

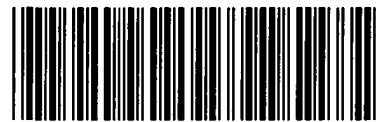
Monkton Infants School

(A company limited by guarantee)

Annual report

31 August 2017

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Monkton Infants School

(A company limited by guarantee)

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Reference and administrative details Year ended 31 August 2017

Members Mr WF Armstrong
Mrs J Hansen
Mrs M Olsen
Mrs M Kirkland (appointed 22 November 2016)

Governors Mrs M Olsen, Chair
Mrs A Sharp, Vice Chair
Mrs C Askwith, Principal
Mrs H Winter, Deputy Principal
Mr WF Armstrong
Mrs E Fairbrother
Mrs J Hansen
Mr R Cheadle
Mr S Johnson (resigned 16 March 2017)
Ms J Wall (resigned 23 April 2017)
Mr I Coulter (resigned 14 June 2017)
Ms R Garvin (appointed 5 May 2017)
Ms J Watkins (appointed 22 May 2017)

Company registered number 08354212

Company name Monkton Infants School

Principal and registered office St. Simon Street
South Shields
Tyne and Wear
NE34 9SD

Company secretary Ms J Daglish

Chief executive officer Mrs C Askwith

Senior management team Mrs C Askwith, Principal
Mrs H Winter, Deputy Principal
Ms J Watkins, Business Manager
Ms S Wallace, Early Years Lead

Independent auditor UNW LLP
Chartered Accountants
Citygate
St James Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers Lloyds Bank
101 Kings Street
South Shields
South Tyneside
NE33 1DT

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Reference and administrative details of the academy, its governors and advisers Year ended 31 August 2017

Advisers (continued)

Solicitors	Womble Bond Dickinson LLP St Anns Wharf 112 Quayside Road Newcastle upon Tyne NE1 3DX
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Monkton Infants School

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Trustees' report

Year ended 31 August 2017

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4-7 serving a catchment area in South Tyneside. The separate Nursery Unit caters for children aged 3 to 4 years. It has a pupil capacity of 258 and had a roll of 185 as at July 2017.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity. It is governed by its Memorandum and Articles of Association dated 1 February 2013.

The principal object of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school which shall offer a broad and balanced curriculum.

There have been no changes in the objectives since the last annual report.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

The academy has purchased insurance to protect governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

Method of recruitment and appointment or election of governors

The management of the academy is the responsibility of the governors who are elected and co-opted under the terms of the Articles of Association. The term of office for any governor shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex-officio. Subject to the remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

The make-up of the Governing Body is as follows:

- Principal
- 3 Co-opted Governors
- 3 Parent Governors
- 2 Staff Governors
- 1 Local Authority Governor

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors depends on their existing experience. Where necessary induction and training is provided on educational, legal and financial matters. The Academy buys into an annual

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Trustees' report (continued)

Year ended 31 August 2017

Service Level Agreement (SLA) for Governor Training and Support. All new governors are given a tour of the Academy and the chance to meet with staff and students. All newly appointed governors are provided with an induction pack which contains copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake in their role as a governor. As there are normally only one or two new governors a year, induction is undertaken formally and is tailored to the individual.

The Academy buys into a SLA for Governor Services and a training session is provided specifically for the induction of newly appointed governors which is recognised by a certificate at the end of the training. Every year governors receive a personal training planner which highlights training sessions available and governors are encouraged to attend.

Organisational structure

During the year, the academy has operated a unified leadership structure. The structure consists of two levels: the governors and the Senior Leadership Team. The Leadership Team work closely with middle leaders through the link strategy, thus ensuring that "leadership" and "management" is devolved accordingly within the academy.

Governors are responsible for setting general policy, adopting the annual 'Improvement Plan' and agreeing the budget. This also involves monitoring the academy by the use of budgets, agreeing major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consist of the Principal, Deputy Principal, Early Years Lead and School Business Manager who provide the strategic leadership for the academy implementing the policies laid down by the governors and reporting back to them via the Principal. The Senior Leadership Team is responsible for the day-to-day running of the academy, the financial management of the academy funds and the appointment of staff through interview panels that may contain a governor.

