

Registered number: 08354212

Monkton Infants School

(A company limited by guarantee)

Annual report

31 August 2019

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Monkton Infants School

(A company limited by guarantee)

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Monkton Infants School

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Reference and administrative details

Members	Mr WF Armstrong Mrs J Hansen Mrs M Olsen Mrs M Kirkland
Governors Trustees	Mr M Hodgson, Chair Mr R Cheadle, Vice Chair Mrs C Askwith, Principal Mrs H Winter, Deputy Principal Mr WF Armstrong Mrs E Fairbrother Mrs J Hansen Ms M Olsen (resigned 11 March 2019) Ms R Garvin (resigned 17 October 2018) Ms J Watkins Mrs V McGregor Mrs A Lovell (appointed 16 October 2018) Mrs C Owens (appointed 1 April 2019) Mrs G Stevenson (appointed 1 April 2019) Miss S McGuinness (appointed 1 April 2019)
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 A Morton, Early Years Lead
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE

Monkton Infants School

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Reference and administrative details (continued)

Year ended 31 August 2019

Bankers

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

Solicitors

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

Monkton Infants School

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Trustees' report

Year ended 31 August 2019

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 2 to 4 years. It has a pupil capacity of 258 and had a roll of 191 as at July 2019.

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 objects 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
- 4 Trust Governors
- 3 Co-opted Governors
- 3 Parent Governors
- 2 Staff Governors
- 1 Local Authority Governor

Monkton Infants School

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Trustees' report (continued)

Year ended 31 August 2019

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 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 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 informally 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.

Monkton Infants School

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Trustees' report (continued) Year ended 31 August 2019

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 2 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

In setting our objectives and planning our activities, the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The activities set out in this report have been undertaken to further the trust's charitable purposes for the public benefit.

Monkton Infants School

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Trustees' report (continued)

Year ended 31 August 2019

Achievements and performance

Key performance indicators

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

Early Years Foundation Stage

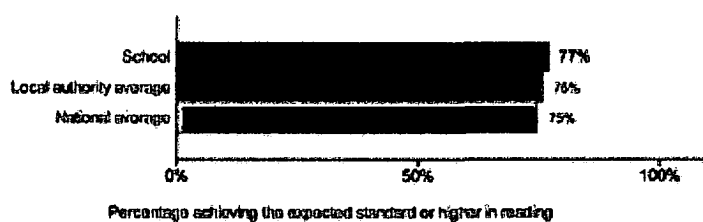
Skills on Entry to Nursery	Well below average
Skills on Entry to Reception	Below Average
% Achieving Good Level of Development at July 2019	85%
Achievement	Good

Key Stage 1

The standards reached by pupils at the end of Key Stage 1 continue to be outstanding and are a reflection of the hard work and dedication of pupils and staff.

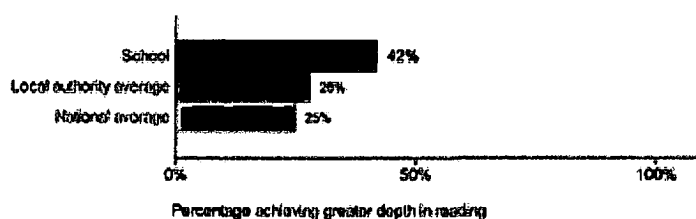
Percentage achieving the expected standard or higher in reading

Number of pupils = 48



Percentage achieving greater depth in reading

Number of pupils = 48



Monkton Infants School

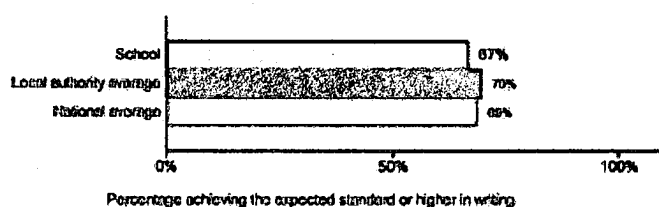
(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2019

