

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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MUSCLIFF PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Constant (appointed 1 June 2021) J Pavely (appointed 1 June 2021) D Banks V Ladbrooke T Farwell
Trustees	T Farwell, Chair of Trustees S Fenby, Head Teacher L Golborne (resigned 31 December 2020) D Banks J Cartwright L Andrews, Staff Trustee V Ladbrooke (resigned 31 August 2021) A Zarembo (appointed 13 February 2020) E Maries (appointed 1 July 2021, resigned 31 August 2021) T Crawford (appointed 1 November 2020, resigned 1 February 2021) H Eaton (appointed 1 November 2020, resigned 8 July 2021)
Company registered number	09872386
Principal and registered office	Broadway Lane Throop Bournemouth Dorset BH8 0AB
Accounting officer	S Fenby
Senior management team	S Fenby, Head Teacher E Huns, Deputy Head Teacher B Lewis, Assistant Head Teacher S Harrison, Assistant Head Teacher L Andrews, Assistant Head Teacher P Harvey, School Business Manager
Independent auditors	Griffin Chartered Accountants Silverdown Office Park Exeter Airport Business Park Exeter EX5 2UX

MUSCLIFF PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Dorset. It has pupil capacity of 630 and had a roll of 624 in the school census on 21 January 2021.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Muscliff Primary School are also the directors of the charitable company for the purposes of company law.

The Academy Trust is known as Muscliff Primary School and is part of the umbrella of Bournemouth Septenary Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Article 45 of the Articles of Association state that the number of trustees shall not be less than three but shall not be subject to a maximum.

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:
up to six Trustees, appointed under Article 50; and a minimum of three Parent Trustees.

The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees includes a tour of the Academy and a chance to meet staff and pupils. Trustees are made aware of training courses and conferences by the clerk to the governors and via Bournemouth CPD. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake in their role as a Trustee. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The Academy has a leadership structure which consists of the Trustees, the Senior Leadership Team and the Wider Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Head Teacher is the Accounting Officer.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data and making major decisions about the direction of the Academy and capital expenditure.

The SLT consists of the Head Teacher, Deputy Head Teachers, Assistant Head Teachers and the School Business Manager. The SLT controls the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Head Teacher, the School Business Manager, and Finance Committee are responsible for the authorisation of spending within agreed budgets. The Head Teacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

g. Arrangements for setting pay and remuneration of key management personnel

The Finance Committee, known as the Resources Management Committee, makes decisions on pay awards for all staff within the Academy. Teaching staff are currently in line with the national terms and conditions of pay as provided by the Department of Education. Support staff are also currently paid in line with national guidelines.

h. TRADE UNION FACILITY TIME

During the year ended 31 August 2021, no employees of the Academy Trust were relevant union officials.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

David Banks – Director of Septenary Trust
Tracey Farwell - CFO TEACH Poole (including Poole SCITT)

There are no related parties or sponsors which control Muscliff Primary School. However, the Academy is part of an umbrella trust and as such abides by the articles laid out by the Bournemouth Septenary Trust and is accountable to the board of the Bournemouth Septenary Trust. The Academy works closely with other members of the Umbrella Trust to share good practice and raise standards. There is a separate parent teacher association, Muscliff Parent Association (charity no.1074246), which from time to time contribute to the operations of the school.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Muscliff Primary School to provide education and care for pupils of different abilities between the ages of 4 and 11.

In accordance with the Articles of Association, the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things: that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum); that it provides education for pupils of different abilities; and that it provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

The Aims of the Academy during the year ended 31st August 2021 are summarised below:

At Muscliff Primary School we aim to maximise the progress of all of our children so that they become positive, caring, competent citizens and lifelong learners. In order to achieve this we:

- Place achievement within the reach of all children but, sometimes, we ask them to stand on tiptoe to get there.
- Recognise parents as the first educators of their children and affirm the importance of staff, parents, Trustees and the local community working in partnership to support the children's learning.
- Value work and develop a working atmosphere enabling children and adults to apply themselves to all tasks they engage in with self-confidence and independence.
- Nurture enthusiasm to learn and actively encourage fun, originality, imagination and a desire for knowledge.
- Interact in a caring way, irrespective of age, gender or other divisions encouraging our children to be rights respecting ambassadors.
- Learn to appreciate human achievements and aspirations where healthy competition is balanced by mutual support and respect.
- Seek to understand the world in which we live and to cherish and care for our environment, respecting and protecting the rights of others and meeting our responsibilities as global citizens.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