Pay policy for key management personnel

Salaries are set for senior staff by the governing body in accordance with the pay policy approved by governors and are subject to successful annual performance management procedures. The Principal's salary is agreed by a panel of governors who are advised by the School Improvement Partner and is dependant upon her performance against annual performance management objectives.

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Trustees' report (continued)

Year ended 31 August 2017

Objectives and Activities

Objects and aims

The principal object and activity of the company is the operation of Monkton Infants School to provide education for students of different abilities between the ages of 3 and 7.

In accordance with the Articles of Association the Academy Trust's objects is specifically to advance, for the public benefit, education in the United Kingdom.

The Academy's main objectives are encompassed in its Mission Statement:

Monkton Infants School strives to help all children to develop their full potential within a happy, safe and challenging environment. We create a positive and supportive ethos in which academic and personal development can flourish through a broad, relevant and balanced curriculum.

Many people, especially staff and governors, have contributed to formulating aims for the Academy, which are given below. Governors and staff are committed to working very hard to make them a reality in the daily working life of the school.

Our aims are:

- To ensure all children are making good progress in all areas of development.
- To help pupils secure high academic attainment.
- To provide a creative, engaging and broad and balanced curriculum.
- To foster a love of learning and school life in pupils.
- To work effectively with parents/carers and the wider community for mutual benefit.
- To provide highly skilled and motivated staff and governors.
- To secure a high quality learning environment in which children can flourish.

Public benefit

The company's aims and objectives are set out within this report. The activities set out in this report have been undertaken to further the company's charitable purposes for the public benefit. The governors have complied with the duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission and the governors have paid due regard to this guidance in deciding what activities the school should undertake.

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Trustees' report (continued)

Year ended 31 August 2017

Achievements and performance

Key performance indicators

Once again we celebrated excellent end of Key Stage 1 results in July.

Early Years Foundation Stage

Skills on Entry to Nursery	Well below average
Skills on Entry to Reception	Below Average
% Achieving Good Level of Development at July 2016	75%
Achievement	Good

Key Stage 1 - Headline Figures											Monkton Infants' School				2017	
KS1 2017 Cohort details		2017	Reading		Writing		Maths		Science		RWM					
No of Year 2 pupils:	39	% working at greater depth within the expected standard	School	30.8	School	25.6	School	35.9			School	25.6				
One pupil = %	2.564		LA	27.1	LA	17.3	LA	22.3			LA	12.7				
			National	25.2	National	15.6	National	20.3			National	10.9				
No of boys:	25	% working at or above the expected standard	School	84.6	School	79.5	School	89.7	School	87.2	School	74.4				
No of girls:	14		LA	76.8	LA	70.6	LA	77.8	LA	80.1	LA	66.4				
		% working towards the expected standard	National	75.5	National	68.2	National	75.1	National	82.6	National	63.7				
			School	15.4	School	20.5	School	10.3	School	12.8						
			LA	35.7	LA	21.9	LA	16.3	LA	19.7						
			National	17.5	National	24.4	National	18.6	National	17						

Year 1 Phonics Screen

Year	% Passed	% Boys Passed	% Girls Passed	National Average
2013	54	50	57	69
2014	50	54	40	74
2015	74	72	76	76
2016	77	78	75	81
2017	85	81	93	81

Attendance

	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017
% PA's	8.3	6.45	9.7	12.4	11.54
% Attendance	94.53	94.10	94.10	94.42	94.68
% Girls	93.17	94.16	94.16	94.63	94.46
% Boys	95.42	94.06	94.06	94.27	94.81

Review of activities

The academy has performed well over the year and all pupils have made at least satisfactory, but generally good, progress in all areas of learning. The curriculum is broad and balanced and enrichment activities are utilised regularly in order to stimulate/ maintain the interest of the pupils.

Outside visits and visitors are used effectively to add interest to topics: e.g. walks around the local area, visits to

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Trustees' report (continued)

Year ended 31 August 2017

Durham Cathedral, the Newcastle Synagogue, a farm, Beamish, South Shields beach and a local church. Visitors have included the police, health professionals and an author etc. The enriched curriculum, combined with colourful resources and a variety of teaching approaches ensure children develop a love of learning and become resilient and resourceful when faced by a new challenge.

Parents are supportive of the academy and have attended weekly community assemblies, concerts and performances throughout the year. They have attended Parents' Meetings held twice during the year, in order to inform parents as to their child's progress, these meetings were well attended.