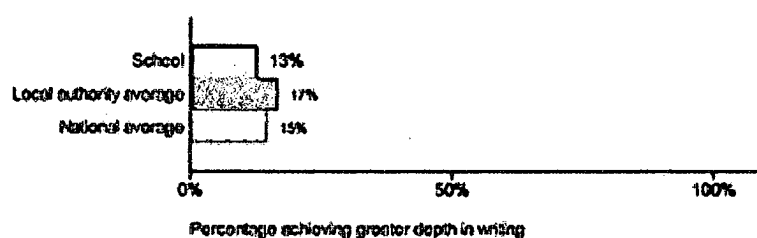
Percentage achieving the expected standard or higher in writing

Number of pupils = 48



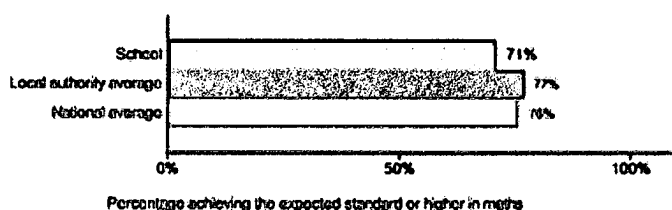
Percentage achieving greater depth in writing

Number of pupils = 48



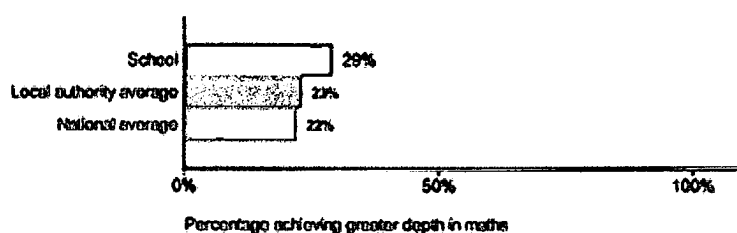
Percentage achieving the expected standard or higher in maths

Number of pupils = 48



Percentage achieving greater depth in maths

Number of pupils = 48



(Data from Asp – 2019)

Monkton Infants School

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Trustees' report (continued)

Year ended 31 August 2019

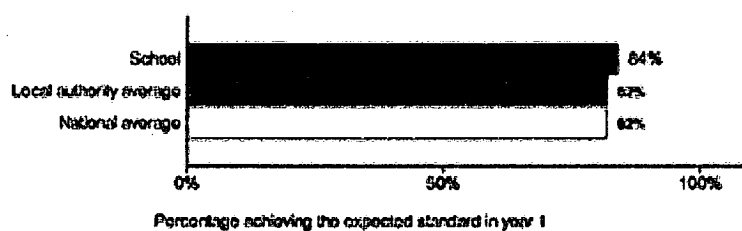
The data has been carefully analysed and is used to inform the School Improvement Plan.

Year 1 Phonics Screen

84% of children passed which is a 6% drop on the percentage passed in 2018.
Phonics continues to be a high priority in school.

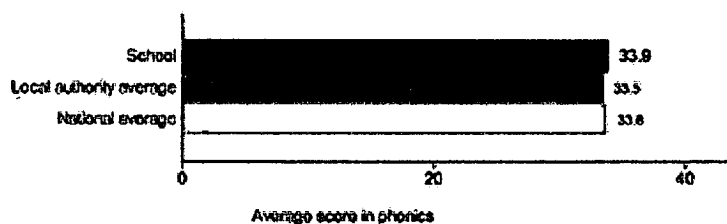
Percentage achieving the expected standard in phonics

Number of pupils = 50



Phonics average score

Number of pupils = 50



Monkton Infants School

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Trustees' report (continued)