Key priorities for the year are contained in our School Development Plan. Improvements for the 2020-21 year include:

1. High quality teaching and learning

- To continue to develop teaching and learning and to raise standards across school
- Post-Covid restructure; ensure that lessons have been learnt from the lockdown period that enables the school to run smoothly in the varying situations that it could find itself in over the coming months.
- Priorities to be that a high quality curriculum is in place for children who are learning in school, at home as part of an isolated bubble or at home as an individual self- isolating.
- Catch up; ensure that assessment, teaching and interventions in class are targeted and enabling the children to close the gaps that have developed in their learning.
- Raising standards in reading across the school and in phonics across KS1, and other identified areas within specific year groups

2. High standards for all children

- To ensure the Muscliff curriculum offers rich cultural experiences; all subjects are coherently planned and provide a basis for the development of values, knowledge and skills
- Curriculum Development; to further develop the curriculum so that the knowledge and skills the pupils gain at each stage is progressive and the sequence and philosophy of the learning is clear in all subjects. To ensure that the way the curriculum is taught builds upon their previous knowledge and allows the pupil to achieve and show what they can do as a result of the lessons they have received.

3. High quality professional growth

- To continue to create a 'Performance Management & Professional Growth' process that brings about sustainable, purposeful whole school improvement
- Establishing and developing a culture of professional inquiry and evidence informed practice
- Strategic planning rather than reactive

4. High expectations

- To develop children's emotional resilience, confidence and wellbeing in order that they are equipped to be thoughtful, caring and active citizens in wider society
- To enable children to re-establish positive learning behaviours and growth mindsets
- Re-establishing learning behaviours, 'recovery' curriculum throughout the year in response to individual, group/ class isolations

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

The key public benefit delivered by Muscliff Primary School is the maintenance and development of high quality education. In doing this, the school not only offers a broadly balanced academic education but aims to educate the whole individual by:

- Promoting the spiritual, moral and cultural development of its pupils through a careful relevant programme/scheme of work.
- Preparing the pupils for the opportunities and responsibilities of later life through a very wide and engaging programme of extra- curricular activity, including residential visits and trips.

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

Strategic report

Achievements and performance

End of KS2 results:

Reading	Expected 79%	Greater Depth 39%
Writing	Expected 85%	Greater Depth 26%
Maths	Expected 84%	Greater Depth 34%
RWM	Expected 73%	Greater Depth 18%

End of KS1 results:

Reading	Expected 71%	Greater Depth 23%
Writing	Expected 70%	Greater Depth 19%
Maths	Expected 79%	Greater Depth 29%
RWM	Expected 59%	Greater Depth 14%

Internal data continued to be used in school – tracking and reviewing progress on a termly basis for all children to ensure teaching and interventions could be well matched. Most children worked at home Jan-Feb during lockdown and engaged in remote learning – asynchronous teaching and live meetings to promote sense of belonging and social/ emotional connections. Assignments were set on Teams, and feedback given to children at the end of each day. Gaps in learning assessed on children's return (March) and learning plans/ topics adapted.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. In making this assessment, the Trustees have considered the Trust's levels of free reserves, as well as current and forecast cashflows, taking into account the impact of Covid. The Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

b. Key Performance Indicators

Ofsted inspection was completed on 2nd October 2018 and following a dip in standards from the previous three years the school reacted well and deployed like-minded leaders and teachers around the school to ensure that the pupils made the progress they should. The outcome of the report was a 'Good'. Ofsted identified areas of development (phonics and reading) but were satisfied that systems were in place to monitor the effectiveness of those improvements. School Development Plan priorities focused on these and other key areas. Internal data reflected progress and gaps in children's learning.

Covid funding was used effectively to support a 'recovery programme' – with a focus on phonics and reading.

Staffing Ratio: The cost of staffing salaries as a proportion of the total income (excluding capital) of the Academy is 88%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

c. Financial review

The majority of the Academy's income is obtained from the Department of Education (DfE) via the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

The academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful economic life of the assets concerned, as defined in the academy's accounting policies.

During the 12 months to 31 August 2021, the academy received total revenue income of £2,861,046 (2020: £2,646,992) and incurred total expenditure of £2,646,511 (2020: £2,593,065). Therefore, there was a surplus in the year of £214,535 (2020: £53,927). The funds carried forward as unspent were £142,400 of unrestricted funds and £163,269 of GAG.

The academy has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the statement of Financial Activity with details in Note 22.

