Nursery offers parents the opportunity to complete part-time sessions or apply for fully funded 30 hours provision. Parents can also purchase additional sessions on top of their state-funded hours if they do not qualify for 30 hours provision. The school provides full-time education for pupils in the reception classes and Key Stage 1. As part of the school's wrap around care, parents are offered to pay for child care both before and after school. These sessions are run by members of staff from the school and are open to both children at the Infant and local junior school.

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

#### Constitution

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

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

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

#### Members' liability

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

#### Trustees' indemnities

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

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

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

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

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

Individual governors attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. These courses are in addition to the training and development sessions the Academy arranges and completes.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Organisational structure

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

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

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

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

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

The Audit and Risk Committee ensures that the school meets its statutory requirements as set out in the Academies Financial Handbook 2020. It also directs the school's reviewer as to which areas they would like him to audit throughout the academic year. The committee also holds the Accounting Officer and Chief Finance Officer to account for the recommendations set out from any external or internal audits that have been completed during the academic year. At each meeting the Accounting Officer and Chief Finance Officer set out what actions have been taken since the previous audits and update the committee of any further work that is required.

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

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

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

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

#### Related parties and other connected charities and organisations

Hadleigh Infants and Nursery School have close working relationships with both Hadleigh Junior School and the BATIC trust, with whom we share information and knowledge to assist each other in the day to day running of a school. The school also works closely with the Hadleigh Infants and Nursery School Parent Association (charity) - the school provides the charity with the premises and some personnel to help run charitable events. The school is the primary beneficiary of the majority of the proceeds that are raised. All three organisations named in the paragraph are separate companies.

#### **Objectives and activities**

##### Objects and aims

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

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Objectives, strategies and activities

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

The school's key objectives are:

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

The school's strategic targets for 2020 - 2021 were:

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

The Head Teacher, along with the school's Senior Leaders, developed the school's strategic plan to meet the targets outlined above. The school's strategic plan was reviewed and discussed on a half termly basis. During the academic year, the Head Teacher provided the members and trustees with an update related to these targets. During these updates, the Head Teacher provided evidence of the progress made towards each of the targets and the members and trustees raised questions. The school's strategic plan clearly identified a wide range of staff and governors who were to carry out tasks to ensure the targets and key objectives were met. By the end of the August 2021, the Academy had made progress in all of the targets set out above; however, due to the additional disruption caused by the second National Lockdown, there are still areas that need further development to ensure that they are fully embedded.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2021*

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During the past year, the Head Teacher, members, trustees, senior leaders and staff have ensured that the children at the school have been provided with the best educational opportunities both at school and whilst working from home during the second National Lockdown. The school has continued to ensure that its values and key objectives were met during the period of closure and reopening in the Spring Term. The teaching staff continued to ensure that the children had opportunities to complete academic activities as well as additional opportunities to further develop the school's core values of: Independence, Resilience, Inquisitiveness, Respect and Collaboration whilst working in school and during their time at home. The school's Leadership Team took the decision to invite a larger number of children (identified as vulnerable) into school to better support them during the school closure.

Before, during and after the lockdown, the school continued to adapt its procedures to ensure that the children were safeguarded from harm. The school's safeguarding leaders met regularly throughout the year (including during the lockdown period). During these meetings, the team looked at how to best support and protect our vulnerable children and their families. The school continued to adapt our procedures to ensure we remained in regular contact with our children and their families during the full and partial closure of the school. The school's members and trustees are regularly informed about any issues surrounding these areas and play an active part in evaluating the school's procedures. Their role in evaluating the procedures has continued to ensure that school leaders have been held accountable and improvements have been made. Regular updates have been provided linked to the progress against the targets that were set from various audits that have been carried out, this has taken place in the form of written reports and formal meetings. This self, internal and external evaluation will continue as we move into 2021-2022.

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

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

#### Public benefit

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### Strategic report

#### Achievements and performance

#### Reception

#### EFYS Teacher Assessment 2020/2021

|  |                                    | GLD | Expected in all ELG | Average Points per child |  |
|--|------------------------------------|-----|---------------------|--------------------------|--|
|  | Reception School Average 2020/2021 | 58% | 58%                 | 31.5                     |  |
|  |                                    |     |                     |                          |  |

The school's percentage of children working at a Good Level of Development (GLD) reduced by 16% compared to the end of the 2019/2020 academic year. There was a smaller reduction (but still significant) in the percentage of children achieving the expected standard on all Early Learn Goals (ELG) down 14% to 58% from 72% in 2019/2020. The main reason in the drop is the impact of the amount of time the children have missed during the past two academic years. There was a significant number of children who were unable to achieve all of the areas required to meet the GLD. The small gaps that these children displayed prevented them from achieving the expected outcome. The school's leadership team have created plans which will be implemented during 2021/2022 to ensure that the children in Reception are provided with best education and support to ensure that this level increases next year. The children who were in Reception during 2020/2021 and who are now completing their time in Year 1 will also be provided additional support over the next two years to ensure that we can accelerate the rates of progress and close the gap between their current levels and those expected at the end of Key Stage 1.

#### Year 1

#### End of Year 1 Teacher Assessment 2020/2021

|  |                                    | Reading | Writing | Maths | RWM |   |
|--|------------------------------------|---------|---------|-------|-----|---|
|  | Year 1 School Average 2020/2021    | 70%     | 64%     | 70%   | 63% | - |
|  |                                    |         |         |       |     |   |
|  | Local Authority Average 2020/2021* | 69%     | 63%     | 71%   | 59% |   |
|  | National Average 2020/2021*        | 67%     | 61%     | 69%   | 57% |   |
|  |                                    |         |         |       |     |   |

#### End of Year 1 Unofficial Phonics Screening Check 2020/2021

|  |                                    | Cohort Size | Passed | Did not pass | Average Score |   |
|--|------------------------------------|-------------|--------|--------------|---------------|---|
|  | Unofficial Phonics Screening Check | 89          | 65%    | 35%          | 31.4          | - |
|  |                                    |             |        |              |               |   |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

The school's leadership team were satisfied to see the school's end of year data for Year 1 was above the National Average in Reading, Writing and Maths as well as the combined judgment (children achieving the expected standard in Reading, Writing and Maths). The school was also above the Local Authority Average in three of the four indications. It is clear to see from the school's historical data that the impact of the past two years has had an impact on the outcomes of children in. The school's leadership have set challenging but achievable targets for the children and staff as they complete their final year at the school. It is important that any major impact on the outcomes of children is mitigated and addressed before they begin their time in Key Stage 2.