Year ended 31 August 2019

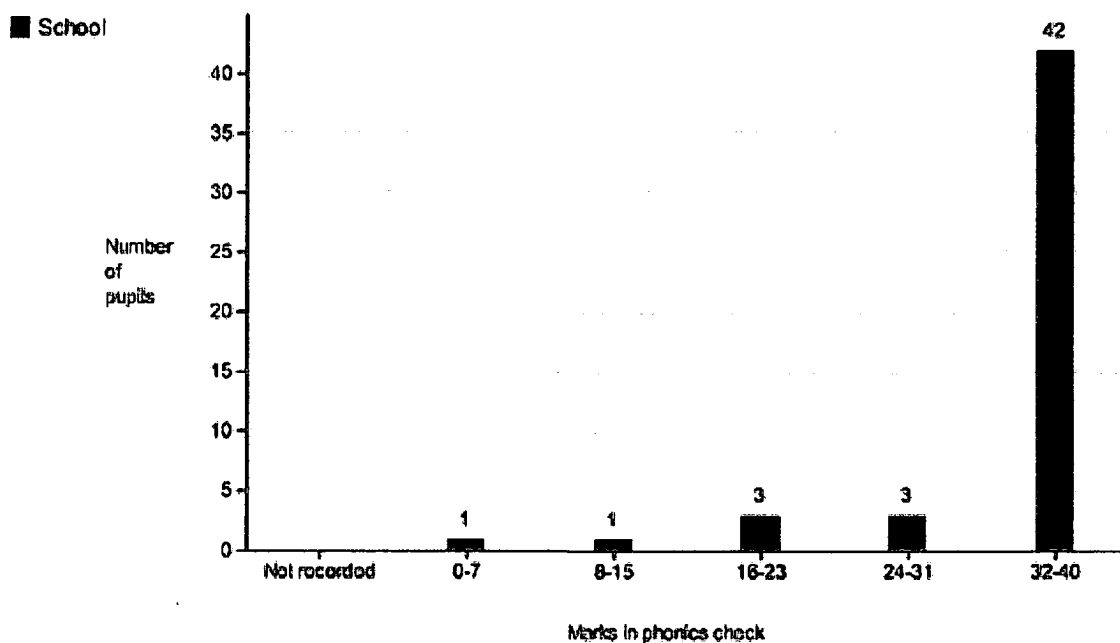
Phonics year 1 attainment by pupil group

Phonics year 1 attainment by pupil group								
Breakdown	Cohort	Number absent / didn't take the check	Number not achieving the expected standard	Number achieving expected standard	School %	National %	Average mark	
							School	National
All pupils	50	0	8	42	84	82	34	34
Male	27	0	6	21	78	78	32	33
Female	23	0	2	21	91	85	36	35
SEN EHCP	0	0	0	0	N/A	82	N/A	34
SEN support	5	0	0	5	100	82	34	34
No SEN	44	0	7	37	84	88	34	35
English first language	49	0	7	42	86	82	34	34
English additional language	0	0	0	0	N/A	82	N/A	34

(Data from Asp – 2019)

Attainment in phonics by mark

Number of pupils = 50



Monkton Infants School

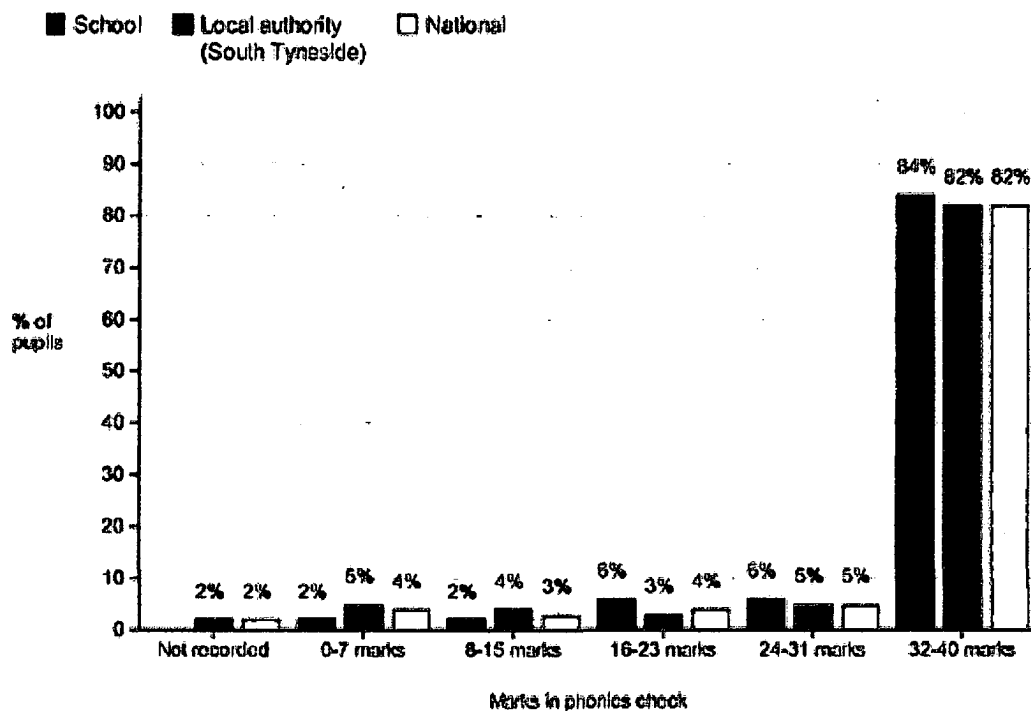
(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2019