Due to Covid, there was a loss of income for Breakfast Club, Afterschool club and lettings. Budget was set to receive approximately £40,000 but the total received was £25,475 making a loss of £14,525.

During lockdown the Academy were required to provide IT equipment for children who could not access anything from home. This resulted in an overspend of £2,247. Since the initial purchase of the IT equipment the Government have provided more devices free of charge.

The budgets set for internal and external supply staff have a healthy remainder of 47%, this is due to the closure of the Academy during lockdown and only requiring a small proportion of staff to remain on site to teach essential worker children.

Covid-19 funding has been used to support specific areas of teaching to eliminate gaps in children's learning, for additional IT resources and resources e.g. subscription to online reading scheme.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

a. Reserves policy

It is the Trust's view that there should be reserves to support Muscliff to achieve their outcomes for today's children and not hold reserves unnecessarily. The Trustees review the reserve levels of the Academy annually. The Trustees require Muscliff to work towards a reserve of one months' staffing cost. This, they believe, will give the school a working capital buffer and the ability to make decisions that meet the outcomes for the pupils both in the short term and longer term. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £70,000 (2020: £70,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or to maintain staffing levels in the event of a reduction in funding. The Academy current levels of reserves (total funds less the amount held in fixed assets and restricted funds) is £305,569 (2020: £139,068).

b. Material Investments Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way to maximise return whilst minimising risk. Day-to-day management of any surplus funds is delegated to the Head Teacher within guidelines approved by the board.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

The Academy has robust measures in place in the form of a Risk Register. The Risk committee reviews the principal and emerging risks that the Academy is facing or should consider.

Areas covered are:

- Reputational risk
- Safeguarding
- Organisational
- Personnel
- Financial
- Pandemic / External forces
- Information technology

Covid-19 is having a negative impact with the mental health and wellbeing of our young people. We were concerned with most young people not attending school during the lockdown that they would not have access to resources and materials with which to learn, so this in turn will have a detrimental effect on attainment and wellbeing.

School counsellor / play therapist have been employed to support

Loss of income from Breakfast Club / Afterschool club and lettings resulting in a loss.

Local birth rate dip has meant that reception year group 2021 is not full, having negative impact on future funding.

ECHP funding will decrease due to children leaving, so staffing may be affected long term.

Fundraising

The Academies approach to fund raising primarily includes the Muscliff Parents' Association (MPA) events which annually benefits the school by approximately £10,000. Over the pandemic the fund raising has drastically declined and has impacted on the amount the school has received.

Plans for future periods

The Head Teacher appointed in September 2019 was previously the Deputy Head which ensured continuity of systems and processes of all aspects of life.

Covid-19 has caused major disruption to the school and the wider community and the Head Teacher has had to adapt to this new 'normal'. It is now the intention of the Head Teacher to focus on embedding positive changes, establishing a culture of professional growth and inquiry for all staff, and to reduce gaps to ensure all children make progress and reduce learning gaps.

Funds held as custodian on behalf of others

No funds are held as custodian on behalf of others.

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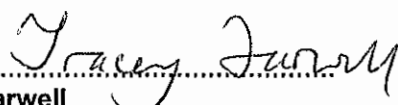
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 01/12/2021 and signed on its behalf by:


.....
T Farwell
Chair of Trustees

MUSCLIFF PRIMARY SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Muscliff Primary 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

Composition of the Board

Name:	Position:
Tracey Farwell	Chair
David Banks	Co-Vice Chair H&S Governor
Joanna Cartwright	Co-Vice Chair, RMC Chair & Safeguarding Governor
Sarah Fenby	Head Teacher & Accounting Officer
Victoria Ladbroke	Governor, Chair of Finance (resigned 31 August 2021)
Lynette Golborne	Governor, Chair of Curriculum & Standards (resigned 31 December 2020)
Lucian Andrews	Staff Governor
Alexander Zaremba	Governor
E Maries	Governor (appointed 1 July 2021, resigned 31 August 2021)
T Crawford	Governor (appointed 1 November 2020, resigned 1 February 2021)
H Eaton	Governor (appointed 1 November 2020, resigned 8 July 2021)

The board of governors has formally met six 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
T Farwell, Chair of Trustees	6	6
S Fenby, Head Teacher	6	6
L Golborne	1	1
D Banks	6	6
J Cartwright	6	6
L Andrews, Staff Trustee	6	6
V Ladbroke	6	6
A Zaremba	6	6
E Maries	1	1
T Crawford	1	1
H Eaton	4	4

Throughout the year, Trustees undertook their roles and responsibilities in the strategic management and monitoring of the school's work. Trustees have exercised the necessary degree of challenge and support required in their capacity to hold school leaders to account for improving outcomes for all pupils, including those who are disadvantaged. The board has also ensured that an appropriate set of policies and procedures are in place to provide assurance that public funds are being used correctly and good value for money is being achieved.