#### Year 2

##### Year 2 Phonics Screening Check 2020/2021

|  |                                   |  | Cohort Size | Passed | Did not pass | Average Score |   |
|--|-----------------------------------|--|-------------|--------|--------------|---------------|---|
|  | Phonics Screening Check 2020/2021 |  | 82          | 82%    | 18           | 34.8          | - |
|  |                                   |  |             |        |              |               |   |

##### End of Year 2 Teacher Assessment 2020/2021

|  |                                    |  | Reading | Writing | Maths | RWM |   |
|--|------------------------------------|--|---------|---------|-------|-----|---|
|  | Year 2 School Average 2020/2021    |  | 71%     | 66%     | 71%   | 59% | - |
|  |                                    |  |         |         |       |     |   |
|  | Local Authority Average 2020/2021* |  | 71%     | 62%     | 71%   | 58% |   |
|  | National Average 2020/2021*        |  | 69%     | 61%     | 69%   | 56% |   |
|  |                                    |  |         |         |       |     |   |

The school's end of Key stage 1 data also saw a small reduction compared to the previous year. The outcomes for Reading, Writing and Maths all reduced by 4% in 2020/2021 compared to 2019/2020. However, as demonstrated in the table above, the school achieved above the National Average in all four main reportable areas. The school was also able to achieve in line or above the Local Authority Average in Reading, Writing and Maths as well as the combined judgment (children achieving the expected standard in Reading, Writing and Maths).

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Key performance indicators

##### **KPI 1 - Maintain an Ofsted rating of Good or better.**

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

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

As stated in previous reports, the school was recently inspected under the framework set out above and was deemed to be Good (February 2020). Although the school continues to be good, it is clear that the school has made huge amounts of progress from its previous inspection.

By the end of the August 2021, the Academy had made progress in all of the targets set out above; however, due to the additional disruption caused by the second National Lockdown, there are still areas that need further development to ensure that they are fully embedded.

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

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

- Key Stage 1 Sports Mark Award
- Silver Eco Award
- Healthy Schools Award

##### **KPI 2 - Continue to generate at least 4% of GAG in additional income.**

During the 2020/2021 academic year, the school fell short of the 4% target set for additional income. The school was able to generate 3.3% of GAG during 2020/2021 (£31,180 generated - GAG £949,469). The school continued to feel the financial implications of the COVID-19 pandemic during the past year which made raising money via traditional means more challenging. Due to tight restrictions linked to groups of children the school's After School Club and Breakfast Club were forced to reduce its capacity and as a result lost 57% of its potential market as the clubs were only offered to children who attended the Infants and not the local Junior School. The school were able to generate £10,845 from Breakfast Club revenue and £16,759 in After School Club revenue. In addition to the reduction of capacity, the clubs were also faced with several week of seriously limited numbers due to the country re-entering a widespread lockdown which lead to the school being closed for the vast majority of children. The Risk and Audit Group also took the decision to suspend lettings whilst the pandemic continued. This decision was taken to best protect the school's children, staff and overall reputation. The school was able to raise £3,576 in through additional Nursery session during the 2020/2021.

Moving forward, it is clear that the school are highly unlikely to see a return to the levels of capacity we saw before the pandemic started; however, it is evident that the numbers started to increase during the year and continue to grow. During 2021/2022 the school will also consider if we could provide wrap around care for the children who attend Nursery which would increase the potential capacity by around 20%.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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**KPI 3 - To ensure that Staffing costs are less than 93% of GAG and additional central government funding.**

During the academic year of 2020/2021 the school was able to ensure that the staffing costs (excluding training and insurance) came to 92% of GAG and additional central government funding (including funding such as: LEA SEND Top Up Funding, Pupil Premium Funding, Nursery Designated Funding, Teachers Pay and Pensions Grant). The staffing costs did increase due to contractual increments, annual percentage increases and additional overtime linked directly to the school's response to COVID-19.

**KPI 4 - To complete capital projects to ensure the school reduces energy bills and the school's carbon footprint in a sustainable way without negatively impacting on the stakeholders.**

The school successfully bid for a Salix project at the end of April 2021 - this project allowed the school to renew all of the lights fixtures within the school. It is projected that the school will make a saving of around £3,000 per year. This saving will originally be used to repay the Salix loan that was taken out to pay for the project. As part of the project energy saving lights were installed as were lights managed by movement sensors. It has been suggested that not only will our energy bills reduce the school will also use less energy and reduce our overall carbon footprint. During 2020-2021, the school also updated all of its class computers and interactive whiteboards this has seen the need for leaving technology on and running over night eradicated as the equipment is now much more reliable - this in turn will also have a positive impact on reducing the school's energy bills.

#### Going concern

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

#### **Financial review**

During the year the school has total incoming resources of £1,419,040 (2020: £1,409,217), it incurred expenses totalling £1,666,928 (2020: £1,521,122), generating an operating deficit of £247,888 (2020: £111,905). There was an actuarial loss on the Local Government Pension Scheme (LGPS) of £80,000 (2020: £120,000 loss). The total Net Assets of the Academy at the year end were £811,402 (2020: £1,139,290) which is represented by Restricted Fixed Asset Fund of £2,225,395 (2020: £2,260,583), a Restricted General Fund of £42,195 (2020: £100,168), the LGPS deficit of £1,527,000 (2020: £1,307,000) and an Unrestricted Fund of £70,812 (2020: £85,539).

#### Reserves policy

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved. The review encompasses the nature of income and expenditure streams. It has been determined that the appropriate level of free reserves should be a minimum of 2% of the years restricted income, approximately £27,000. This provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Investment policy

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

#### Principal Risks and Uncertainties

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

- The continued financial impact of COVID-19 including the reduction in incomes linked to wrap around care, lettings and increases in resources such as PPE. The controls in place to mitigate the risk is that the school has created a Finance COVID-19 working group who have been tasked with looking at how we can further generate money and plan for the long term future of areas such as wrap around care. These plans will consider a reduction in staffing or closing the offer completely. Additional savings are being planned within the school's 2021/2022 budget to ensure that additional resources such as PPE do not use surplus funds planned to be carried forward.
- The impact that changes in government policy could have on funding. The controls in place to mitigate the risk  
Is that the school's three-year plan considers different possibilities to ensure that the school can still be sustainable even in the worst case scenario. The school also has a good relationship with the local MP and networks with other academies in the area in order to monitor the current situation.
- Possible problems of escalating maintenance/service costs (gas/electric) as the building gets older. The controls  
in place to mitigate the risk are that the school benchmarks costs against other schools and a programme of routine maintenance, including servicing where appropriate, is in place. The school's capital bids are also focused on reducing energy bills. The budgets always reflect anticipated increased costs.
- The impact of the loss of a senior member of staff. The control in place to mitigate the risk is a contingency plan  
for some key posts and in the short term, senior leadership posts would be able to 'act up'.
- The impact of further national rises in staffing costs including pensions, employees National Insurance payments, annual rises and increased teacher starting salaries. The control in place is that a working group will produce the school's Pay Policy and only approve salary rises if affordable and funded by government additional grants.
- The impact of continually not filling the cohorts - as the school's funding is linked directly with the number of children on roll. The control in place to mitigate this is to continue to promote the school better using a range of sources: local media, social media and the school's own website. The school also advertises during the academic year to fill spaces that were not filled at the beginning of the year.