Attainment in phonics by %

Number of pupils = 50



Year 2 Phonics Screen

82% of Year 2 children passed the retake.

Attendance

	2014 – 2015	2015 – 2016	2016 – 2017	2017 – 2018	2018 – 2019
% Persistent Absentee	9.7	12.4	11.54	21.58	16.43
% Attendance	94.10	94.42	94.68	93.45	94.22
% Girls	94.16	94.63	94.46	93.28	93.78
% Boys	94.06	94.27	94.81	93.58	94.51

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Trustees' report (continued)

Year ended 31 August 2019

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 Durham Cathedral, the Newcastle Synagogue, Beamish, South Shields beach and a local church. Visitors include the police, health professionals and an author. 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.

Children in Year 2 participated in the annual South Tyneside Primary Schools Music Festival, performing with children from other schools. In addition, Year 1 and Year 2 performed a dance routine at the South Tyneside Dance Festival. Both events were well attended and supported by parents/carers.

Parents are supportive of the academy and have attended weekly community assemblies, concerts and performances throughout the year. They attend 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.

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Trustees' report (continued) **Year ended 31 August 2019**

Financial review

During the year ended 31 August 2019, recurrent grant funding from the DfE/ESFA together with other incoming resources totalled £970,085. The excess of expenditure over income for the year (before actuarial losses) was £8,671.

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

At 31 August 2019 the net book value of fixed assets was £1,452,492 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 £391,000 has been recognised on the balance sheet in respect of defined benefit pension schemes

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 academy held fund balances at 31 August 2019 of £1,247,698 comprising £1,145,389 of restricted funds and £102,309 of unrestricted funds.

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 £186,206 at the end of the financial year.

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 2018 to 31 August 2019 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.

Monkton Infants School

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Trustees' report (continued) **Year ended 31 August 2019**

Plans for future periods

We will continue to adapt the Early Years outdoor area in Nursery to further enhance learning.

Approaches to wellbeing and mental health for pupils and staff will be further developed in school

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.

Auditor

The auditor, UNW LLP, has indicated its willingness to continue in office. The Designated governors will propose a motion re-appointing the auditor at a meeting of the governors.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28 November 2019 and signed on its behalf by:



Mr M Hodgson
Chair of Trustees

Monkton Infants School

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Governance Statement

Scope of responsibility

As trustees, 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 trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 5 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Hodgson, Chair	5	5
Mr R Cheadle, Vice Chair	5	5
Mrs C Askwith, Principal	5	5
Mrs H Winter, Deputy Principal	3	4
Mr WF Armstrong	5	5
Mrs E Fairbrother	5	5
Mrs J Hansen	5	5
Ms M Olsen	0	5
Ms R Garvin	0	1
Ms J Watkins	5	5
Mrs V McGregor	3	5
Mrs A Lovell	1	4
Mrs C Owens	0	1
Mrs G Stevenson	1	1
Miss S McGuinness	0	1

During 2018-2019, Mrs Olsen and Ms Garvin resigned from the Governing Body and Mrs Stevenson, Mrs Owens and Miss McGuinness joined.