The learning environment within the academy is utilised in such a way as to enhance learning and provide a safe and welcoming place in which to learn. Staff are motivated and knowledgeable; they undertake regular training in all areas of the curriculum to ensure their subject knowledge is relevant and effective.

Financial review

During the year ended 31 August 2017, recurrent grant funding from the DfE/ESFA together with other incoming resources totalled £825,885. The excess of expenditure over income for the year (before transfers and actuarial gains) was £146,816.

All of the expenditure shown in the SOFA is in furtherance of the academy's objectives.

At 31 August 2017 the net book value of fixed assets was £1,435,995 and movements in tangible fixed assets are shown in the financial statements. The assets are used exclusively for providing education and the associated support services to the students of the academy.

In accordance with Financial Reporting Standard 102, a deficit of £241,000 has been recognised on the balance sheet in respect of defined benefit pension schemes

The academy held fund balances at 31 August 2017 of £1,404,010 comprising of £1,293,702 of restricted funds and £110,308 of unrestricted funds.

Investment policy and performance

£100,000 was invested into a high interest deposit account with Lloyds, in order to maximise the return on cash held in excess on immediate requirements without placing the asset at risk.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Reserves policy

The governors aim to hold sufficient reserves to meet the day-to-day commitments of the academy, and to invest surplus funds to earn an acceptable rate of return without undue risk. The academy's level of free reserves (total funds less the amount held in restricted fixed asset funds and restricted pension funds) are in surplus by £113,568 at the end of the financial year

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Trustees' report (continued) **Year ended 31 August 2017**

Principal risks and uncertainties

Monkton Infants School has in place procedures to identify and mitigate financial risks. The principal risks and uncertainties are centred around the changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Tyne and Wear Pension Fund (LGPS), which results in the recognition of a significant deficit on the academy balance sheet. The governors monitor these risks regularly.

Principal funding

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year 1 September 2016 and 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy also receives grants for fixed assets from the DfE/ESFA. In accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Plans for future periods

Over the coming months:

- We will be putting forward another bid through the Condition Improvement Fund for a secure entrance / reception area.
- We will adapt the Early Years outdoor area in Nursery and in Reception to further enhance learning.
- We will promote the Nursery with a launch event to encourage an increase in pupil numbers going forward.

Disclosure of information to auditor

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that governors have taken all the steps that ought to have been taken as a governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The governors' report was approved by order of the board of trustees, as the company directors, on 21 November 2017 and signed on its behalf by:



Mrs M Olsen
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Monkton Infants School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Olsen, Chair	8	8
Mrs A Sharp, Vice Chair	6	8
Mrs C Askwith, Principal	8	8
Mrs H Winter, Deputy Principal	4	8
Mr WF Armstrong	4	8
Mrs E Fairbrother	3	8
Mrs J Hansen	8	8
Mr R Cheadle	8	8
Mr S Johnson	3	6
Ms J Wall	0	7
Mr I Coulter	0	7
Ms R Garvin	1	1
Ms J Watkins	1	1

During 2016-2017, Mrs Wall, Mr Johnson and Mr Coulter resigned from the Governing Body. Miss Watkins and Miss Garvin joined the Governing Body during the year and Mrs Kirkland became a Trust Member.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to provide further assistance to the Senior Leadership Team in managing the financial and regulatory aspects of the academy.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Olsen, Chair	2	4
Mrs A Sharp, Vice Chair	2	3
Mr WF Armstrong	4	4
Mr I Coulter	2	3
Mr S Johnson	3	3
Mr R Cheadle	1	1
Ms J Watkins	1	1

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and

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Governance Statement (continued)

wider societal outcomes achieved in return for the taxpayer resources received.

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

- Applying the agreed tendering process when seeking contractors to work within the Academy.
- Renewing SLAs with reputable agencies, several of which incurred a loyalty bonus.
- Implementing rigid purchasing procedures within the Academy whereby all purchased are agreed by the Principal and Business Manager.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Monkton Infants School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr R Cheadle, a governor, as Responsible Officer (RO).

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a termly basis, the appointee reports to the board of trustees through the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. No

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Governance Statement (continued)

such checks were carried out during 2016/17, however this has been rectified in the autumn term of 2017 with the appointment of Mr R Cheadle.