#### Risk Management

The Academy maintains a risk register which is regularly monitored during Risk and Audit meetings. The risk register is also seen and reviewed by the Full Governing Body. Both groups make necessary changes/suggestions each time the register is reviewed. Both groups ensure that any new risks are identified and existing risks can be managed to ensure they do not materialise.

#### Financial and Risk Management Objectives and Policies

Risk categories are identified as compliance, strategic, reputational, operational and financial. All areas are regularly monitored and adjusted during either Full Governing Body meetings or Risk and Audit meetings. Changes are minuted and the risk register is updated accordingly.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### **Plans for future periods**

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

The wrap around care prices will be increased again for 2021/2022 whilst reducing the staffing costs. This will hopefully provide the school with a more sustainable model for wrap around care moving forward. The school will also consider if providing the children (who attend Nursery) with the opportunity to attend both Breakfast and After School Club could be beneficial and generate a higher uptake.

The school is going to continue to offer 30 hour provision for the next academic year and offer more 30 hour places to parents. This will see an increase in Nursery numbers which should then convert into a larger number of children attending the school as 95% of pupils attending the Nursery then attend the Infant School (September 2021/2022). During the 2020-2021 academic year, the school also offered 3 years-old children an opportunity to start a term early (children who should have started in September 2021 started in April 2021). This enabled the school to generate thousands of pounds in additional income. The Head Teacher, CFO and Nursery Leader will consider offering this opportunity again in April 2022.

During the past few years, the school has started to develop areas around the school. Around 85% of the school has now been decorated or redeveloped. This continual level of improvements will continue into the next financial year. The school's capital funding will be used to allow for continued improvement during 2021/2022. These changes should positively impact on the overall progress and outcomes for pupils as well as appealing to possible new parents bringing their pupils to the school. Gaining more pupils is essential in the long term stability of the school.

During 2020/2021, the school will continue to explore creative and sustainable methods to continuously improve the technology and resources within the school.

The school will also continue to look at additional means to identify children eligible for Pupil Premium funding and advertising available spaces for children. Both with the view of increasing incoming revenue.

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

None held

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Auditor

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15/12/21 and signed on its behalf by:

  
.....

SV Proctor  
**Principal**

  
.....

D Long  
**Chair**

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Scope of responsibility

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

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| <b>Trustees</b>                           | <b>Meetings attended</b> | <b>Out of possible</b> |
|---|--------------------------|------------------------|
| IJ Holroyd (Resigned 31 August 2021)      | 6                        | 6                      |
| J Batch                                   | 2                        | 6                      |
| K Wall (Resigned 30 November 2020)        | 1                        | 1                      |
| S Basnett                                 | 3                        | 6                      |
| SV Proctor (Principal)                    | 6                        | 6                      |
| PL Burls                                  | 6                        | 6                      |
| C Ryan (Resigned 31 August 2021)          | 3                        | 6                      |
| D Glanville                               | 5                        | 6                      |
| E Hunt (Resigned 31 August 2021)          | 5                        | 6                      |
| D Long (Chair)                            | 6                        | 6                      |
| LW Wyatt                                  | 5                        | 6                      |
| J Hunt                                    | 3                        | 6                      |
| R Conran                                  | 6                        | 6                      |
| LA Bicknell (Appointed 1 September 2021)  | 0                        | 0                      |
| Dr PB Hayman (Appointed 1 September 2021) | 0                        | 0                      |

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

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

Attendance at meetings in the year was as follows:

| <b>Trustees</b>                      | <b>Meetings attended</b> | <b>Out of possible</b> |
|--------------------------------------|--------------------------|------------------------|
| IJ Holroyd (Resigned 31 August 2021) | 3                        | 3                      |
| J Batch                              | 2                        | 3                      |
| SV Proctor (Principal)               | 3                        | 3                      |
| D Long (Chair)                       | 3                        | 3                      |
| J Hunt                               | 2                        | 3                      |

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# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Head Teacher's Pay Committee is a sub-committee of the main board of trustees. Its purpose is to:

Review the Head Teacher's performance against targets set and make recommendations to the full governing body linked to future pay increases.

Attendance at meetings in the year was as follows:

| <b>Trustees</b>                      | <b>Meetings attended</b> | <b>Out of possible</b> |
|--------------------------------------|--------------------------|------------------------|
| IJ Holroyd (Resigned 31 August 2021) | 1                        | 1                      |
| S Basnett                            | 1                        | 1                      |
| D Long (Chair)                       | 1                        | 1                      |

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

- DPO - The trustees, members, CFO and Head Teacher decided to buy into a service for a shared DPO. The academy has a SIRO and IC within school who liaise with the DPO to ensure that the school remains GDPR compliant. The cost of a shared DPO provides better value for money compared to having a sole DPO within the school setting.
- Training for support staff to enable them to teach classes. Training each member of support staff has allowed the school to use them as cover during times where teachers have been absent for either sickness or on courses. As a result of the training, we have been able to cover classes for PPA and staff absences at a very low cost compared to what supply teachers would have cost the school. The school spent considerably less on cover by using the HLTAs to cover which without the support staff completing the role would have seen cover costs increased considerably as the school struggled to manage staffing shortages during the COVID-19 pandemic.
- Key training is delivered by the school's senior leaders. The Head Teacher has completed high level training linked to Safeguarding and Health and Safety; this training has allowed him to complete regular and routine training which the school had previously paid for. It is estimated that this will save the school anywhere from £1000 - £2000 per year on outsourced training costs.
- Collaboration. As a trust we work with many local schools in the area. The school pays a small membership fee annually. The school receives support in many different ways including: training, sharing of resources and technical support. This support has led to a greater consistency across the schools and mutual sharing of expertise.
- The school has looked at investing in technology using the option of operational leasing. This has resulted in new technology being installed in all ten classrooms at a sustainable fixed fee over a period of time. The school previously invested in technology at one time which resulted in the majority of the technology needing to be replaced within a short space of time. Using the leasing option allowed the school to continue to function at a high standard, be cost effective and allowed the school to better plan for future investment. As part of the upgrade, the school had to dispose of the ten interactive whiteboards at a cost of £25 per unit. Instead we donated the boards to a local charity who will donate £200 to the school.
- Financial governance and oversight. Our trustees provide strong oversight and regularly question and challenge decisions made by the Academy.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hadleigh Infants And Nursery School (Academy) for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

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

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Governing Body and Risk 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 to hire School Business Management Services as the school's internal auditor. The Risk and Audit committee set the areas that were to be reviewed by the group. These areas were identified by the group working with the CFO and analysing previous audits and considering potential concerns.