The potential impact of the board of trustees has been adversely affected by the change of membership during the year resulting in some inconsistency of personnel. The governors have carried out internal reviews and self-evaluations and are aware of the areas which need to be addressed during the forthcoming year. The newly appointed Chair is intent on being proactive and driving this forward with the full engagement of the Governing Body.

Monkton Infants School

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Governance Statement (continued)

Governance (continued)

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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M Olsen	1	3
Mr R Cheadle	2	2
Mrs C Askwith	6	6
Mrs V McGregor	1	1
Mr WF Armstrong	6	6
Mr M Hodgson	5	5
Miss J Watkins	4	4
Mrs J Hansen	6	6

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 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 School 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 on-going 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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance 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 trustees have appointed Mr M Hodgson, a governor, as Responsible Officer to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included a review of payroll procedures and the financial system.

On a termly basis, the reviewer reports to the board of trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

No material control issues have arisen.

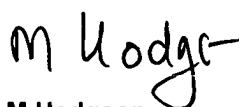
Review of effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 28 November 2019 and signed on their behalf by:



Mr M Hodgson
Chair of Trustees



Mrs C Askwith
Accounting Officer

Monkton Infants School

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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 board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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: 28 November 2019

Monkton Infants School

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Statement of trustees' responsibilities Year ended 31 August 2019

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 & 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:

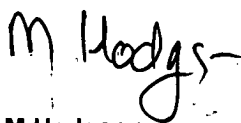
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of trustees on 28 November 2019 and signed on its behalf by:


Mr M Hodgson
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 (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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



Independent auditor's report on the financial statements to the Members of Monkton Infants School (continued)

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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



Independent auditor's report on the financial statements to the Members of Monkton Infants School (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 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.

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

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

28 November 2019

Monkton Infants School

(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Monkton Infants School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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;
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the trust's policies.

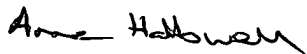
Monkton Infants School

(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Monkton Infants School and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Anne Hallowell BSc FCA DChA
UNW LLP
Chartered Accountants**

Date: 28 November 2019

Monkton Infants School

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) Year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	-	13,895	13,895	5,763
Charitable activities		8,228	946,537	-	954,765	853,952
Investments	5	249	-	-	249	624
Other income		1,176	-	-	1,176	2,797
Total income		9,653	946,537	13,895	970,085	863,136
Expenditure on:						
Charitable activities	6	6,607	903,505	68,644	978,756	936,777
Total expenditure		6,607	903,505	68,644	978,756	936,777
Net income / (expenditure)		3,046	43,032	(54,749)	(8,671)	(73,641)
Transfers between funds	15	-	(14,325)	14,325	-	-
Net movement in funds before other recognised gains/(losses)		3,046	28,707	(40,424)	(8,671)	(73,641)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	20	-	(157,000)	-	(157,000)	83,000
Net movement in funds		3,046	(128,293)	(40,424)	(165,671)	9,359
Reconciliation of funds:						
Total funds brought forward		99,263	(178,810)	1,492,916	1,413,369	1,404,010
Net movement in funds		3,046	(128,293)	(40,424)	(165,671)	9,359
Total funds carried forward		102,309	(307,103)	1,452,492	1,247,698	1,413,369

The notes on pages 28 to 48 form part of these financial statements.

Monkton Infants School

(A company limited by guarantee)

Balance sheet At 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,452,492	1,489,220
		<u>1,452,492</u>	<u>1,489,220</u>
Current assets			
Debtors	13	38,794	45,540
Cash at bank and in hand		229,315	192,855
		<u>268,109</u>	<u>238,395</u>
Creditors: amounts falling due within one year	14	(81,903)	(132,246)
Net current assets		<u>186,206</u>	<u>106,149</u>
Total assets less current liabilities		<u>1,638,698</u>	<u>1,595,369</u>
Net assets excluding pension liability		<u>1,638,698</u>	<u>1,595,369</u>
Defined benefit pension scheme liability	20	(391,000)	(182,000)
Total net assets		<u><u>1,247,698</u></u>	<u><u>1,413,369</u></u>
Funds of the academy			
Restricted funds:			
Restricted fixed asset funds	15	1,452,492	1,492,916
Restricted income funds	15	83,897	3,190
		<u>1,536,389</u>	<u>1,496,106</u>
Restricted funds excluding pension liability	15	1,536,389	1,496,106
Pension reserve	15	(391,000)	(182,000)
Total restricted funds	15	<u>1,145,389</u>	<u>1,314,106</u>
Unrestricted income funds	15	<u>102,309</u>	<u>99,263</u>
Total funds		<u><u>1,247,698</u></u>	<u><u>1,413,369</u></u>


