

Registration number: 08210466

Pen Mill Infant and Nursery Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

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PEN MILL INFANT AND NURSERY ACADEMY

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**PEN MILL INFANT AND NURSERY ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS**

Members	I Crabtree E Pyke
Trustees (Directors)	I Crabtree H Crawley S France M Gulliver T Manning (accounting officer) P Markham-Wiseman J Wright
Senior Management Team	T Manning, Headteacher L Cullen, SENco L Frost, Finance and operations manager
Principal and Registered Office	Pen Mill Infant and Nursery Academy St Michael's Avenue Yeovil Somerset BA21 4LD
Company Registration Number	08210466
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
Bankers	Lloyds Bank Plc 9 High Street Yeovil Somerset BA20 1RN
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter EX1 1UP

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The trust operates an academy for pupils aged 2 to 7 in Yeovil, in the South West of England. It has a pupil capacity of 240 pupils including Nursery and had a roll of 167 in the school census on 16 January 2022.

Structure, governance and management

Constitution

The Academy 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. The Trustees of Pen Mill Infant and Nursery Academy are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 3.

Members' liability

The liability of the members of the Academy Trust are limited.

Each Member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member and of the costs, charges and expenses of winding, and for the adjustment of the rights of the contributories among themselves.

If the Academy Trust is wound up or dissolved and after all its debts and liabilities (including any under section 483 of the Education Act 1996) have been satisfied there remains any property it shall not be paid or distributed amongst the members of the Academy Trust, but shall be given or transferred to some other charity or charities having objects similar to the Object which prohibits the distribution of its or their income and property to an extent at least as great as imposed on the Academy Trust at or before the time of dissolution and if that cannot be done then to some other charitable object.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is unlimited. In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover provides personal liability of up to £5,000,000.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Method of recruitment and appointment or election of Trustees

On 11th September 2012 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises

- One trustee appointed by the Members.
- Two staff trustees.
- A minimum of 2 and up to 4 parent governors.
- The Principal.
- Up to 3 co-opted governors.
- Any additional or further governors as instructed by the Secretary of State if the Academy is served a warning notice.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and procedures adopted for the induction and training of Trustees

All trustees are encouraged to undertake training for their role, and the academy subscribes to Somerset Governor Services who provide Induction training for trustees and for the Chair of Trustees. In addition, the Chair of Trustees can access regular briefings on relevant policy and legal changes from Somerset Governor Services as part of the same support package.

All trustees complete enhanced Disclosure and Barring Service checks.

Training and induction provided for new Trustees

All Trustees are provided with copies of policies, procedures, minutes, and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done via specific courses offered by Somerset Governor Services and other governance bodies. Trustees are encouraged to visit at least once a term. Since September 2021 the academy were following central government guidance regarding visiting schools and few visits took place on site. Several trustees had on-line meetings with school staff instead.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Organisational structure

The Board of Trustees normally meets twice each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings.

There are 2 committees as follows;

Finance, Audit and Risk - this meets at least 3 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from internal audit and drafting the annual budget including setting staffing levels and includes premises management. It also incorporates the role of a risk and audit committee. Finance, Audit and Risk monitors, evaluates and reviews all recruitment procedures and determines a pay policy for all staff within the approved budget and ensures arrangements are in place for effective performance. It also meets when required to review the Head Teacher's performance and set targets. On an annual basis, the Finance, Audit and Risk Committee reviews teaching staff Performance Management documents and agrees pay.

Teaching and Learning – this meets 3 times a year and is for monitoring the quality of education across the school. This committee works closely with the subject leaders to monitor, evaluate and review the teaching and learning across the school. The committee is led by education leaders and all trustees have teaching experience.

The following decisions are reserved to the Board of Trustees:

Board of Trustees.

- Determines the Academy's vision and strategy, agreeing key priorities and key performance indicators (KPIs) against which progress towards achieving the vision can be measured.
- to appoint or remove the Chairman and/or Vice Chairman and periodically carry out 360 review of the chair's performance
- to appoint the Headteacher and undertake their performance management.
- to appoint / remove the Clerk to the Trustees.
- to complete a Skills audit and recruit to fill gaps
- carry out annual self-review of the trust board and succession plan
- to approve the Annual Development Plan and budget.
- agree Annual calendar of business
- Elect parent trustees, committee member.
- Agree role descriptions for trustees/chair/link trustees/committee.
- Agree annually terms of reference for committees. Agree auditing and reporting arrangements for matters of compliance e.g. safeguarding, H&S, employment.
- Annual report on performance of the trust: submit to members and publish.

With regard to Committees the Board of Trustees will

- consider any proposals for changes to the status or constitution of the Academy and its committee structure and to establish and review these structures annually.
- Elect committee members.
- Appoint / remove committee chair persons.
- Agree the Terms of Reference for committees annually.
- Complete annual self-review of committees.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

In addition, the Trustees are responsible for setting general policy, approving the statutory accounts, monitoring the Academy using budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The pay of key management personnel is reviewed annually by the Finance, Audit and Risk Committee taking in to account the academy Pay Policy, and the current Teachers Pay and Conditions document.