The outcomes of both internal and external audits are shared with the Risk and Audit committee as well as the Full Governing Body. The CFO and Accounting Officer also provide regular updates as to the actions that have been completed following any audit.

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

### Review of effectiveness

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

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

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

Approved by order of the board of trustees on 15/12/21 and signed on its behalf by:



SV Proctor  
Principal



D Long  
Chair

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2021***

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As accounting officer of Hadleigh Infants and Nursery School (Academy), I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



SV Proctor  
**Accounting Officer**

15/12/21

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees (who are also the directors of Hadleigh Infants and Nursery School (Academy) for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15/12/21... and signed on its behalf by:



SV Proctor  
Principal



D Long  
Chair

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### **Opinion**

We have audited the financial statements of Hadleigh Infants and Nursery School (Academy) for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### **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 trust 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### **Other information**

The trustees are responsible for the other information, which 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.

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.

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

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

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

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

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the Academy Trust's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the Academy Trust.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Academy Trust is subject to laws and regulations that directly affect the financial statements, including: the Academy Trust's constitution; relevant financial reporting standards; company law; the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective from 1 January 2019); the Academies Accounts Direction 2020-21; and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the Academy Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, the Academy Trust's funding agreement; the requirements of the Academies Financial Handbook 2020; employment legislation; health and safety legislation; safeguarding legislation; the regulatory requirements of the Education and Skills Funding Agency; data protection legislations; anti-bribery and corruption legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

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

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: income recognition, depreciation of tangible fixed assets; and valuation of local government pension scheme deficit;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the Statement of Financial Activity (SoFA) and the Balance Sheet includes a number of items selected on a random basis;
- Reviewing the minutes of the meetings of the Governing Body and key sub committees;
- Evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- Evaluating and documenting internal controls and testing their application by walkthrough;
- Reviewing the work carried out for the Regularity Assurance Report.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### Use of our report

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



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

Chartered Accountants  
Statutory Auditor



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

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

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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In accordance with the terms of our engagement letter dated 1 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hadleigh Infants and Nursery School (Academy) during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Hadleigh Infants and Nursery School (Academy)'s funding agreement with the Secretary of State for Education dated 7 July 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### **Conclusion**

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



### **Reporting Accountant**

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

Dated: *15<sup>th</sup> December 2021*

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

|   | Notes | Unrestricted funds<br>£ | Restricted funds:<br>General £ Fixed asset £ | Total<br>2021<br>£ | Total<br>2020<br>£ |                  |
|---|-------|-------------------------|--|--------------------|--------------------|------------------|
| <b>Income and endowments from:</b>                  |       |                         |  |                    |                    |                  |
| Donations and capital grants                        | 3     | 8,524                   | -  | 7,279              | 15,803             | 22,830           |
| Charitable activities:                              |       |                         |  |                    |                    |                  |
| - Funding for educational operations                | 4     | 27,414                  | 1,375,769                                    | -                  | 1,403,183          | 1,383,921        |
| Other trading activities                            | 5     | -                       | -  | -                  | -                  | 2,120            |
| Investments   | 6     | 54                      | -  | -                  | 54                 | 346              |
| <b>Total</b>  |       | <u>35,992</u>           | <u>1,375,769</u>                             | <u>7,279</u>       | <u>1,419,040</u>   | <u>1,409,217</u> |
| <b>Expenditure on:</b>                              |       |                         |  |                    |                    |                  |
| Charitable activities:                              |       |                         |  |                    |                    |                  |
| - Educational operations                            | 8     | 50,719                  | 1,550,486                                    | 65,723             | 1,666,928          | 1,521,122        |
| <b>Total</b>  | 7     | <u>50,719</u>           | <u>1,550,486</u>                             | <u>65,723</u>      | <u>1,666,928</u>   | <u>1,521,122</u> |
| <b>Net expenditure</b>                              |       | (14,727)                | (174,717)                                    | (58,444)           | (247,888)          | (111,905)        |
| Transfers between funds                             | 16    | -                       | (23,256)                                     | 23,256             | -                  | -                |
| <b>Other recognised gains/(losses)</b>              |       |                         |  |                    |                    |                  |
| Actuarial losses on defined benefit pension schemes | 18    | -                       | (80,000)                                     | -                  | (80,000)           | (120,000)        |
| <b>Net movement in funds</b>                        |       | (14,727)                | (277,973)                                    | (35,188)           | (327,888)          | (231,905)        |
| <b>Reconciliation of funds</b>                      |       |                         |  |                    |                    |                  |
| Total funds brought forward                         |       | 85,539                  | (1,206,832)                                  | 2,260,583          | 1,139,290          | 1,371,195        |
| Total funds carried forward                         |       | <u>70,812</u>           | <u>(1,484,805)</u>                           | <u>2,225,395</u>   | <u>811,402</u>     | <u>1,139,290</u> |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