Monkton Infants School

(A company limited by guarantee)

Balance sheet (continued)

At 31 August 2019

The financial statements on pages 24 to 48 were approved by the trustees, and authorised for issue on 28 November 2019 and are signed on their behalf, by:



Mr M Hodgson
Chair of Trustees

Company registered number: 08354212

The notes on pages 28 to 48 form part of these financial statements.

Monkton Infants School

(A company limited by guarantee)

Statement of cash flows Year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	17	40,833	12,750
Cash flows from investing activities	18	(4,373)	(106,355)
Change in cash and cash equivalents in the year		36,460	(93,605)
Cash and cash equivalents at the beginning of the year		192,855	286,460
Cash and cash equivalents at the end of the year	19	<u>229,315</u>	<u>192,855</u>

The notes on pages 28 to 48 form part of these financial statements

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Monkton Infants School meets the definition of a public benefit entity under FRS 102.

The accounts are prepared in pounds sterling and are rounded to the nearest £1.

1.2 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 academy to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where 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.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful life on the following basis:

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Furniture and equipment	- 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.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities

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

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

1. Accounting policies (continued)

1.10 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 bases 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 cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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 Part 11, chapter 3 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.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

1. Accounting policies (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis 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 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 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only significant estimate applied in the preparation of these financial statements is the useful economic lives of tangible fixed assets, details of which are given above.

3. Income from donations and capital grants

	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Capital grants	13,895	13,895	5,763
	<hr/>	<hr/>	<hr/>
Total 2018	5,763	5,763	
	<hr/>	<hr/>	

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2019

4. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	665,831	665,831	622,577
Other DfE/ESFA grants	-	142,182	142,182	134,475
School standard fund	8,228	-	8,228	11,441
Local authority nursery funding	-	135,334	135,334	85,459
Other local authority funding	-	3,190	3,190	-
	<u>8,228</u>	<u>946,537</u>	<u>954,765</u>	<u>853,952</u>
Total 2018	<u>17,209</u>	<u>836,743</u>	<u>853,952</u>	

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>249</u>	<u>249</u>	<u>624</u>

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational activities:					
Direct costs	523,272	-	33,093	556,365	551,584
Support costs	153,767	90,308	178,316	422,391	385,193
	<u>677,039</u>	<u>90,308</u>	<u>211,409</u>	<u>978,756</u>	<u>936,777</u>
Total 2018	<u>656,748</u>	<u>80,746</u>	<u>199,283</u>	<u>936,777</u>	

Monkton Infants School

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Notes to the financial statements Year ended 31 August 2019

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	556,365	422,391	978,756	936,777
Total 2018	551,584	385,193	936,777	

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension interest cost	5,000	6,000
Staff costs	163,557	134,994
Depreciation	54,749	58,268
Educational support costs	3,803	4,562
Other costs	13,367	12,985
Insurance	3,360	7,647
Technology costs	11,357	12,672
Cleaning	4,784	4,689
Rent and rates	12,482	15,297
Light and heat	12,427	13,055
Security and transport	1,082	3,596
Catering costs	69,583	69,521
Accountancy	1,940	2,832
Legal and professional fees	886	104
Audit fee	6,750	6,750
Support staff agency costs	14,210	13,860
Maintenance of premises and equipment	43,054	18,361
	422,391	385,193

Monkton Infants School

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Notes to the financial statements Year ended 31 August 2019

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	54,747	58,269
Fees paid to auditor for:		
- audit	6,750	6,500
- other services	1,050	1,025