- The board of Governors has conducted their meetings remotely over Zoom during the year. This has proved to be successful and has not caused any significant issues. The board has performed well in the role of providing strong strategic leadership to the school as well as ensuring accountability for its financial performance and educational outcomes.
- The quality of the data used by the board has been very good. The board have used data from various reliable sources including the school itself, the Local Authority, information from other schools within the umbrella trust as well as from the ESFA and the Department of Education.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources Management Committee is a sub-committee of the main board of Trustees. Its purpose is to exercise statutory duties and powers delegated by the full Board of Trustees as follows:

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Farwell	6	6
S Fenby	6	6
V Ladbroke	6	6
D Banks	6	6
J Cartwright	6	6
A Zaremba	4	5
Governance review		

The board undertook a self-evaluation review during the year relating to the impact and effectiveness of the board. The findings showed some areas for development, especially for newly appointed governors and the actions taken involved a strong and robust induction process for new governors. There will also be an ongoing program of governor development for the whole governing board which will take place throughout the year.

Review of value for money

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

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

- Retendered the cleaning contract resulting in a more efficient and streamlined service providing increased value for money in terms of better use of resources, time and money
- Applying for and receiving any grants
- Continued use of Regional Schools Buying Hub and Department of Education's procurement frameworks using smarter buying to meet areas of cost and compliance

The School Business Managers from the Trust meet monthly to discuss agenda items that include economies of scale and obtain best value as either part or a group of through sharing best practice.

Due to Covid-19 it has been very difficult to review value for money, however, staff members have been deployed over different areas of the school to provide support for 'bubbles' children during the difficult period.

Ebay is ongoing and the school intends to sell more unwanted items over the next academic year.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Muscliff Primary School for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

Internal Auditors have been appointed and have undertaken 2 audits over the year.

The risk and control framework

The Board of Trustees has decided to employ an independent firm as internal auditor.

The internal auditor delivered their schedule of work as intended and a plan is in place to address weaknesses and ensure continuous improvements.

The external auditor'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:

- Purchases and cash payments
- Payroll
- Income and cash receipts
- Fixed assets
- Budgeting and financial monitoring
- Regularity
- Governance
- Risk management
- Covid-19 testing

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

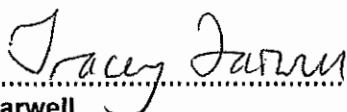
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have 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 Resources Management 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
their behalf by:

01/12/2021

and signed on



T Farwell
Chair of Trustees



S Fenby
Accounting Officer

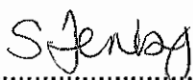
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Muscliff Primary 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 2020.

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 2020.

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



.....
S Fenby
Accounting Officer
Date:

01/12/2021

MUSCLIFF PRIMARY SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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
01/12/2021 and signed on its behalf by:


.....
T Farwell
Chair of Trustees

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MUSCLIFF PRIMARY SCHOOL**

Opinion

We have audited the financial statements of Muscliff Primary School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

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

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

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

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MUSCLIFF PRIMARY SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MUSCLIFF PRIMARY 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.

Auditors' 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 Auditors' 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.

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

Our audit procedures have been reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

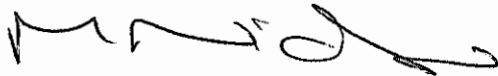
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MUSCLIFF PRIMARY SCHOOL (CONTINUED)**

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 Auditors' 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.



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of
Griffin
Statutory Auditor

Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX
Registered Auditors

Date: 03/12/21

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MUSCLIFF
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 09 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Muscliff Primary School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Muscliff Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Muscliff Primary 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 Muscliff Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Muscliff Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Muscliff Primary School's funding agreement with the Secretary of State for Education dated 1 December 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

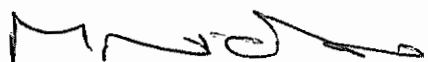
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MUSCLIFF
PRIMARY 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA (Senior statutory auditor)
Reporting Accountant