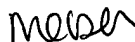
Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 21 November 2017 and signed on their behalf, by:



Mrs M Olsen
Chair of Trustees



Mrs C Askwith
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Monkton Infants School 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 Academies Financial Handbook 2016.

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



Mrs C Askwith
Accounting Officer

Date: 21 November 2017

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Statement of governors' responsibilities Year ended 31 August 2017

The governors (who act as governors of Monkton Infants School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Direction issued 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 governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 governors 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 governors 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 of trustees on 21 November 2017 and signed on its behalf by:



Mrs M Olsen
Chair of Trustees



Independent auditor's report on the financial statements to the members of Monkton Infants School

Opinion

We have audited the financial statements of Monkton Infants School for the year ended 31 August 2017 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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

Conclusions relating to going concern

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

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent auditor's report on the financial statements to the members of Monkton Infants School

Other information

The governors 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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Governors' report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report has 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

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

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



Independent auditor's report on the financial statements to the members of Monkton Infants School

Responsibilities of trustees

As explained more fully in the statement of governors' responsibilities, the governors (who are also the directors of the academy for the purposes of company law) 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 governors 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 governors 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 governors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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. The description forms part of our Auditor's report.

A handwritten signature in black ink, appearing to read 'Anne Hallowell'.

Anne Hallowell FCA DChA
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne
21 November 2017.

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(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to Monkton Infants School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Monkton Infants School during the year 1 September 2016 to 31 August 2017 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 Monkton Infants School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Monkton Infants School 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 Monkton Infants School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Monkton Infants School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Monkton Infants School's funding agreement with the Secretary of State for Education dated 1 February 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Monkton Infants School

(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to Monkton Infants School and the Education and Skills Funding Agency (continued)

The work undertaken to support our conclusion includes:

- testing a sample of expenditure to verify that the trust's procurement procedures have been followed for the items selected;
- testing a sample of payments to ensure that they are correctly authorised in accordance with the trust's policies;
- testing a sample of expenditure to verify that the nature of the spend is in line with funding agreements; and
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the trust policies.

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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UNW LLP

UNW LLP
Chartered Accountants
Newcastle upon Tyne

21 November 2017

Monkton Infants School

(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account Year ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Charitable activities	2	13,926	799,340	5,852	819,118	958,625
Investments	3	617	-	-	617	786
Other income	4	6,150	-	-	6,150	1,990
Total income		20,693	799,340	5,852	825,885	961,401
Expenditure on:						
Charitable activities		88,945	818,572	65,184	972,701	952,672
Total expenditure	5	88,945	818,572	65,184	972,701	952,672
Net income / (expenditure) before transfers		(68,252)	(19,232)	(59,332)	(146,816)	8,729
Transfers between funds	15	-	(9,112)	9,112	-	-
Net income / (expenditure) before other recognised gains and losses		(68,252)	(28,344)	(50,220)	(146,816)	8,729
Actuarial gains/(losses) on defined benefit pension schemes	19	-	221,000	-	221,000	(278,000)
Net movement in funds		(68,252)	192,656	(50,220)	74,184	(269,271)
Reconciliation of funds:						
Total funds brought forward		178,560	(430,396)	1,581,662	1,329,826	1,599,097
Total funds carried forward		110,308	(237,740)	1,531,442	1,404,010	1,329,826

The notes on pages 22 to 41 form part of these financial statements.

Monkton Infants School

(A company limited by guarantee)

Balance sheet At 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		1,435,995		1,340,877
Current assets					
Debtors	13	29,265		37,199	
Cash at bank and in hand		286,460		488,048	
		<u>315,725</u>		<u>525,247</u>	
Creditors: amounts falling due within one year	14	<u>(106,710)</u>		<u>(102,298)</u>	
Net current assets			<u>209,015</u>		<u>422,949</u>
Total assets less current liabilities			<u>1,645,010</u>		<u>1,763,826</u>
Defined benefit pension scheme liability	19		<u>(241,000)</u>		<u>(434,000)</u>
Net assets including pension scheme liabilities			<u><u>1,404,010</u></u>		<u><u>1,329,826</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	15	3,260		3,604	
Restricted fixed asset funds	15	1,531,442		1,581,662	
Unrestricted funds		<u>1,534,702</u>		<u>1,585,266</u>	
Pension reserve		<u>(241,000)</u>		<u>(434,000)</u>	
Total restricted income funds			<u>1,293,702</u>		<u>1,151,266</u>
Unrestricted income funds	15		<u>110,308</u>		<u>178,560</u>
Total funds			<u><u>1,404,010</u></u>		<u><u>1,329,826</u></u>

The financial statements on pages 19 to 41 were approved by the governors, and authorised for issue, on 21 November 2017 and are signed on their behalf, by:



Mrs M Olsen
Chair of Trustees

The notes on pages 22 to 41 form part of these financial statements.