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	477,866	482,341
Social security costs	42,684	43,127
Pension costs	126,480	104,905
	647,030	630,373
Agency staff costs	54,009	26,375
	701,039	656,748

b. Staff numbers

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

	2019 No.	2018 No.
Teaching staff	7	7
Administration and support staff	11	11
Management	1	1
	19	19

Monkton Infants School

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Notes to the financial statements Year ended 31 August 2019

9. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teaching staff	7	7
Administration and support staff	10	10
Management	1	1
	<hr/>	<hr/>
	18	18
	<hr/>	<hr/>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
	<hr/>	<hr/>

The above employee participates in the Teachers' Pension Scheme. During the year ended 31 August 2019 employer's pension contributions for this person amounted to £11,884 (2018: £11,426).

d. Key management personnel

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 £254,634 (2018: £246,377).

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Notes to the financial statements Year ended 31 August 2019

10. Governors' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Mrs C Askwith, Principal	Remuneration	70,000 -	65,000 -
		75,000	70,000
	Pension contributions paid	10,000 -	10,000 -
Mrs H Winter, Deputy Principal		15,000	15,000
	Remuneration	55,000 -	55,000 -
		60,000	60,000
Ms J Watkins	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
	Remuneration	30,000 -	30,000 -
		35,000	35,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2019, no trustee expenses have been incurred (2018 - £nil).

11. 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2019 was included within the academy's overall risk protection arrangements.

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Notes to the financial statements Year ended 31 August 2019

12. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	1,512,491	171,961	39,183	1,723,635
Additions	16,220	-	1,799	18,019
At 31 August 2019	<u>1,528,711</u>	<u>171,961</u>	<u>40,982</u>	<u>1,741,654</u>
Depreciation				
At 1 September 2018	131,696	65,194	37,525	234,415
Charge for the year	28,096	24,566	2,085	54,747
At 31 August 2019	<u>159,792</u>	<u>89,760</u>	<u>39,610</u>	<u>289,162</u>
Net book value				
At 31 August 2019	<u>1,368,919</u>	<u>82,201</u>	<u>1,372</u>	<u>1,452,492</u>
At 31 August 2018	<u>1,380,795</u>	<u>106,767</u>	<u>1,658</u>	<u>1,489,220</u>

Included in land and buildings is leasehold land at valuation of £121,000 (2018: £121,000) which is not depreciated.

13. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	7,262	9,547
Prepayments and accrued income	31,532	35,993
	<u>38,794</u>	<u>45,540</u>

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14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	29,009	71,412
Other taxation and social security	18,904	22,485
Accruals and deferred income	33,990	38,349
	<u>81,903</u>	<u>132,246</u>
	2019 £	2018 £
Deferred income at 1 September 2018	30,390	22,561
Resources deferred during the year	20,338	30,390
Amounts released from previous periods	(30,390)	(22,561)
	<u>20,338</u>	<u>30,390</u>

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Notes to the financial statements Year ended 31 August 2019

15. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	99,263	9,653	(6,607)	-	-	102,309
Restricted general funds						
Restricted general funds	3,190	946,537	(851,505)	(14,325)	-	83,897
Pension reserve	(182,000)	-	(52,000)	-	(157,000)	(391,000)
	<u>(178,810)</u>	<u>946,537</u>	<u>(903,505)</u>	<u>(14,325)</u>	<u>(157,000)</u>	<u>(307,103)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	1,492,916	13,895	(68,644)	14,325	-	1,452,492
Total Restricted funds	<u>1,314,106</u>	<u>960,432</u>	<u>(972,149)</u>	<u>-</u>	<u>(157,000)</u>	<u>1,145,389</u>
Total funds	<u>1,413,369</u>	<u>970,085</u>	<u>(978,756)</u>	<u>-</u>	<u>(157,000)</u>	<u>1,247,698</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 it could carry forward at 31 August 2019.