Performance management documents will indicate if targets have been met and performance has been good.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT).

The Head Teacher is the Accounting Officer.

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the operation or decisions of Pen Mill Infant and Nursery Academy.

Objectives and activities

To ensure that standards are improved year on year the academy operates a programme of individual target setting and progress monitoring that feeds individual and school development. The academy ensures that there are quality opportunities to share good practice particularly in moderation and that staff receive quality CPD matched to the needs of staff and the academy priorities.

The Academy was inspected in February 2019 and was judged as 'RI' overall and specifically in the quality of teaching and learning.

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2022 are summarised below.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Key factors of improvement

<u>Date</u>	<u>Event</u>	<u>Impact</u>
July 2018	Headteacher resigned	Leadership restructure
September 2018	Acting headteacher in post	New SLT formed. Clear school priorities identified. Improvement in behaviour for all pupils and relationships with parents and staff with a high focus on staff wellbeing. Jane Weatherill audit of safeguarding visit.
September 2018	Deb Wring – School improvement consultant employed.	School focus on External support and challenge for leaders. Half termly visits from DW clearly show and improvement in leadership and management with a high focus on teaching and learning.
February 2019	Ofsted Ri judgement	Positive Ofsted experience led to reflection of key priorities and next steps. Safeguarding was effective.
May 2019	Redundancies	Mitigation of risk of deficit Restructuring of staff with a focus on EYFS, literacy and numeracy leads.
May 2019	Self improvement tool for 2 year olds completed.	Early years team support from Jo Sawyer and Sarah love. Extensive work was completed linked to the SIT and SDP which led to better provision for the nursery children.
September 2019	Engagement with Boolean Hub – Mastery specialist 4 year journey	Maths lead to work alongside hub to improve math's delivery, outcomes and progress.
November 2019	New Finance and operation manager recruited.	Improved financial position of the school. Improved working relationship between leadership and finance roles. Improved reporting and systems as noted by SRMA report from ESFA.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

February 2020	Learning Academies Trust – review EYFS provision and practice. Lucy Hanley	Clear structures and systems in place. Report highlights EYFS as a confident lead.
September 2020	Cornerstone English Hub intensive support.	Implementation of RWI Training and support for Literacy lead. Improved outcomes for pupils.
September 2021	New chair of Governors appointed	Stability within the governing board Members with a range of experience and abilities Headteacher is actively supported within her role.
June 2021	5 day SLA Midsomer Norton Schools partnership.	Deep dives in science, computing and pe led to areas of strength being identified. This allowed staff to share good practice and support one another with intent, implementation and impact when developing their subject.
November 2021	Implementation of formative assessment (Shirley Clarke) Partnership work with Junior school and Oak Academy trust.	A consistent approach from infant to junior. A higher focus on behaviour for learning. Encouragement of growth mindset. Language specific to learning achievement.
March 2022	Making and believing project – Take art Nursery.	Intent –raise quality of creative practice in EY setting Support children to play, explore, tell and see stories
March 2022	TSIO offer 5-day Nikki Edwards CEO Bath and Wells Diocese	To strengthen the Academy leadership with continued school improvement.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Key Priorities for 2022/23
<p><u>Effectiveness of leadership and management</u> To develop middle leader's ability to improve the quality of teaching, raise standards and provide appropriate support and challenge.</p>
<p><u>Quality of teaching and learning</u> To further embed the formative assessment approach to develop learning by allowing children to articulate their understanding and focus on review and improvement. To continue to improve the teaching and attainment of phonics through the implementation and training of RWI. To maintain a high focus on vocabulary enrichment throughout the school. Improve attainment for year 2 children in reading, writing and maths so that it is line with national or above. To improve the quality of and provision for vulnerable groups, particularly those eligible for pupil premium through a high focus catch up curriculum. To have a curriculum with a clear intent that is tailored to our children and community with imolementation showing clear progression of knowledge and skills across year groups.</p>
<p><u>Personal development</u> To promote a curriculum that extends beyond the academic. To promote equality of opportunity and diversity effectively.</p>
<p><u>Behaviour and attitudes</u> To improve the attendance for all year groups in the school to national target of 96% with aspirational target of 97%</p>
<p><u>Effective of the early years</u> To raise the percentage of all pupils achieving GLD by the end of the year. To raise the percentage of children achieving school readiness by end of nursery.</p>

Maths Attainment Key stage 1

<u>Attainment Maths 2022</u>	<u>Year 1</u>	<u>Year 2</u>
Working towards	46%	50%
Expected	37%	32%
Greater Depth	17%	18%
<u>Progress</u>		
Below	22%	5%
Expected	45%	40%
Accelerated	33%	55%

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

End of Key Stage 1 - Expected or above							
2022		2021		2020 – Predicted Results		2019	
All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)
54%	32%	74%	78%	92%	63%	83%	86%
End of Key Stage 1 Greater Depth							
2022		2021		2020 – Predicted Results		2019	
All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)
17%	4%	5%	7%	26%	7%	24%	26%