Griffin
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Date: 03/12/21

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	5,543	13,384	24,331	43,258	33,720
Charitable activities		11,131	2,797,408	-	2,808,539	2,567,269
Other trading activities		33,533	-	-	33,533	56,801
Investments	6	47	-	-	47	165
Total income		50,254	2,810,792	24,331	2,885,377	2,657,955
Expenditure on:						
Raising funds		43,324	-	-	43,324	53,298
Charitable activities		2,609	2,875,578	150,706	3,028,893	2,886,699
Total expenditure		45,933	2,875,578	150,706	3,072,217	2,939,997
Net income/(expenditure)		4,321	(64,786)	(126,375)	(186,840)	(282,042)
Transfers between funds	16	(989)	(40,945)	41,934	-	-
Net movement in funds before other recognised gains/(losses)		3,332	(105,731)	(84,441)	(186,840)	(282,042)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(257,000)	-	(257,000)	(468,000)
Net movement in funds		3,332	(362,731)	(84,441)	(443,840)	(750,042)
Reconciliation of funds:						
Total funds brought forward		139,068	(2,378,000)	7,000,309	4,761,377	5,511,419
Net movement in funds		3,332	(362,731)	(84,441)	(443,840)	(750,042)
Total funds carried forward		142,400	(2,740,731)	6,915,868	4,317,537	4,761,377

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 55 form part of these financial statements.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09872386

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	6,914,309	7,000,309
		<u>6,914,309</u>	<u>7,000,309</u>
Current assets			
Debtors	14	44,586	41,528
Cash at bank and in hand		487,462	288,955
		<u>532,048</u>	<u>330,483</u>
Creditors: amounts falling due within one year	15	(218,820)	(191,415)
Net current assets		<u>313,228</u>	<u>139,068</u>
Total assets less current liabilities		<u>7,227,537</u>	<u>7,139,377</u>
Net assets excluding pension liability		<u>7,227,537</u>	<u>7,139,377</u>
Defined benefit pension scheme liability	22	(2,910,000)	(2,378,000)
Total net assets		<u><u>4,317,537</u></u>	<u><u>4,761,377</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	6,915,868	7,000,309
Restricted income funds	16	169,269	-
		<u>7,085,137</u>	<u>7,000,309</u>
Restricted funds excluding pension asset	16	7,085,137	7,000,309
Pension reserve	16	(2,910,000)	(2,378,000)
Total restricted funds	16	<u>4,175,137</u>	<u>4,622,309</u>
Unrestricted income funds	16	<u>142,400</u>	<u>139,068</u>
Total funds		<u><u>4,317,537</u></u>	<u><u>4,761,377</u></u>

The financial statements on pages 25 to 55 were approved by the Trustees, and authorised for issue on 01/12/2021 and are signed on their behalf, by:


T Farwell
Chair of Trustees

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	196,285	63,086
Cash flows from investing activities	19	2,222	(56,745)
Change in cash and cash equivalents in the year		198,507	6,341
Cash and cash equivalents at the beginning of the year		288,955	282,614
Cash and cash equivalents at the end of the year	20, 21	<u>487,462</u>	<u>288,955</u>

The notes on pages 29 to 55 form part of these financial statements

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a strong revenue reserves position at the 31 August 2021 of £305,699 with £487,462 cash at this date. A detailed budget for 2021/22 has been prepared and updated to include the impact of COVID-19, such as additional cleaning costs and a provision for supply if existing staff are unable to cover for colleagues needing to isolate. This budget for 2021/22 is forecasting a small surplus after taking these additional costs into account. A 3-year budget has also been prepared which shows surpluses in later years as the academy is no longer impacted by lagged funding. This will leave the trust in a strong position to continue to operate within the Reserves policy.

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

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 raising funds**

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

- **Charitable activities**

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

All resources expended are 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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Land	- 125 years straight line
Long-term leasehold property	- 50 years straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 25% 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 and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.11 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.

1.12 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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	5,543	13,384	13,800	32,727
Capital Grants	-	-	10,531	10,531
	<u>5,543</u>	<u>13,384</u>	<u>24,331</u>	<u>43,258</u>

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	22,757	-	22,757
Capital Grants	-	10,963	10,963
	<u>22,757</u>	<u>10,963</u>	<u>33,720</u>

4. Funding for the academy's education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
Other DfE/ESFA grants			
General Annual Grant	-	2,317,500	2,317,500
Other DfE/ESFA Grants	-	37,016	37,016
Pupil Premium	-	146,060	146,060
Universal free school meals	-	88,698	88,698
Teachers pay and pension grant	-	111,616	111,616
	<u>-</u>	<u>2,700,890</u>	<u>2,700,890</u>
Other Government grants			
Special Educational Needs	-	37,260	37,260
	<u>-</u>	<u>37,260</u>	<u>37,260</u>
Other income from the academy's education	11,131	-	11,131
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	59,258	59,258
	<u>-</u>	<u>59,258</u>	<u>59,258</u>
	<u>11,131</u>	<u>2,797,408</u>	<u>2,808,539</u>