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

FOR THE YEAR ENDED 31 AUGUST 2021

| Comparative year Information<br>Year ended 31 August 2020 | Notes | Unrestricted<br>funds<br>£ | Restricted funds:<br>General Fixed asset<br>£                      £ |                  | Total<br>2020<br>£ |
|---|-------|----------------------------|--|------------------|--------------------|
| <b>Income and endowments from:</b>                        |       |                            |  |                  |                    |
| Donations and capital grants                              | 3     | 15,698                     | -  | 7,132            | 22,830             |
| Charitable activities:                                    |       |                            |  |                  |                    |
| - Funding for educational operations                      | 4     | -                          | 1,383,921  | -                | 1,383,921          |
| Other trading activities                                  | 5     | 2,120                      | -  | -                | 2,120              |
| Investments   | 6     | 346                        | -  | -                | 346                |
| <b>Total</b>  |       | <u>18,164</u>              | <u>1,383,921</u>   | <u>7,132</u>     | <u>1,409,217</u>   |
| <b>Expenditure on:</b>                                    |       |                            |  |                  |                    |
| Charitable activities:                                    |       |                            |  |                  |                    |
| - Educational operations                                  | 8     | 974                        | 1,461,526  | 58,622           | 1,521,122          |
| <b>Total</b>  | 7     | <u>974</u>                 | <u>1,461,526</u>   | <u>58,622</u>    | <u>1,521,122</u>   |
| <b>Net income/(expenditure)</b>                           |       | 17,190                     | (77,605)   | (51,490)         | (111,905)          |
| Transfers between funds                                   | 16    | -                          | (147)  | 147              | -                  |
| <b>Other recognised gains/(losses)</b>                    |       |                            |  |                  |                    |
| Actuarial losses on defined benefit pension schemes       | 18    | -                          | (120,000)  | -                | (120,000)          |
| <b>Net movement in funds</b>                              |       | 17,190                     | (197,752)  | (51,343)         | (231,905)          |
| <b>Reconciliation of funds</b>                            |       |                            |  |                  |                    |
| Total funds brought forward                               |       | 68,349                     | (1,009,080)  | 2,311,926        | 1,371,195          |
| Total funds carried forward                               |       | <u>85,539</u>              | <u>(1,206,832)</u>   | <u>2,260,583</u> | <u>1,139,290</u>   |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

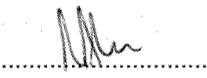
## BALANCE SHEET

AS AT 31 AUGUST 2021

|   | Notes | 2021      |                       | 2020      |                         |
|---|-------|-----------|-----------------------|-----------|-------------------------|
|   |       | £         | £                     | £         | £                       |
| <b>Fixed assets</b>   |       |           |                       |           |                         |
| Tangible assets   | 12    |           | 2,225,395             |           | 2,260,583               |
| <b>Current assets</b>   |       |           |                       |           |                         |
| Debtors   | 13    | 39,894    |                       | 13,786    |                         |
| Cash at bank and in hand  |       | 246,328   |                       | 318,638   |                         |
|   |       |           | <u>286,222</u>        |           | <u>332,424</u>          |
| <b>Current liabilities</b>  |       |           |                       |           |                         |
| Creditors: amounts falling due within one year                    | 14    | (151,761) |                       | (146,717) |                         |
| <b>Net current assets</b>   |       |           | <u>134,461</u>        |           | <u>185,707</u>          |
| <b>Total assets less current liabilities</b>                      |       |           | <u>2,359,856</u>      |           | <u>2,446,290</u>        |
| Creditors: amounts falling due after more than one year           | 15    |           | (21,454)              |           | -                       |
| <b>Net assets before defined benefit pension scheme liability</b> |       |           | <u>2,338,402</u>      |           | <u>2,446,290</u>        |
| Defined benefit pension scheme liability                          | 18    |           | (1,527,000)           |           | (1,307,000)             |
| <b>Total net assets</b>   |       |           | <u><u>811,402</u></u> |           | <u><u>1,139,290</u></u> |
| <b>Funds of the academy trust:</b>                                |       |           |                       |           |                         |
| <b>Restricted funds</b>   | 16    |           |                       |           |                         |
| - Fixed asset funds   |       |           | 2,225,395             |           | 2,260,583               |
| - Restricted income funds   |       |           | 42,195                |           | 100,168                 |
| - Pension reserve   |       |           | (1,527,000)           |           | (1,307,000)             |
| <b>Total restricted funds</b>                                     |       |           | <u>740,590</u>        |           | <u>1,053,751</u>        |
| <b>Unrestricted income funds</b>                                  | 16    |           | <u>70,812</u>         |           | <u>85,539</u>           |
| <b>Total funds</b>  |       |           | <u><u>811,402</u></u> |           | <u><u>1,139,290</u></u> |

The accounts on pages 27 to 49 were approved by the trustees and authorised for issue on 15/12/21 and are signed on their behalf by:

  
 SV Proctor  
 Principal

  
 D Long  
 Chair

Company Number 07698504

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

|   | Notes | 2021<br>£ | £               | 2020<br>£ | £              |
|---|-------|-----------|-----------------|-----------|----------------|
| <b>Cash flows from operating activities</b>   |       |           |                 |           |                |
| Net cash (used in)/provided by operating activities                                 | 19    |           | (72,213)        |           | 54,540         |
| <b>Cash flows from investing activities</b>   |       |           |                 |           |                |
| Dividends, interest and rents from investments                                      |       | 54        |                 | 346       |                |
| Capital grants from DfE Group   |       | 7,279     |                 | 7,132     |                |
| Purchase of tangible fixed assets   |       | (30,535)  |                 | (7,560)   |                |
| <b>Net cash used in investing activities</b>  |       |           | <b>(23,202)</b> |           | <b>(82)</b>    |
| <b>Cash flows from financing activities</b>   |       |           |                 |           |                |
| New Salix loan  |       | 23,105    |                 | -         |                |
| <b>Net cash provided by/(used in) financing activities</b>                          |       |           | <b>23,105</b>   |           | <b>-</b>       |
| <b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b> |       |           | <b>(72,310)</b> |           | <b>54,458</b>  |
| Cash and cash equivalents at beginning of the year                                  |       |           | 318,638         |           | 264,180        |
| <b>Cash and cash equivalents at end of the year</b>                                 |       |           | <b>246,328</b>  |           | <b>318,638</b> |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 1 Accounting policies

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

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

#### 1.1 Basis of preparation

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

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants

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

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

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

##### Sponsorship income

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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

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

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

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

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

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### Financial liabilities

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

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

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

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

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

#### 1.11 Fund accounting

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

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

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

#### 3 Donations and capital grants

|                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants  | -                          | 7,279                    | 7,279              | 7,132              |
| Other donations | 8,524                      | -                        | 8,524              | 15,698             |
|                 | <u>8,524</u>               | <u>7,279</u>             | <u>15,803</u>      | <u>22,830</u>      |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

|                                       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>              |                            |                          |                    |                    |
| General annual grant (GAG)            | -                          | 949,469                  | 949,469            | 925,017            |
| Other DfE / ESFA grants:              |                            |                          |                    |                    |
| UIFSM                                 | -                          | 99,742                   | 99,742             | 88,274             |
| Pupil premium                         | -                          | 53,630                   | 53,630             | 49,156             |
| Others                                | -                          | 80,282                   | 80,282             | 78,703             |
|                                       | -                          | 1,183,123                | 1,183,123          | 1,141,150          |
| <b>Other government grants</b>        |                            |                          |                    |                    |
| Local authority grants                | -                          | 157,248                  | 157,248            | 187,941            |
| <b>Exceptional government funding</b> |                            |                          |                    |                    |
| Coronavirus exceptional support       | -                          | 21,040                   | 21,040             | -                  |
| Other incoming resources              | 27,414                     | 14,358                   | 41,772             | 54,830             |
| <b>Total funding</b>                  | 27,414                     | 1,375,769                | 1,403,183          | 1,383,921          |

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

The academy received £21,040 of funding for catch-up premium and costs incurred in respect of this funding totalled £21,040.