English attainment Key stage 1

Attainment Reading 2022	Year 1	Year 2
Working towards	21%	44%
Expected	34.5%	30.5%
Greater Depth	6/29	11.9%
Progress		
Below	0%	11%
Expected	35%	35%
Accelerated	65%	54%

Attainment Writing 2022	Year 1	Year 2
Working towards	24%	44%
Expected	34.5%	40.1%
Greater Depth	20.7%	0%
Progress		
Below	0%	11%
Expected	30%	49%
Accelerated	70%	40%

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

End of Key Stage 1 - Expected or above reading							
2022		2021		2020 – Predicted Results		2019	
All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)
42%	25%	71.8%	64.3%	86%	54%	71.4%	82.6%
End of Key Stage 1 Greater Depth							
2022		2021		2020 – Predicted Results		2019	
All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)
12%	4%	5.1%	0%	0%	0%	20.4%	26%
End of Key Stage 1 - Expected or above writing							
2022		2021		2020 – Predicted Results		2019	
All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)
24 40%	5/24 21%	59%	50%	82%	45%	67.3%	78.2%
End of Key Stage 1 Greater Depth							
2022		2021		2020 – Predicted Results		2019	
All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)	All Pupils	Pupil Premium (PP)
0	0	0%	0%	0	0	2%	0%

EYFS Attainment

44% achieved GLD (17/39)

EAL: 43% (6/14) Non EAL: 44% (11/25)

PP: 50 % (5/10) Non PP: 41% (12/29)

SEN: 40% (4/10) Non SEN: 45% (13/29)

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Strategic Report

The budget for the year was comprehensive, allowing for an additional TA if required. However, this was never required and due to losing the only full-time teacher and not replacing like for like, the budget saw huge savings, plus the recovery premium funding was not budgeted for in the year.

A healthy budget for buildings improvements and maintenance was agreed and the majority of this was spent, with capital being over-budget due to improvements not originally budgeted for.

Financial review

The majority of the Academy's funding is obtained from the Education and Skills Funding Agency (ESFA), in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's Financial Policies.

The Academy also receives grants from Somerset County Council for SEN, High Level need, top up funding, Pupil Premium funding related to Free School Meal entitlement and Service children, Nursery 2-4-year-old funding, Sports Funding Grants.

Reserves policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The academy's current level of free unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £169,255 (2021 - £169,254). Additionally within restricted funds the academy trust holds £157,218 (2021 - £131,228) of reserves (including the General Annual Grant) that are considered freely available for general purposes.

The Trustees have determined that the academy should hold a cash contingency equivalent to one month's gross salary expenditure and fixed overheads, which is approximately £80k. The reason for this is to provide 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. Any additional reserves over and above will be held due to instability of numbers.

As agreed by the finance committee – the aim was to spend reserves 21/22 to ensure staffing levels were maintained for the year only to assist with covid catch up for children. Two teaching staff members were on maternity leave also.

Long-term pupil forecasts have been published for Yeovil and the prediction is a decreasing roll for the majority of schools in Yeovil. Therefore, the Trustees agree that healthy reserves should be in place to cater for this, whilst still continuing to make the necessary improvements to the school for the benefit of the pupils.

Public benefit

The Trustees confirm that the Academy has complied with their duty to have due regard to the Charity Commission's general guidance on public benefit. The Academy meets these requirements by providing free education to all those enrolled in the Academy as well as numerous other benefits provided to the local community.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Key performance indicators

The main financial performance indicator is the level of reserves held at the balance sheet date. As a small Academy this has been carefully monitored, in the sixth year of the Academy, to ensure that a maximum amount of current year funding has been spent for the benefit of pupils during the year.

As ESFA funding is based on pupil numbers this is also a key financial performance indicator.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Investment policy

The Trustees review the financial position of the Academy and future demands for cash flow. Any possible investment opportunities are discussed in depth and the decision made appropriately.

Principal risks and uncertainties

The main risks and uncertainties faced by the Academy are regarding future income. The Academy is funded mainly from the ESFA which is based on pupil numbers. Future pupil numbers are difficult to predict with a great degree of accuracy and this therefore results in an element of uncertainty surrounding future financing. The Academy believes it can sustain sufficient pupil numbers to attract appropriate level of funding.

Risk Management

The Trustees have assessed the major risks to which the Academy is exposed, and a risk register has been established and reviewed and systems or procedures have been established to manage those risks. The risk register covers the following aspects:

- Strategic and reputational risks
- Operational risks
- Compliance risks
- Financial risks

The internal control systems are reviewed on a regular basis and supported by the Scheme of Delegation and the internal auditor's reviews and financial reporting to the board of trustees. Where it has been considered appropriate, adequate insurance cover has been put in place. These covers are reviewed annually.