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4. Funding for the academy's education (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
Other DfE/ESFA grants			
General Annual Grant	-	2,142,224	2,142,224
Other DfE/ESFA Grants	-	37,730	37,730
Pupil Premium	-	133,232	133,232
Universal free school meals	-	94,653	94,653
Teachers pay and pension grant	-	111,061	111,061
	-	2,518,900	2,518,900
Other Government grants			
Special Educational Needs	-	35,565	35,565
	-	35,565	35,565
Other income from the academy's education	12,804	-	12,804
	12,804	2,554,465	2,567,269

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

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'COVID-19 additional funding (DfE/ESFA)'

The academy received £59,258 of funding for catch-up premium and costs incurred in respect of this funding totalled £59,258, with the remaining £Nil to be spent in 2021/22.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	3,389	3,389
Other	30,144	30,144
	<u>33,533</u>	<u>33,533</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Hire of facilities	8,535	8,535
Other	48,266	48,266
	<u>56,801</u>	<u>56,801</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	47	47
	<u>47</u>	<u>47</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	165	165
	<u>165</u>	<u>165</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	36,569	-	6,755	43,324
Education:				
Direct costs	1,992,363	112,425	50,037	2,154,825
Support costs	563,522	115,051	195,495	874,068
	<u>2,592,454</u>	<u>227,476</u>	<u>252,287</u>	<u>3,072,217</u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:				
Direct costs	43,610	-	9,688	53,298
Education:				
Direct costs	1,924,371	111,702	75,243	2,111,316
Allocated support costs	471,967	150,326	153,090	775,383
	<u>2,439,948</u>	<u>262,028</u>	<u>238,021</u>	<u>2,939,997</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Education	2,154,825	874,068	3,028,893

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Education	2,111,316	775,383	2,886,699

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	1,983,159	1,924,371
Depreciation	128,100	125,220
Educational Supplies	19,626	31,274
Other Costs	10,395	16,074
Supply Teachers	9,204	1,561
Recruitment and Other staff Costs	3,938	11,587
Technology costs	403	1,229
	2,154,825	2,111,316

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	36,000	30,000
Staff costs	563,522	471,967
Depreciation	22,606	19,712
Other Costs	349	1,358
Maintenance of premises and equipment	24,356	30,678
Cleaning	50,892	55,284
Rent and rates	23,388	23,743
Heat and light	18,722	20,909
Insurance	11,124	11,106
Security and transport	2,079	673
Catering	17,399	36,681
Technology costs	30,857	22,690
Office overheads	27,648	31,116
Legal and professional	16,783	14,141
Governance costs	28,343	5,325
	874,068	775,383

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	2,706	4,653
Depreciation of tangible fixed assets	150,706	144,932
Fees paid to auditors for:		
- audit	2,900	2,900
- other services	2,150	2,150

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,818,159	1,774,941
Social security costs	147,192	138,944
Pension costs	617,899	524,502
	<u>2,583,250</u>	<u>2,438,387</u>
Agency staff costs	9,204	1,561
	<u><u>2,592,454</u></u>	<u><u>2,439,948</u></u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	26	29
Administration and Support	65	84
Management	5	6
	<u>96</u>	<u>119</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	25	22
Administration and support	31	42
Management	3	3
	<u>59</u>	<u>67</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £141,943 (2020 £380,381).

11. Trustees' 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:

		2021	2020
		£	£
S Fenby, Head Teacher	Remuneration	70,000 - 75,000	65,000 - 70,000
	Pension contributions paid		15,000 - 20,000
L Andrews	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid		10,000 - 15,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Trustees' and Officers' insurance

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

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FOR THE YEAR ENDED 31 AUGUST 2021**

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	7,613,514	31,412	72,872	7,717,798
Additions	42,550	-	22,156	64,706
At 31 August 2021	<u>7,656,064</u>	<u>31,412</u>	<u>95,028</u>	<u>7,782,504</u>
Depreciation				
At 1 September 2020	654,146	15,312	48,031	717,489
Charge for the year	132,265	3,141	15,300	150,706
At 31 August 2021	<u>786,411</u>	<u>18,453</u>	<u>63,331</u>	<u>868,195</u>
Net book value				
At 31 August 2021	<u>6,869,653</u>	<u>12,959</u>	<u>31,697</u>	<u>6,914,309</u>
At 31 August 2020	<u>6,959,368</u>	<u>16,100</u>	<u>24,841</u>	<u>7,000,309</u>