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Notes to the financial statements Year ended 31 August 2019

15. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	110,308	20,630	17,008	(48,683)	-	99,263
Restricted general funds						
Restricted general funds	3,260	836,743	(865,805)	28,992	-	3,190
Pension reserve	(241,000)	-	(24,000)	-	83,000	(182,000)
	<u>(237,740)</u>	<u>836,743</u>	<u>(889,805)</u>	<u>28,992</u>	<u>83,000</u>	<u>(178,810)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	1,531,442	5,763	(63,980)	19,691	-	1,492,916
Total Restricted funds	<u>1,293,702</u>	<u>842,506</u>	<u>(953,785)</u>	<u>48,683</u>	<u>83,000</u>	<u>1,314,106</u>
Total funds	<u><u>1,404,010</u></u>	<u><u>863,136</u></u>	<u><u>(936,777)</u></u>	<u><u>-</u></u>	<u><u>83,000</u></u>	<u><u>1,413,369</u></u>

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Notes to the financial statements Year ended 31 August 2019

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,452,492	1,452,492
Current assets	102,309	165,800	-	268,109
Creditors due within one year	-	(81,903)	-	(81,903)
Provisions for liabilities and charges	-	(391,000)	-	(391,000)
Total	102,309	(307,103)	1,452,492	1,247,698

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,489,220	1,489,220
Current assets	99,262	135,436	3,696	238,394
Creditors due within one year	-	(132,246)	-	(132,246)
Provisions for liabilities and charges	-	(182,000)	-	(182,000)
Total	99,262	(178,810)	1,492,916	1,413,368

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Notes to the financial statements Year ended 31 August 2019

17. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per statement of financial activities)	(8,671)	(73,641)
Adjustments for:		
Depreciation	54,747	58,269
Capital grants from DfE and other capital income	(13,895)	(5,763)
Interest receivable	249	624
Defined benefit pension scheme cost less contributions payable	52,000	24,000
Decrease/(increase) in debtors	6,746	(16,275)
(Decrease)/increase in creditors	(50,343)	25,536
Net cash provided by operating activities	40,833	12,750

18. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	(249)	(624)
Purchase of tangible fixed assets	(18,019)	(119,688)
Proceeds from the sale of tangible fixed assets	-	8,194
Capital grants from DfE	13,895	5,763
Net cash used in investing activities	(4,373)	(106,355)

19. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	229,315	192,855
Total cash and cash equivalents	229,315	192,855

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Notes to the financial statements Year ended 31 August 2019

20. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' 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 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

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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)
- 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%.

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Notes to the financial statements Year ended 31 August 2019

20. Pension commitments (continued)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £49,480 (2018 - £50,905).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £40,000 (2018 - £46,000), of which employer's contributions totalled £30,000 (2018 - £36,000) and employees' contributions totalled £ 10,000 (2018 - £10,000). The agreed contribution rates for future years are 15.5 per cent for employers and 5.8 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	2.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	28.7

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20. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	1,169	899
Discount rate -0.1%	1,231	947
Mortality assumption - 1 year increase	1,160	897
Mortality assumption - 1 year decrease	1,240	949
CPI rate +0.1%	1,217	934
CPI rate -0.1%	1,184	912

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	546,000	500,000
Corporate bonds	95,000	83,000
Property	72,000	63,000
Cash and other liquid assets	17,000	16,000
Other	69,000	49,000
Government bonds	34,000	30,000
Total market value of assets	833,000	741,000

The actual return on scheme assets was £56,000 (2018 - £50,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(53,000)	(54,000)
Past service cost	(24,000)	-
Interest income	21,000	17,000
Interest cost	(26,000)	(23,000)
Total amount recognised in the Statement of financial activities	(82,000)	(60,000)

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20. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	923,000	914,000
Current service cost	53,000	54,000
Interest cost	26,000	23,000
Employee contributions	10,000	10,000
Actuarial losses/(gains)	192,000	(50,000)
Benefits paid	(4,000)	(28,000)
Past service costs	24,000	-
At 31 August	1,224,000	923,000

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

	2019 £	2018 £
At 1 September	741,000	673,000
Interest income	21,000	17,000
Actuarial gains	35,000	33,000
Employer contributions	30,000	36,000
Employee contributions	10,000	10,000
Benefits paid	(4,000)	(28,000)
At 31 August	833,000	741,000

21. 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.

22. Related party transactions

Owing to the nature of the academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.