Financial and risk management objectives and policies

The trustees who form the Finance Committee review the accounts in relation to expenditure against budget, on a regular basis, prior to presentation to the full board of trustees. The internal auditor has the main duty to provide assurance over the internal financial controls. A programme of termly reviews is undertaken by the internal auditor to ensure financial transactions are properly processed and controls are operating as intended by the board of trustees.

Funds held as Custodian Trustee on behalf of others

The academy and its trustees do not act as custodian trustee of any other charity.

PEN MILL INFANT AND NURSERY ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Auditor

Insofar as the Trustees are aware:


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

Reappointment of auditor

The auditor, Albert Goodman LLP, will be proposed for re-appointment at the Annual General Meeting.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on ...6/12/22... and signed on its behalf by:



.....
I Crabtree
Trustee

PEN MILL INFANT AND NURSERY ACADEMY

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Pen Mill Infant and Nursery 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 mis-statement or loss

As trustees, we have reviewed and taken account of the guidance in DfE's Government Handbook and competency framework for governance, Academies Financial Handbook 2021.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Pen Mill Infant and Nursery 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 Board of Trustees has formally met 7 times during the year, the meeting on the 13th January 2022 was not held as it was inquorate due to sickness. One meeting was held via MS Teams and several meetings were held where some trustees attended in person at the same time that others joined on-line.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
T Manning	7	7
P Markham-Wiseman	5	7
I Crabtree	7	7
H Crawley	5	7
J Wright	3	7
M Gulliver	7	7
S France	6	7

PEN MILL INFANT AND NURSERY ACADEMY GOVERNANCE STATEMENT (CONTINUED)

Composition of the Full Governing Board

Iain Crabtree. Retired head teacher with 13 years experience leading a Somerset primary school, Chief Executive of a small academy trust.

Hannah Crawley. Year 2 teacher and physical education and lead at Penn Mill Academy. Parent trustee at St. Michael's Academy, Yeovil.

Shaun France. Assistant head of Fairmead School, Yeovil. Experience of special education needs provision and leadership.

Margaret Gulliver. Retired music teacher teacher at Pen Mill.

Tracy Manning. Head Teacher of Pen Mill Infant and Nursery Academy.

Paige Markham-Wiseman. Year 6 teacher at St Michael's Academy, Yeovil. Experience of teaching in primary education.

Joanne Wright. Employee of Leonardo Helicopters, Yeovil. Experience of audit and risk management.

The Finance Committee is a sub-committee of the main Board of Trustees. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
I Crabtree	5	6
J Wright	3	6
M Gulliver	6	6

Review of value for money

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

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

- Analysing current providers of consumables and benchmarking, ensuring the desired quality is received for the best price.
- A detailed cost/benefit analysis of 'bought in services' has improved efficiencies, reliability and lowered costs
- Outside sports providers have been replaced with in house delivery, reducing costs and improving staff CPD. The PFSA role has been amalgamated with the Safeguarding role reducing staff costs, yet allowing for a more focussed cohesive approach.
- The academy continues to take an analytical approach to staff recruitment aiming to attract quality but with the versatility to use transferrable skills across the school.

PEN MILL INFANT AND NURSERY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Pen Mill Infant and Nursery Academy for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy 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 year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews 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;
- identification and management of risks;
- delegation of authority and segregation of duties.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Somerset County Council as internal auditor

The auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included:

- Review of income
- Review of purchasing
- Review of payroll
- Review of financial operations

On a termly basis, the auditor reports to the Board of Trustees, through the Finance Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The FGB carried out a skills audit of its members in the spring of 2021. The outcome of the audit was collated and linked to training available from the National Governance Association and Somerset Governor Service to which the academy subscribed and which trustees were encouraged to take up.

PEN MILL INFANT AND NURSERY ACADEMY
GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, T Manning 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 internal auditor ;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 6/12/22 and signed on its behalf by:



I Crabtree
Trustee



T Manning
Accounting officer
Trustee

PEN MILL INFANT AND NURSERY ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pen Mill Infant and Nursery 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust 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 Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA

T.A. Manning

T Manning
Accounting officer

Date: *6/12/22*

PEN MILL INFANT AND NURSERY ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 6/12/22 and signed on its behalf by:



I Crabtree
Trustee

PEN MILL INFANT AND NURSERY ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEN MILL INFANT AND NURSERY ACADEMY

Opinion

We have audited the financial statements of Pen Mill Infant and Nursery Academy (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2022 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 Academies Accounts Direction 2021 to 2022.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

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

PEN MILL INFANT AND NURSERY ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEN MILL INFANT AND NURSERY ACADEMY (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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.

PEN MILL INFANT AND NURSERY ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEN MILL INFANT AND NURSERY ACADEMY (CONTINUED)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Academy through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy, including the Companies Act 2006, Academies Accounts Direction 2021 to 2022, Charities SORP 2019, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

PEN MILL INFANT AND NURSERY ACADEMY

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PEN MILL INFANT AND NURSERY ACADEMY (CONTINUED)**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Joseph Doggrell BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 6/12/22

PEN MILL INFANT AND NURSERY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pen Mill Infant and Nursery Academy during the year to 31 August 2022 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 Pen Mill Infant and Nursery Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Pen Mill Infant and Nursery Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pen Mill Infant and Nursery Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2022 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.