Registered company number 08354212

Monkton Infants School

(A company limited by guarantee)

Statement of cash flows Year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>(58,311)</u>	<u>(60,460)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(149,129)	(17,032)
Capital grants from DfE/ESFA		<u>5,852</u>	<u>128,327</u>
Net cash (used in)/provided by investing activities		<u>(143,277)</u>	<u>111,295</u>
Change in cash and cash equivalents in the year		(201,588)	50,835
Cash and cash equivalents brought forward		<u>488,048</u>	<u>437,213</u>
Cash and cash equivalents carried forward	18	<u><u>286,460</u></u>	<u><u>488,048</u></u>

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Monkton Infants School constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The governors 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 academy to continue as a going concern. The governors 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.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

1. Accounting policies (continued)

1.3 Income

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

Grants 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years straight line
Fixtures and fittings	-	7 years straight line
Computer equipment	-	3 years straight line

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

1.6 Liabilities

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

1.7 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.

Monkton Infants School

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Notes to the financial statements

Year ended 31 August 2017

1. Accounting policies (continued)

1.8 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

1. Accounting policies (continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

A further significant accounting estimate in the preparation of these financial statements is the useful economic lives of fixed assets, details of which are given above.

There are no critical areas of judgment in applying the accounting policies above:

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

2. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational operations	13,926	805,192	819,118	958,625
<i>Total 2016</i>	26,073	932,552	958,625	

Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	601,089	601,089	585,829
Other DfE/EFA grants	3,678	142,728	146,406	109,679
School standard fund	10,248	-	10,248	16,607
Other non capital government grants	-	6,701	6,701	-
Local authority nursery funding	-	48,822	48,822	112,365
Capital grants	-	5,852	5,852	134,145
	13,926	805,192	819,118	958,625
<i>Total 2016</i>	26,073	932,552	958,625	

3. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	617	-	617	786
<i>Total 2016</i>	786	-	786	

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

4. Other incoming resources

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other income	6,150	-	6,150	1,990
<i>Total 2016</i>	1,990	-	1,990	

5. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational activities:					
Direct costs	495,351	-	37,441	532,792	501,749
Support costs	152,711	92,620	194,578	439,909	450,923
	648,062	92,620	232,019	972,701	952,672
<i>Total 2016</i>	600,707	153,005	198,960	952,672	

Monkton Infants School

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Notes to the financial statements Year ended 31 August 2017

6. Support costs

	Total 2017 £	Total 2016 £
Pension interest cost	9,000	5,000
Educational support costs	4,103	4,829
Other costs	39,563	55,760
Insurance	10,464	10,320
Technology costs	12,777	9,056
Cleaning	4,859	4,892
Rent and rates	9,692	10,048
Light and heat	22,276	13,474
Security and transport	2,071	1,489
Catering costs	77,682	56,061
Accountancy	1,310	1,703
Legal and professional fees	218	106
Audit fee	6,750	6,750
Support staff agency costs	9,483	21,492
Maintenance of premises and equipment	32,919	98,947
Wages and salaries	67,364	60,372
National insurance	7,864	10,761
Pension cost	68,000	40,000
Depreciation	53,514	39,863
	<u>439,909</u>	<u>450,923</u>
<i>At 31 August 2016</i>	<u>450,923</u>	

7. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned / leased by the charity	53,514	39,863
Auditor's remuneration	5,750	5,750
	<u>59,264</u>	<u>45,613</u>

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

8. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	448,594	409,476
Social security costs	33,170	31,422
Operating costs of defined benefit pension schemes	111,619	73,787
	<u>593,383</u>	<u>514,685</u>
Supply teacher costs	38,960	64,530
Support staff agency costs	9,483	21,492
Staff restructuring costs	6,236	-
	<u>648,062</u>	<u>600,707</u>

Staff restructuring costs comprise:

Redundancy payments	6,236	-
---------------------	-------	---

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

	2017 No.	2016 No.
Teaching staff	7	5
Administration and support staff	13	13
Management	1	1
	<u>21</u>	<u>19</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teaching staff	7	5
Administration and support staff	11	10
Management	1	1
	<u>19</u>	<u>16</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The above employee participates in the Teachers Pension Scheme. During the year ended 31 August 2017 employer's pension contributions for this person amounted to £11,038 (2016: £10,665).