### 5 Other trading activities

|                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | -                          | -                        | -                  | 2,120              |

### 6 Investment income

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 54                         | -                        | 54                 | 346                |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 7 Expenditure

|                                  | Staff costs<br>£ | Non-pay expenditure<br>Premises<br>£ | Other<br>£     | Total<br>2021<br>£ | Total<br>2020<br>£ |
|----------------------------------|------------------|--------------------------------------|----------------|--------------------|--------------------|
| Academy's educational operations |                  |                                      |                |                    |                    |
| - Direct costs                   | 1,022,239        | -                                    | 75,008         | 1,097,247          | 1,017,303          |
| - Allocated support costs        | 325,516          | 151,257                              | 92,908         | 569,681            | 503,819            |
|                                  | <u>1,347,755</u> | <u>151,257</u>                       | <u>167,916</u> | <u>1,666,928</u>   | <u>1,521,122</u>   |

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

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Fees payable to auditor for:                      |                |                |
| - Audit   | 9,675          | 8,700          |
| - Other services                                  | 2,045          | 1,500          |
| Depreciation of tangible fixed assets             | 65,723         | 58,622         |
| Net interest on defined benefit pension liability | 20,000         | 20,000         |
|   | <u>207,443</u> | <u>189,522</u> |

### 8 Charitable activities

|                        | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Direct costs</b>    |                            |                          |                    |                    |
| Educational operations | 46,357                     | 1,050,890                | 1,097,247          | 1,017,303          |
| <b>Support costs</b>   |                            |                          |                    |                    |
| Educational operations | 4,362                      | 565,319                  | 569,681            | 503,819            |
|                        | <u>50,719</u>              | <u>1,616,209</u>         | <u>1,666,928</u>   | <u>1,521,122</u>   |

#### Analysis of costs

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| <b>Direct costs</b>                          |                  |                  |
| Teaching and educational support staff costs | 1,022,239        | 929,277          |
| Staff development                            | 5,839            | 5,461            |
| Educational supplies and services            | 59,855           | 69,277           |
| Educational consultancy                      | 3,605            | 4,016            |
| Other direct costs                           | 5,709            | 9,272            |
|  | <u>1,097,247</u> | <u>1,017,303</u> |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities (Continued)

#### Support costs

|                                       |         |         |
|---------------------------------------|---------|---------|
| Support staff costs                   | 325,516 | 283,998 |
| Depreciation                          | 65,723  | 58,622  |
| Maintenance of premises and equipment | 32,282  | 30,700  |
| Cleaning                              | 17,214  | 14,328  |
| Rent, rates and other occupancy costs | 30,571  | 29,049  |
| Insurance                             | 5,467   | 5,957   |
| Catering                              | 37,229  | 25,941  |
| Finance costs                         | 20,000  | 20,000  |
| Other support costs                   | 23,959  | 25,024  |
| Governance costs                      | 11,720  | 10,200  |
|                                       | 569,681 | 503,819 |

### 9 Staff

#### Staff costs

Staff costs during the year were:

|   | 2021      | 2020      |
|---|-----------|-----------|
|   | £         | £         |
| Wages and salaries                      | 946,657   | 877,567   |
| Social security costs                   | 66,451    | 62,603    |
| Pension costs                           | 330,259   | 269,175   |
| Staff costs - employees                 | 1,343,367 | 1,209,345 |
| Agency staff costs                      | 4,388     | 3,930     |
|   | 1,347,755 | 1,213,275 |
| Staff development and other staff costs | 5,839     | 5,461     |
| Total staff expenditure                 | 1,353,594 | 1,218,736 |

#### Staff numbers

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

|                            | 2021   | 2020   |
|----------------------------|--------|--------|
|                            | Number | Number |
| Teachers                   | 11     | 12     |
| Administration and support | 36     | 37     |
| Management                 | 3      | 3      |
|                            | 50     | 52     |

#### Higher paid staff

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £288,562 (2020 - £270,673).

### 10 Trustees' remuneration and expenses

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

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

#### S Proctor (Head teacher):

Remuneration: £55,000 - £60,000 (2020 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £10,000 - £15,000)

#### D Glanville (Staff governor):

Remuneration: £40,000 - £45,000 (2020 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2020 - £5,000 - £10,000)

#### K Ryan (Staff governor):

Remuneration: £45,000 - £50,000 (2020 - £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £10,000 - £15,000)

#### P Burls (Staff governor):

Remuneration: £20,000 - £25,000 (2020 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2020 - £0 - £5,000)

During the year ended 31 August 2021, expenses totalling £5,940 (2019 - £3,747) were reimbursed directly to one trustee. These expenses were for school resources, PPE and school meal vouchers.

### 11 Trustees' and officers' insurance

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Tangible fixed assets

|                       | Freehold<br>land and<br>buildings<br>£ | Computer<br>equipment<br>£ | Furniture<br>and<br>equipment<br>£ | Total<br>£ |
|-----------------------|--|----------------------------|------------------------------------|------------|
| <b>Cost</b>           |  |                            |                                    |            |
| At 1 September 2020   | 2,708,740                              | 95,595                     | 18,140                             | 2,822,475  |
| Additions             | -                                      | 7,430                      | 23,105                             | 30,535     |
| At 31 August 2021     | 2,708,740                              | 103,025                    | 41,245                             | 2,853,010  |
| <b>Depreciation</b>   |  |                            |                                    |            |
| At 1 September 2020   | 459,998                                | 88,061                     | 13,833                             | 561,892    |
| Charge for the year   | 52,175                                 | 7,492                      | 6,056                              | 65,723     |
| At 31 August 2021     | 512,173                                | 95,553                     | 19,889                             | 627,615    |
| <b>Net book value</b> |  |                            |                                    |            |
| At 31 August 2021     | 2,196,567                              | 7,472                      | 21,356                             | 2,225,395  |
| At 31 August 2020     | 2,248,742                              | 7,534                      | 4,307                              | 2,260,583  |