PEN MILL INFANT AND NURSERY ACADEMY

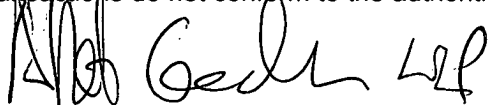
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academy Trust Handbook (September 2021);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Doggrell BSc (Hons) ACA

For and on behalf of Albert Goodman LLP, Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 6/12/22

PEN MILL INFANT AND NURSERY ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
Income and endowments from:					
Donations and capital grants	2	1,731	-	5,549	7,280
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	923,850	-	923,850
Other trading activities	4	21,876	700	-	22,576
Investments	5	123	-	-	123
Total		23,730	924,550	5,549	953,829
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	24,625	991,637	42,227	1,058,489
Net expenditure		(895)	(67,087)	(36,678)	(104,660)
Transfers between funds		-	(20,923)	20,923	-
Other recognised gains and losses					
Actuarial gain/(losses) on defined benefit pension scheme	22	-	1,210,000	-	1,210,000
Net movement in (deficit)/funds		(895)	1,121,990	(15,755)	1,105,340
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		178,069	(1,267,772)	924,853	(164,850)
Total funds/(deficit) carried forward at 31 August 2022		177,174	(145,782)	909,098	940,490

PEN MILL INFANT AND NURSERY ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	2	-	-	5,742	5,742
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	913,080	-	913,080
Other trading activities	4	17,809	-	-	17,809
Investments	5	146	-	-	146
Total		17,955	913,080	5,742	936,777
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	17,868	950,800	43,398	1,012,066
Net income/(expenditure)		87	(37,720)	(37,656)	(75,289)
Transfers between funds		-	(3,429)	3,429	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	22	-	(128,000)	-	(128,000)
Net movement in funds/(deficit)		87	(169,149)	(34,227)	(203,289)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		177,982	(1,098,623)	959,080	38,439
Total funds/(deficit) carried forward at 31 August 2021		178,069	(1,267,772)	924,853	(164,850)

PEN MILL INFANT AND NURSERY ACADEMY
(REGISTRATION NUMBER: 08210466)
BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	917,021	933,672
Current assets			
Debtors	12	22,427	23,145
Cash at bank and in hand		<u>353,691</u>	<u>322,518</u>
		376,118	345,663
Creditors: Amounts falling due within one year	13	<u>(49,649)</u>	<u>(45,185)</u>
Net current assets		<u>326,469</u>	<u>300,478</u>
Total assets less current liabilities		<u>1,243,490</u>	<u>1,234,150</u>
Net assets excluding pension liability		1,243,490	1,234,150
Pension scheme liability	22	<u>(303,000)</u>	<u>(1,399,000)</u>
Net assets/(liabilities) including pension liability		<u><u>940,490</u></u>	<u><u>(164,850)</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(145,782)	(1,267,772)
Restricted fixed asset fund		<u>909,098</u>	<u>924,853</u>
		763,316	(342,919)
Unrestricted funds			
Unrestricted general fund		<u>177,174</u>	<u>178,069</u>
Total funds		<u><u>940,490</u></u>	<u><u>(164,850)</u></u>

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue on 6/12/22..... and signed on their behalf by:


.....
I Crabtree
Trustee

PEN MILL INFANT AND NURSERY ACADEMY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	17	51,973	45,122
Cash flows from investing activities	18	<u>(20,800)</u>	<u>(6,602)</u>
Change in cash and cash equivalents in the year		31,173	38,520
Cash and cash equivalents at 1 September		<u>322,518</u>	<u>283,998</u>
Cash and cash equivalents at 31 August	19	<u><u>353,691</u></u>	<u><u>322,518</u></u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

Basis of preparation

The financial statements of the academy 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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 financial statements.

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

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.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

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.

Tangible fixed assets

Assets costing £2,500 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 requiring 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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

Asset class	Depreciation method and rate
Long leasehold land	straight line over the lease term
Long leasehold buildings	2%
Property improvements	10%
Furniture and equipment	25%
Computer equipment	33%

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.

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

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.

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

Pension 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. 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 of quadrennial valuations using a prospective unit credit method. 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 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/(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.

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 Department for Education Group.

Critical accounting estimates and areas of judgement

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.