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	726	3,226
Other debtors	18,097	12,488
Prepayments and accrued income	25,763	25,814
	<u>44,586</u>	<u>41,528</u>

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15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	23,281	43,484
Other taxation and social security	32,554	32,667
Other creditors	56,882	39,187
Accruals and deferred income	106,103	76,077
	218,820	191,415
	2021	2020
	£	£
Deferred Income		
Deferred income at 1 September 2020	61,870	69,285
Resources deferred during the year	60,653	61,870
Amounts released from previous periods	(61,870)	(69,285)
	60,653	61,870

At the balance sheet date the academy was holding funds received in advance of the 2020/21 for UIFSM and Rates Relief financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	139,068	50,254	(45,933)	(989)	-	142,400
Restricted general funds						
General Annual Grant	-	2,317,500	(2,139,586)	(14,645)	-	163,269
Pupil Premium	-	146,060	(146,060)	-	-	-
Higher Needs	-	37,260	(37,260)	-	-	-
Other DFE/ESFA Grants	-	127,332	(127,332)	-	-	-
Sports Premium	-	21,300	-	(21,300)	-	-
UFSM	-	88,698	(88,698)	-	-	-
Covid-19 Premium	-	59,258	(59,258)	-	-	-
PTFA Donations	-	9,484	(2,384)	(5,000)	-	2,100
Sports England Donations	-	3,900	-	-	-	3,900
Pension reserve	(2,378,000)	-	(275,000)	-	(257,000)	(2,910,000)
	<u>(2,378,000)</u>	<u>2,810,792</u>	<u>(2,875,578)</u>	<u>(40,945)</u>	<u>(257,000)</u>	<u>(2,740,731)</u>
Restricted fixed asset funds						
Transferred on conversion	6,934,004	-	(133,176)	-	-	6,800,828
DFE/ESFA capital grants	37,483	10,531	(10,214)	19,694	-	57,494
Transfer from GAG	26,537	-	(1,276)	16,251	-	41,512
Capital donations	2,202	13,800	(5,898)	989	-	11,093
MPA	83	-	(142)	5,000	-	4,941

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	7,000,309	24,331	(150,706)	41,934	-	6,915,868
Total Restricted funds	4,622,309	2,835,123	(3,026,284)	989	(257,000)	4,175,137
Total funds	4,761,377	2,885,377	(3,072,217)	-	(257,000)	4,317,537

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium

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

Higher Needs funding

Income received from the Local Authority to fund further support for pupils with additional needs.

Other revenue grants include:

Universal Infant Free School Meals income provided by the ESFA to fund a free school meal to every pupil in reception and years 1 and 2.

Local Authority grants

Teachers pay grants received from the ESFA to provide funding for schools to support teachers' pay awards.

Pension Reserve

The Academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the school from the Dioceses of Portsmouth and Winchester and Local Authority on conversion to an Academy.

DfE/ESFA capital grants

Devolved Formula Capital funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Capital Expenditure from GAG

This represents funds transferred from the restricted GAG fund to purchase fixed assets.

Other grants

Capital donations received from Muscliff Parents Association to purchase fixed assets.

Capital donations

Capital donations received with specific restrictions.

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 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	112,632	92,527	(66,091)	-	-	139,068
Restricted general funds						
General Annual Grant	-	2,158,664	(2,131,173)	(27,491)	-	-
Pupil Premium	-	133,232	(133,232)	-	-	-
Higher Needs	-	35,565	(35,565)	-	-	-
Other DFE/ESFA Grants	-	227,004	(227,004)	-	-	-
Pension reserve	(1,708,000)	-	(202,000)	-	(468,000)	(2,378,000)
	<u>(1,708,000)</u>	<u>2,554,465</u>	<u>(2,728,974)</u>	<u>(27,491)</u>	<u>(468,000)</u>	<u>(2,378,000)</u>
Restricted fixed asset funds						
Transferred on conversion	7,067,426	10,963	(133,422)	-	-	6,944,967
DFE/ESFA capital grants	34,466	-	(7,946)	-	-	26,520
Transfer from GAG	368	-	(1,322)	27,491	-	26,537
Other Grant	4,402	-	(2,200)	-	-	2,202
Capital donations	125	-	(42)	-	-	83
	<u>7,106,787</u>	<u>10,963</u>	<u>(144,932)</u>	<u>27,491</u>	<u>-</u>	<u>7,000,309</u>
Total Restricted funds	<u>5,398,787</u>	<u>2,565,428</u>	<u>(2,873,906)</u>	<u>-</u>	<u>(468,000)</u>	<u>4,622,309</u>
Total funds	<u>5,511,419</u>	<u>2,657,955</u>	<u>(2,939,997)</u>	<u>-</u>	<u>(468,000)</u>	<u>4,761,377</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	6,914,309	6,914,309
Current assets	361,220	169,269	1,559	532,048
Creditors due within one year	(218,820)	-	-	(218,820)
Provisions for liabilities and charges	-	(2,910,000)	-	(2,910,000)
Total	142,400	(2,740,731)	6,915,868	4,317,537