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

8. Staff costs (continued)

The key management personnel of the school comprise the Principal, Deputy Principal, Early Years Lead and School Business Manager. The aggregate salary and benefits paid to them during the year totalled £238,497.

In 2016 the key management personnel comprised the Principal, Deputy Principal and School Business Manager. The aggregate salary and benefits paid to them during 2016 totalled £163,552.

9. Governors' remuneration and expenses

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

		2017 £	2016 £
Mrs C Askwith	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs H Winter	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Ms J Wall	Remuneration	0-5,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
Ms J Watkins	Remuneration	30,000-35,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2017, no trustees received any reimbursement of expenses (2016 - £nil to 0 trustees).

10. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £690,000 on any one claim and the cost for the year ended 31 August 2017 was £375 (2016 - £375).

11. Other finance income

	2017 £	2016 £
Interest income on pension scheme assets	11,000	17,000
Interest on pension scheme liabilities	(20,000)	(22,000)
	<u>(9,000)</u>	<u>(5,000)</u>

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

12. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	1,403,213	29,430	30,866	1,463,509
Additions	-	143,976	5,153	149,129
Disposals	-	-	(497)	(497)
At 31 August 2017	1,403,213	173,406	35,522	1,612,141
Depreciation				
At 1 September 2016	79,666	23,434	19,532	122,632
Charge for the year	25,644	17,191	10,679	53,514
At 31 August 2017	105,310	40,625	30,211	176,146
Net book value				
At 31 August 2017	1,297,903	132,781	5,311	1,435,995
At 31 August 2016	1,323,547	5,996	11,334	1,340,877

Included in land and building is leasehold land at valuation of £121,000 (2016: £121,000) which is not depreciated.

13. Debtors

	2017 £	2016 £
Other debtors	6,093	14,968
Prepayments and accrued income	23,172	22,231
	<u>29,265</u>	<u>37,199</u>

Monkton Infants School

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Notes to the financial statements Year ended 31 August 2017

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	60,042	32,586
Other taxation and social security	17,345	18,663
Accruals and deferred income	29,323	51,049
	<u>106,710</u>	<u>102,298</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	(42,007)	(92,667)
Resources deferred during the year	(22,561)	(42,007)
Amounts released from previous years	42,007	92,667
	<u>(22,561)</u>	<u>(42,007)</u>

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2017

15. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	178,560	20,693	(88,945)	-	-	110,308
Restricted funds						
Restricted general funds	3,604	799,340	(790,572)	(9,112)	-	3,260
Pension reserve	(434,000)	-	(28,000)	-	221,000	(241,000)
	<u>(430,396)</u>	<u>799,340</u>	<u>(818,572)</u>	<u>(9,112)</u>	<u>221,000</u>	<u>(237,740)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	1,581,662	5,852	(65,184)	9,112	-	1,531,442
Total restricted funds	<u>1,151,266</u>	<u>805,192</u>	<u>(883,756)</u>	<u>-</u>	<u>221,000</u>	<u>1,293,702</u>
Total of funds	<u>1,329,826</u>	<u>825,885</u>	<u>(972,701)</u>	<u>-</u>	<u>221,000</u>	<u>1,404,010</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	154,026	28,849	(4,315)	-	-	178,560
	<u>154,026</u>	<u>28,849</u>	<u>(4,315)</u>	<u>-</u>	<u>-</u>	<u>178,560</u>
Restricted funds						
Restricted general funds	121,135	804,225	(858,303)	(63,453)	-	3,604
Pension reserve	(164,000)	-	8,000	-	(278,000)	(434,000)
	<u>(42,865)</u>	<u>804,225</u>	<u>(850,303)</u>	<u>(63,453)</u>	<u>(278,000)</u>	<u>(430,396)</u>