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note x, 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 2022. 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.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Capital grants DfE/ESFA	-	5,549	5,549	5,742
Other donations	1,731	-	1,731	-
	<u>1,731</u>	<u>5,549</u>	<u>7,280</u>	<u>5,742</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	647,431	647,431	641,271
Other DfE/ESFA grants	29,281	29,281	32,896
Rates relief	3,200	3,200	3,200
Pupil premium	53,217	53,217	51,989
PE Grant	16,980	16,980	16,790
Catch-up premium	-	-	12,051
UIFSM	35,112	35,112	22,378
	<u>785,221</u>	<u>785,221</u>	<u>780,575</u>
Other government grants			
Local authority grants	138,629	138,629	132,505
Total grants	<u>923,850</u>	<u>923,850</u>	<u>913,080</u>

4 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	2021/22 Total £	2020/21 Total £
Facilities and services income	17,141	700	17,841	15,146
Educational trips and activities	3,660	-	3,660	943
Other income	1,075	-	1,075	1,720
	<u>21,876</u>	<u>700</u>	<u>22,576</u>	<u>17,809</u>

5 Investment income

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Short term deposits	<u>123</u>	<u>123</u>	<u>146</u>

PEN MILL INFANT AND NURSERY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022****(CONTINUED)****6 Expenditure**

	Non Pay Expenditure			2021/22	2020/21
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Academy's educational operations					
Direct costs	689,599	-	24,715	714,314	592,280
Allocated support costs	107,216	109,361	127,598	344,175	419,786
	<u>796,815</u>	<u>109,361</u>	<u>152,313</u>	<u>1,058,489</u>	<u>1,012,066</u>
Net income/(expenditure) for the year includes:					
				2021/22	2020/21
				£	£
Depreciation				43,123	44,402
Fees payable to auditor - audit				5,400	5,250
- other audit services				<u>2,140</u>	<u>2,075</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

7 Charitable activities

	2021/22	2020/21
	£	£
Direct costs - educational operations	714,314	592,280
Support costs - educational operations	344,175	419,786
	<u>1,058,489</u>	<u>1,012,066</u>
	2021/22	2020/21
	Total	Total
	£	£
Analysis of direct costs		
Teaching and educational support staff costs	689,599	576,948
Supply Teacher Costs	-	1,347
Educational supplies	23,901	12,333
Staff development	626	1,422
Other direct costs	188	230
Total direct costs	<u>714,314</u>	<u>592,280</u>
	2021/22	2020/21
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	107,216	179,078
Depreciation	43,123	44,401
Recruitment and support	334	330
Rent, rates and utilities	18,367	17,621
Insurance	8,079	2,953
Catering	49,538	53,464
Maintenance of premises and equipment	23,364	12,072
Cleaning	24,507	24,995
Technology costs	4,442	1,100
Professional fees	47,357	61,325
Other support costs	17,848	22,447
Total support costs	<u>344,175</u>	<u>419,786</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

8 Staff

Staff costs

	2021/22	2020/21
	£	£
Staff costs during the year were:		
Wages and salaries	533,892	496,334
Social security costs	22,786	46,199
Operating costs of defined benefit pension schemes	240,137	213,809
	<u>796,815</u>	<u>756,342</u>
Supply staff costs	-	1,031
	<u>796,815</u>	<u>757,373</u>

Staff numbers

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

	2022	2021
	No	No
Charitable Activities		
Teachers	12	10
Administration and support	20	21
Management	3	3
	<u>35</u>	<u>34</u>

Higher paid staff

No employee emoluments exceeded £60,000 in the year.

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £145,948 (2021: £143,364).

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy 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 role as trustees. The value of trustees' remuneration and other benefits was as follows:

T Manning (headteacher and trustee - appointed 8 May 2018):

Remuneration: £40,000 - £45,000 (2021 - £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2021 - £10,000 - £15,000)

H Crawley (staff trustee - appointed 7 February 2019):

Remuneration: £20,000 - £25,000 (2021 - £15,000 - £20,000)

Employer's pension contributions: £5,000 - £10,000 (2021 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

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

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

11 Tangible fixed assets

	Leasehold land and buildings £	Property improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2021	838,000	290,721	47,732	82,498	1,258,951
Additions	-	7,954	17,030	1,488	26,472
At 31 August 2022	838,000	298,675	64,762	83,986	1,285,423
Depreciation					
At 1 September 2021	129,054	94,889	30,926	70,410	325,279
Charge for the year	12,943	20,246	5,699	4,235	43,123
At 31 August 2022	141,997	115,135	36,625	74,645	368,402
Net book value					
At 31 August 2022	696,003	183,540	28,137	9,341	917,021
At 31 August 2021	708,946	195,832	16,806	12,088	933,672

12 Debtors

	2022 £	2021 £
VAT recoverable	2,299	453
Other debtors	1,633	53
Prepayments and accrued income	18,495	22,639
	<u>22,427</u>	<u>23,145</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,959	-
Other taxation and social security	23,496	22,756
Accruals and deferred income	23,194	22,429
	<u>49,649</u>	<u>45,185</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

13 Creditors: amounts falling due within one year (continued)

	2021
	£
Deferred income	
Deferred income at 1 September 2021	17,769
Resources deferred in the period	14,857
Amounts released from previous periods	<u>(17,769)</u>
Deferred income at 31 August 2022	<u><u>14,857</u></u>

At the balance sheet date the academy trust was holding funds of £14,654 (2020: £16,839) received in advance for Universal Infant Free School Meals and £203 (2020: £930) in association with school trips which will take place in 2020/21.