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

### 13 Debtors

|                                | 2021<br>£ | 2020<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | -         | 190       |
| VAT recoverable                | 3,396     | 2,251     |
| Prepayments and accrued income | 36,498    | 11,345    |
|                                | 39,894    | 13,786    |

### 14 Creditors: amounts falling due within one year

|                                    | 2021<br>£ | 2020<br>£ |
|------------------------------------|-----------|-----------|
| Other loans                        | 1,651     | -         |
| Other taxation and social security | 26,734    | 36,494    |
| Other creditors                    | 85,340    | 84,891    |
| Accruals and deferred income       | 38,036    | 25,332    |
|                                    | 151,761   | 146,717   |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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|    |  |               |             |
|----|--|---------------|-------------|
| 15 | <b>Creditors: amounts falling due after more than one year</b> |               |             |
|    |  | <b>2021</b>   | <b>2020</b> |
|    |  | £             | £           |
|    | Other loans  | 21,454        | -           |
|    |  | <u>21,454</u> | <u>-</u>    |
|    | <b>Analysis of loans</b>                                       | <b>2021</b>   | <b>2020</b> |
|    |  | £             | £           |
|    | Wholly repayable within five years                             | 23,105        | -           |
|    | Less: included in current liabilities                          | (1,651)       | -           |
|    |  | <u>21,454</u> | <u>-</u>    |
|    | Amounts included above   | 21,454        | -           |
|    |  | <u>21,454</u> | <u>-</u>    |
|    | <b>Loan maturity</b>   |               |             |
|    | Debt due in one year or less                                   | 1,651         | -           |
|    | Due in more than one year but not more than two years          | 3,300         | -           |
|    | Due in more than two years but not more than five years        | 9,902         | -           |
|    | Due in more than five years                                    | 8,252         | -           |
|    |  | <u>23,105</u> | <u>-</u>    |
|    |  | <u>23,105</u> | <u>-</u>    |

Other loans relate to a Salix loan for energy efficient lighting.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 16 Funds

|                                     | Balance at<br>1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2021<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 79,839                                 | 949,469          | (954,040)          | (43,423)                               | 31,845                               |
| UIFSM                               | -                                      | 99,742           | (99,742)           | -                                      | -                                    |
| Pupil premium                       | 20,329                                 | 53,630           | (63,609)           | -                                      | 10,350                               |
| Other DfE / ESFA grants             | -                                      | 80,282           | (80,282)           | -                                      | -                                    |
| Other government grants             | -                                      | 178,288          | (198,455)          | 20,167                                 | -                                    |
| Other restricted funds              | -                                      | 14,358           | (14,358)           | -                                      | -                                    |
| Pension reserve                     | (1,307,000)                            | -                | (140,000)          | (80,000)                               | (1,527,000)                          |
|                                     | <u>(1,206,832)</u>                     | <u>1,375,769</u> | <u>(1,550,486)</u> | <u>(103,256)</u>                       | <u>(1,484,805)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Inherited on conversion             | 1,964,000                              | -                | (48,000)           | -                                      | 1,916,000                            |
| DfE group capital grants            | 296,583                                | 7,279            | (17,723)           | 23,256                                 | 309,395                              |
|                                     | <u>2,260,583</u>                       | <u>7,279</u>     | <u>(65,723)</u>    | <u>23,256</u>                          | <u>2,225,395</u>                     |
| <b>Total restricted funds</b>       | <u>1,053,751</u>                       | <u>1,383,048</u> | <u>(1,616,209)</u> | <u>(80,000)</u>                        | <u>740,590</u>                       |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| General funds                       | <u>85,539</u>                          | <u>35,992</u>    | <u>(50,719)</u>    | <u>-</u>                               | <u>70,812</u>                        |
| <b>Total funds</b>                  | <u>1,139,290</u>                       | <u>1,419,040</u> | <u>(1,666,928)</u> | <u>(80,000)</u>                        | <u>811,402</u>                       |

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

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

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

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

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 16 Funds

(Continued)

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

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 58,712                                 | 925,017          | (903,743)          | (147)                                  | 79,839                               |
| UIFSM                               | -                                      | 88,274           | (88,274)           | -                                      | -                                    |
| Pupil premium                       | -                                      | 49,156           | (49,156)           | -                                      | -                                    |
| Other DfE / ESFA grants             | 20,208                                 | 78,703           | (78,582)           | -                                      | 20,329                               |
| Other government grants             | -                                      | 187,941          | (187,941)          | -                                      | -                                    |
| Other restricted funds              | -                                      | 54,830           | (54,830)           | -                                      | -                                    |
| Pension reserve                     | (1,088,000)                            | -                | (99,000)           | (120,000)                              | (1,307,000)                          |
|                                     | <u>(1,009,080)</u>                     | <u>1,383,921</u> | <u>(1,461,526)</u> | <u>(120,147)</u>                       | <u>(1,206,832)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Transfer on conversion              | 2,012,000                              | -                | (48,000)           | -                                      | 1,964,000                            |
| DfE group capital grants            | 299,926                                | 7,132            | (10,622)           | 147                                    | 296,583                              |
|                                     | <u>2,311,926</u>                       | <u>7,132</u>     | <u>(58,622)</u>    | <u>147</u>                             | <u>2,260,583</u>                     |
| <b>Total restricted funds</b>       | <u>1,302,846</u>                       | <u>1,391,053</u> | <u>(1,520,148)</u> | <u>(120,000)</u>                       | <u>1,053,751</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| General funds                       | <u>68,349</u>                          | <u>18,164</u>    | <u>(974)</u>       | <u>-</u>                               | <u>85,539</u>                        |
| <b>Total funds</b>                  | <u>1,371,195</u>                       | <u>1,409,217</u> | <u>(1,521,122)</u> | <u>(120,000)</u>                       | <u>1,139,290</u>                     |

### 17 Analysis of net assets between funds

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£ | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| <b>Fund balances at 31 August 2021 are represented by:</b> |                            |                                   |                  |                     |
| Tangible fixed assets                                      | -                          | -                                 | 2,225,395        | 2,225,395           |
| Current assets   | 70,812                     | 215,410                           | -                | 286,222             |
| Creditors falling due within one year                      | -                          | (151,761)                         | -                | (151,761)           |
| Creditors falling due after one year                       | -                          | (21,454)                          | -                | (21,454)            |
| Defined benefit pension liability                          | -                          | (1,527,000)                       | -                | (1,527,000)         |
| <b>Total net assets</b>                                    | <u>70,812</u>              | <u>(1,484,805)</u>                | <u>2,225,395</u> | <u>811,402</u>      |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Analysis of net assets between funds (Continued)

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

### 18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There was £9,911 (2020: £13,000) outstanding Teachers pensions contributions and £13,326 (2020: £8,326) outstanding LGPS contributions at the end of the financial year. There were no prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £118,939 (2020: £112,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.87% for employers and 5.5% for employees.