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Notes to the financial statements Year ended 31 August 2017

15. Statement of funds (continued)

Restricted fixed asset funds

Restricted fixed asset fund	1,487,936	128,327	(98,054)	63,453	-	1,581,662
	<u>1,487,936</u>	<u>128,327</u>	<u>(98,054)</u>	<u>63,453</u>	<u>-</u>	<u>1,581,662</u>
Total restricted funds	<u>1,445,071</u>	<u>932,552</u>	<u>(948,357)</u>	<u>-</u>	<u>(278,000)</u>	<u>1,151,266</u>
Total of funds	<u>1,599,097</u>	<u>961,401</u>	<u>(952,672)</u>	<u>-</u>	<u>(278,000)</u>	<u>1,329,826</u>

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

The restricted fixed asset fund represents the net book value of assets held, plus unspent capital grant received.

The restricted fund includes all remaining grant funds for the general running of the academy trust.

The pension reserve equates to the academy's share of the deficit on the Local Government Pension Scheme in which it participates.

Unrestricted funds are all other funds of the academy trust.

During the year a transfer has been made from the general restricted fund to the restricted fixed asset fund, representing capital works carried out not funded through direct capital grant.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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Notes to the financial statements Year ended 31 August 2017

16. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,435,995	1,435,995
Current assets	110,308	109,970	95,447	315,725
Creditors due within one year	-	(106,710)	-	(106,710)
Provisions for liabilities and charges	-	(241,000)	-	(241,000)
	<u>110,308</u>	<u>(237,740)</u>	<u>1,531,442</u>	<u>1,404,010</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	1,340,877	1,340,877
Current assets	178,560	105,902	240,785	525,247
Creditors due within one year	-	(102,298)	-	(102,298)
Provisions for liabilities and charges	-	(434,000)	-	(434,000)
	<u>178,560</u>	<u>(430,396)</u>	<u>1,581,662</u>	<u>1,329,826</u>

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17. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(146,816)	8,729
Adjustment for:		
Depreciation charges	53,514	39,863
Loss on the sale of fixed assets	497	-
Decrease in debtors	7,934	111,499
Increase/(decrease) in creditors	4,412	(96,224)
Capital grants from DfE and other capital income	(5,852)	(128,327)
Defined benefit pension scheme cost less contributions payable	28,000	4,000
Net cash used in operating activities	(58,311)	(60,460)

18. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	286,460	488,048
Total	286,460	488,048

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Notes to the financial statements Year ended 31 August 2017

19. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £43,620 (2016 - £38,732).

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

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Notes to the financial statements Year ended 31 August 2017

19. Pension commitments (continued)

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £60,000 (2016 - £43,000), of which employer's contributions totalled £49,000 (2016 - £32,000) and employees' contributions totalled £11,000 (2016 - £11,000). The agreed contribution rates for future years are 15.5% for employers and 5.8% for employees.

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

Tyne and Wear Pension Fund

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	1.90 %	1.90 %
Inflation assumption (CPI)	1.90 %	1.90 %

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

	2017	2016
Retiring today		
Males	22.8	23.2
Females	26.3	24.8
Retiring in 20 years		
Males	25.0	25.3
Females	28.6	27.1

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19. Pension commitments (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	445	359
Other	38	29
Property	61	54
Government bonds	26	21
Corporate bonds	77	62
Cash	26	17
Total market value of assets	<u>673</u>	<u>542</u>

The actual return on scheme assets was £72,000 (2016 - £79,000).

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Interest income	11,000	17,000
Interest cost	(20,000)	(22,000)
Current service cost	(68,000)	(40,000)
Total	<u>(77,000)</u>	<u>(45,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	976,000	564,000
Interest cost	20,000	22,000
Employee contributions	11,000	11,000
Actuarial (gains)/losses	(160,000)	340,000
Benefits paid	(1,000)	(1,000)
Current service cost	68,000	40,000
Closing defined benefit obligation	<u>914,000</u>	<u>976,000</u>

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Notes to the financial statements Year ended 31 August 2017

19. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	542,000	410,000
Interest income	11,000	17,000
Actuarial losses	61,000	62,000
Employer contributions	49,000	43,000
Employee contributions	11,000	11,000
Benefits paid	(1,000)	(1,000)
Closing fair value of scheme assets	673,000	542,000

20. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

21. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.