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

14 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	118,105	647,430	(579,663)	(31,803)	154,069
Other DfE/ESFA grants	13,123	49,462	(62,585)	-	-
Other Local Authority Grant	-	32,963	(32,963)	-	-
Early Years Grant	-	105,666	(116,546)	10,880	-
Pupil Premium	-	53,217	(53,217)	-	-
Pension reserve	(1,399,000)	-	(114,000)	1,210,000	(303,000)
Other restricted funds	-	700	(700)	-	-
UIFSM	-	35,112	(31,963)	-	3,149
	<u>(1,267,772)</u>	<u>924,550</u>	<u>(991,637)</u>	<u>1,189,077</u>	<u>(145,782)</u>
Restricted fixed asset funds					
Inherited fixed assets	709,145	-	(42,227)	-	666,918
DfE/ESFA capital grants	167,777	5,549	-	-	173,326
Capital expenditure from GAG	47,931	-	-	20,923	68,854
	<u>924,853</u>	<u>5,549</u>	<u>(42,227)</u>	<u>20,923</u>	<u>909,098</u>
Total restricted funds	<u>(342,919)</u>	<u>930,099</u>	<u>(1,033,864)</u>	<u>1,210,000</u>	<u>763,316</u>
Unrestricted funds					
General	169,254	23,730	(23,729)	-	169,255
Capital expenditure	8,815	-	(896)	-	7,919
Total unrestricted funds	<u>178,069</u>	<u>23,730</u>	<u>(24,625)</u>	<u>-</u>	<u>177,174</u>
Total funds	<u>(164,850)</u>	<u>953,829</u>	<u>(1,058,489)</u>	<u>1,210,000</u>	<u>940,490</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

14 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	80,225	641,271	(599,962)	(3,429)	118,105
Other DfE/ESFA grants	7,152	168,829	(162,858)	-	13,123
Other Local Authority Grant	-	16,562	(16,562)	-	-
Pupil Premium	-	51,989	(51,989)	-	-
Pension reserve	(1,186,000)	-	(85,000)	(128,000)	(1,399,000)
UIFSM	-	22,378	(22,378)	-	-
Catch up Premium	-	12,051	(12,051)	-	-
	<u>(1,098,623)</u>	<u>913,080</u>	<u>(950,800)</u>	<u>(131,429)</u>	<u>(1,267,772)</u>
Restricted fixed asset funds					
Inherited fixed assets	722,399	-	(13,254)	-	709,145
DfE/ESFA capital grants	178,331	5,742	(16,296)	-	167,777
Capital expenditure from GAG	58,350	-	(13,848)	3,429	47,931
	<u>959,080</u>	<u>5,742</u>	<u>(43,398)</u>	<u>3,429</u>	<u>924,853</u>
Total restricted funds	<u>(139,543)</u>	<u>918,822</u>	<u>(994,198)</u>	<u>(128,000)</u>	<u>(342,919)</u>
Unrestricted funds					
General	168,163	17,955	(16,864)	-	169,254
Capital expenditure	9,819	-	(1,004)	-	8,815
Total unrestricted funds	<u>177,982</u>	<u>17,955</u>	<u>(17,868)</u>	<u>-</u>	<u>178,069</u>
Total funds	<u>38,439</u>	<u>936,777</u>	<u>(1,012,066)</u>	<u>(128,000)</u>	<u>(164,850)</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

14 Funds (continued)

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

General Annual Grant (GAG) - Funding from the Education and Skills Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2022.

Other DfE/ESFA grants - Grants from the Education and Skills funding Agency to support PE activities and pupils from low income families and provide universal infant free school materials.

Other local authority grants - Funding from Dorset County Council towards the cost of employing a parent/family support advisor, crossing patrol and support towards the soft playroom refurbishment.

General restricted - Funding from other organisations specific projects undertaken by the Academy Trust.

Pension reserve - This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the period.

Inherited fixed assets - This fund is to recognise the value of the donated fixed assets at the conversion of the school to an Academy. The expenditure is the depreciation on those assets.

DfE/ESFA capital grants - This is funding from the DFE/ESFA to support capital projects undertaken by the academy.

Capital expenditure from GAG - This represents the amount of the General Annual Grant allocated towards capital expenditure during the period and its associated depreciation.

Capital expenditure from other restricted funds - This represents the amount of Devolved Formula Capital Grant and other DfE/ESFA grants allocated towards capital and its associated depreciation.

General unrestricted - This represents funds which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees.

Capital expenditure from unrestricted funds - This represents the amount of unrestricted funds allocated towards capital and its associated depreciation.

Pupil Premium - Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

UIFSM - This represents funding received from the ESFA for the provision of school dinners to all reception and key stage one pupils.

Catch-up premium - A one-off universal grant from the Education and Skills Funding Agency for the 2020/21 academic year to support children and young people to catch up lost time after school closure, and to cover associated costs.