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

| <b>Total contributions made</b> | <b>2021</b>    | <b>2020</b>   |
|---------------------------------|----------------|---------------|
|                                 | <b>£</b>       | <b>£</b>      |
| Employer's contributions        | 94,000         | 78,000        |
| Employees' contributions        | 24,000         | 21,000        |
| Total contributions             | <u>118,000</u> | <u>99,000</u> |

| <b>Principal actuarial assumptions</b>             | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 3.9         | 3.25        |
| Rate of increase for pensions in payment/inflation | 2.9         | 2.25        |
| Discount rate for scheme liabilities               | 1.65        | 1.6         |
| Inflation assumption (CPI)                         | 2.9         | 2.25        |
| RPI increase                                       | <u>3.2</u>  | <u>3.05</u> |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Pension and similar obligations

(Continued)

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

|                      | 2021<br>Years | 2020<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 21.6          | 21.8          |
| - Females            | 23.6          | 23.8          |
| Retiring in 20 years |               |               |
| - Males              | 22.9          | 23.2          |
| - Females            | 25.1          | 25.2          |

|                                    | +0.1%     | 0.0%      | -0.1%     |
|------------------------------------|-----------|-----------|-----------|
|                                    | £         | £         | £         |
| <b>Adjustment to discount rate</b> |           |           |           |
| Present value of total obligation  | 2,788,000 | 2,858,000 | 2,929,000 |
| Projected service cost             | 243,000   | 251,000   | 259,000   |

|  | +0.1%     | 0.0%      | -0.1%     |
|--|-----------|-----------|-----------|
|  | £         | £         | £         |
| <b>Adjustment to long term salary increase</b> |           |           |           |
| Present value of total obligation              | 2,864,000 | 2,858,000 | 2,852,000 |
| Projected service cost                         | 251,000   | 251,000   | 251,000   |

|   | +0.1%     | 0.0%      | -0.1%     |
|---|-----------|-----------|-----------|
|   | £         | £         | £         |
| <b>Adjustment to pension increases and deferred revaluation</b> |           |           |           |
| Present value of total obligation                               | 2,922,000 | 2,858,000 | 2,795,000 |
| Projected service cost  | 259,000   | 251,000   | 243,000   |

|  | +1 Year   | None      | -1 Year   |
|--|-----------|-----------|-----------|
|  | £         | £         | £         |
| <b>Adjustment to life expectancy assumptions</b> |           |           |           |
| Present value of total obligation                | 2,973,000 | 2,858,000 | 2,748,000 |
| Projected service cost                           | 262,000   | 251,000   | 241,000   |

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

|                              | 2021<br>Fair value<br>£ | 2020<br>Fair value<br>£ |
|------------------------------|-------------------------|-------------------------|
| Equities                     | 851,000                 | 612,000                 |
| Gilts                        | 34,000                  | 42,000                  |
| Other bonds                  | 62,000                  | 55,000                  |
| Cash                         | 37,000                  | 27,000                  |
| Property                     | 93,000                  | 77,000                  |
| Other assets                 | 254,000                 | 175,000                 |
| Total market value of assets | 1,331,000               | 988,000                 |

The actual return on scheme assets was £238,000 (2020: £10,000).

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Pension and similar obligations (Continued)

| Amount recognised in the statement of financial activities | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| Current service cost                                       | 214,000        | 157,000        |
| Interest cost  | 20,000         | 20,000         |
| Total operating charge                                     | <u>234,000</u> | <u>177,000</u> |

| Changes in the present value of defined benefit obligations | 2021<br>£        |
|---|------------------|
| At 1 September 2020   | 2,295,000        |
| Current service cost  | 213,000          |
| Interest cost   | 37,000           |
| Employee contributions                                      | 24,000           |
| Actuarial loss  | 302,000          |
| Benefits paid   | (13,000)         |
| At 31 August 2021   | <u>2,858,000</u> |

| Changes in the fair value of the academy trust's share of scheme assets | 2021<br>£        |
|---|------------------|
| At 1 September 2020   | 988,000          |
| Interest income   | 17,000           |
| Actuarial (gain)/loss   | 221,000          |
| Employer contributions  | 94,000           |
| Employee contributions  | 24,000           |
| Benefits paid   | (13,000)         |
| At 31 August 2021   | <u>1,331,000</u> |

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

|   | 2021<br>£       | 2020<br>£     |
|---|-----------------|---------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (247,888)       | (111,905)     |
| Adjusted for:   |                 |               |
| Capital grants from DfE and other capital income  | (7,279)         | (7,132)       |
| Investment income receivable  | (54)            | (346)         |
| Defined benefit pension costs less contributions payable                                | 120,000         | 79,000        |
| Defined benefit pension scheme finance cost   | 20,000          | 20,000        |
| Depreciation of tangible fixed assets   | 65,723          | 58,622        |
| (Increase)/decrease in debtors  | (26,108)        | 7,626         |
| Increase in creditors   | 3,393           | 8,675         |
| <b>Net cash (used in)/provided by operating activities</b>                              | <b>(72,213)</b> | <b>54,540</b> |

### 20 Analysis of changes in net funds

|  | 1 September<br>2020<br>£ | Cash flows<br>£ | 31 August<br>2021<br>£ |
|--|--------------------------|-----------------|------------------------|
| Cash                                       | 318,638                  | (72,310)        | 246,328                |
| Loans falling due within one year          | -                        | (1,651)         | (1,651)                |
| Loans falling due after more than one year | -                        | (21,454)        | (21,454)               |
|  | <u>318,638</u>           | <u>(95,415)</u> | <u>223,223</u>         |

### 21 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

|                                   | 2021<br>£     | 2020<br>£    |
|-----------------------------------|---------------|--------------|
| Amounts due within one year       | 5,893         | 1,465        |
| Amounts due in two and five years | 15,727        | 2,441        |
|                                   | <u>21,620</u> | <u>3,906</u> |

### 22 Related party transactions

One related party transaction occurred during the period of accounts totalling £30 to the son of one of the trustees for computer software and IT support.

# HADLEIGH INFANTS AND NURSERY SCHOOL (ACADEMY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### 23 Members' liability

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