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	7,000,309	7,000,309
Current assets	330,483	-	-	330,483
Creditors due within one year	(191,415)	-	-	(191,415)
Provisions for liabilities and charges	-	(2,378,000)	-	(2,378,000)
Total	139,068	(2,378,000)	7,000,309	4,761,377

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(186,840)	(282,042)
Adjustments for:		
Depreciation	150,706	144,932
Capital grants from DfE and other capital income	(24,331)	(10,963)
Dividends, Interest and rents from investments	(47)	(165)
Defined benefit pension scheme cost less contributions payable	239,000	172,000
Defined benefit pension scheme finance cost	36,000	30,000
Increase in debtors	(3,058)	(4,575)
Decrease in creditors	(15,145)	13,899
Net cash provided by operating activities	196,285	63,086

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	47	165
Purchase of tangible fixed assets	(8,356)	(67,873)
Capital grants from DfE Group	10,531	10,963
Net cash provided by/(used in) investing activities	2,222	(56,745)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	487,462	288,955
Total cash and cash equivalents	487,462	288,955

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	288,955	198,507	487,462
	288,955	198,507	487,462

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NOTES TO THE FINANCIAL STATEMENTS
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22. 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 Dorset County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £42,686 were payable to the schemes at 31 August 2021 (2020 - £38,785) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £228,528 (2020 - £287,911).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2021 was £151,000 (2020 - £181,000), of which employer's contributions totalled £151,000 (2020 - £139,000) and employees' contributions totalled £ 43,000 (2020 - £42,000). The agreed contribution rates for future years are 18.2 per cent for employers and 5.5 - 6.8 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25

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

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	23.4	23.3
Females	24.8	24.8
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	26.3	26.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(123)	(98)
Discount rate -0.1%	127	101
Mortality assumption - 1 year increase	8	7
Mortality assumption - 1 year decrease	(8)	(7)
CPI rate +0.1%	117	93
CPI rate -0.1%	(114)	(90)

Share of scheme assets

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

	2021	2020
	£	£
Equities	1,015,000	722,000
Gilts	218,000	169,000
Corporate bonds	103,000	111,000
Property	162,000	139,000
Cash and other liquid assets	30,000	15,000
Investment funds	123,000	80,000
Asset backed securities	87,000	63,000
Infrastructure	114,000	95,000
Secured income funds	-	8,000
Total market value of assets	1,852,000	1,402,000

The actual return on scheme assets was £312,000 (2020 - £61,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(389,000)	(310,000)
Admin expenses	(1,000)	(1,000)
Interest income	24,000	27,000
Interest cost	(60,000)	(57,000)
Total amount recognised in the Statement of financial activities	(426,000)	(341,000)

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

	2021 £	2020 £
At 1 September	3,780,000	3,062,000
Interest cost	60,000	57,000
Employee contributions	43,000	42,000
Actuarial losses	545,000	327,000
Benefits paid	(55,000)	(18,000)
Current service cost	389,000	310,000
At 31 August	4,762,000	3,780,000

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

	2021 £	2020 £
At 1 September	1,402,000	1,354,000
Interest income	24,000	27,000
Actuarial gains/(losses)	288,000	(141,000)
Employer contributions	151,000	139,000
Employee contributions	43,000	42,000
Benefits paid	(55,000)	(18,000)
Administrative expenses	(1,000)	(1,000)
At 31 August	1,852,000	1,402,000

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	2,706	2,706
Between 1 and 5 years	6,765	9,471
	<u>9,471</u>	<u>12,177</u>

24. Members' liability

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

25. Related party transactions

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