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

15 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	7,923	-	909,098	917,021
Current assets	169,251	206,867	-	376,118
Current liabilities	-	(49,649)	-	(49,649)
Pension scheme liability	-	(303,000)	-	(303,000)
Total net assets	177,174	(145,782)	909,098	940,490

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	8,819	-	924,853	933,672
Current assets	169,250	176,413	-	345,663
Current liabilities	-	(45,185)	-	(45,185)
Pension scheme liability	-	(1,399,000)	-	(1,399,000)
Total net assets	178,069	(1,267,772)	924,853	(164,850)

16 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	1,239	2,315
Amounts due between one and five years	1,858	3,097
	3,097	5,412

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

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

	2022	2021
	£	£
Net expenditure	(104,660)	(75,289)
Depreciation	43,123	44,401
Capital grants from DfE and other capital income	(5,549)	(5,742)
Interest receivable	(123)	(146)
Defined benefit pension scheme cost less contributions payable	91,000	66,000
Defined benefit pension scheme finance cost	23,000	19,000
Decrease/(increase) in debtors	718	(1,852)
Increase/(decrease) in creditors	4,464	(1,250)
Net cash provided by Operating Activities	<u>51,973</u>	<u>45,122</u>

18 Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	123	146
Purchase of tangible fixed assets	(26,472)	(12,490)
Capital funding received from sponsors and others	5,549	5,742
Net cash used in investing activities	<u>(20,800)</u>	<u>(6,602)</u>

19 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	<u>353,691</u>	<u>322,518</u>
Total cash and cash equivalents	<u>353,691</u>	<u>322,518</u>

20 Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash	<u>322,518</u>	<u>31,173</u>	<u>353,691</u>
Total	<u>322,518</u>	<u>31,173</u>	<u>353,691</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

21 Member liability

The liability of the members of the Academy Trust are limited.

Each Member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member and of the costs, charges and expenses of winding, and for the adjustment of the rights of the contributories among themselves.

If the Academy Trust is wound up or dissolved and after all its debts and liabilities (including any under section 483 of the Education Act 1996) have been satisfied there remains any property it shall not be paid or distributed amongst the members of the Academy Trust, but shall be given or transferred to some other charity or charities having objects similar to the Object which prohibits the distribution of its or their income and property to an extent at least as great as imposed on the Academy Trust at or before the time of dissolution and if that cannot be done then to some other charitable object.

22 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 Somerset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

22 Pension and similar obligations (continued)

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £70,000 (2021: £71,000).

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 contribution made for the year ended 31 August 2022 was £70,000 (2021 - £68,000), of which employer's contributions totalled £56,000 (2021 - £55,000) and employees' contributions totalled £14,000 (2021 - £13,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	<u>4.30</u>	<u>1.70</u>

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

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

22 Pension and similar obligations (continued)

	2022	2021
Retiring today		
Males retiring today	21.40	23.10
Females retiring today	23.20	24.60
Retiring in 20 years		
Males retiring in 20 years	22.60	24.40
Females retiring in 20 years	<u>24.60</u>	<u>26.10</u>

Sensitivity analysis

	2022	2021
	£	£
Discount rate +0.1%	1,168,000	2,234,000
Discount rate -0.1%	1,231,000	2,358,000
Mortality assumption – 1 year increase	1,235,000	2,388,000
Mortality assumption – 1 year decrease	<u>1,164,000</u>	<u>2,206,000</u>

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

	2022	2021
	£	£
Equities	659,000	652,000
Gilts	36,000	51,000
Other bonds	80,000	93,000
Property	81,000	64,000
Cash and other liquid assets	<u>40,000</u>	<u>36,000</u>
Total market value of assets	<u>896,000</u>	<u>896,000</u>

Amounts recognised in the statement of financial activities

	2022	2021
	£	£
Current service cost	(146,000)	(121,000)
Interest cost	<u>(38,000)</u>	<u>(30,000)</u>
Total amount recognized in the SOFA	<u>(184,000)</u>	<u>(151,000)</u>

PEN MILL INFANT AND NURSERY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

22 Pension and similar obligations (continued)

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

	2022	2021
	£	£
At start of period	(2,295,000)	(1,874,000)
Current service cost	(146,000)	(121,000)
Interest cost	(38,000)	(30,000)
Employee contributions	(14,000)	(13,000)
Actuarial (gain)/loss	1,390,000	(302,000)
Losses or gains on curtailments	(132,000)	35,000
Benefits paid	36,000	10,000
At 31 August	<u>(1,199,000)</u>	<u>(2,295,000)</u>

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

	2022	2021
	£	£
At start of period	896,000	688,000
Interest income	15,000	11,000
Actuarial gain/(loss)	(48,000)	139,000
Employer contributions	56,000	55,000
Employee contributions	14,000	13,000
Benefits paid	(37,000)	(10,000)
At 31 August	<u>896,000</u>	<u>896,000</u>

23 Related party transactions

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

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