



Headteacher: **Mrs Sarah Fenby**

Broadway Lane
Bournemouth BH8 0AB
Tel: 01202 549654

Email: muscliff@muscliffprimary.co.uk

Website: www.muscliffprimary.co.uk

www.facebook.com/Muscliff-Primary-School

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

30 November 2022

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy's financial statements and as, relevant, your assurance engagement on regularity for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 21 August 2018, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy, and with all other records and related information, including minutes of management meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.

Internal control and fraud

- 5 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

- 6 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 7 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 8 The academy has satisfactory title to all assets and there are no liens or encumbrances on the academy's assets, except for those that are disclosed in the notes to the financial statements.
- 9 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 10 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 11 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

- 12 The academy has not granted any advances or credits to, or made guarantees on behalf of trustees other than those disclosed in the financial statements.

Legal claims

- 13 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

- 14 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 15 Related party relationships and transactions, comply with the academy's financial regulations, relevant requirements of the Academies Trust Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Subsequent events

- 16 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 17 We believe that the academy's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy's needs. We have considered a period of twelve months

from the date of approval of the financial statements. We believe that no further disclosures relating to the academy's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

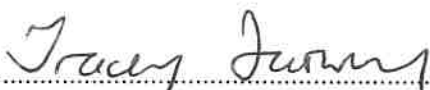
- 18 Grants made by the Department of Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 19 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully


.....

Signed on behalf of the board of trustees

Date.....14.12.22.....



Headteacher: **Mrs Sarah Fenby**

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Griffin Chartered Accountants
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX30 November 2022

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to Muscliff Primary School and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of my knowledge and belief.

General

1. I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between Muscliff Primary School and the Secretary of State for Education dated December 2014 and the Academies Trust Handbook 2021.
2. I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
3. I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academies Trust Handbook 2021 in performing this duty.
4. Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
5. Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
6. Full and free access has been granted to the all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully


.....

S Fenby
Accounting Officer

Date 30/11/22

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | D Constant J Pavely D Banks V Ladbrooke T Farwell |
| Trustees | T Farwell, Chair of Trustees S Fenby, Head Teacher D Banks J Cartwright L Andrews, Staff Trustee A Zaremba J Hanafin (Appointed 18 January 2022) R Oliver (Appointed 7 February 2022) |
| 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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bournemouth. It has a pupil capacity of 630 and had a roll of 623 in the school census on 24 January 2022.

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.

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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

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 31 August 2022 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:

b. Objectives, strategies and activities

School Improvement Objectives:

Objective One:

Implement a robust approach to teaching phonics that is consistent from YR through Y1 and beyond

Objective Two:

Improve teaching of Reading to raise whole school attainment and progress through identifying barriers to learning, exploiting text-driven curriculum and using evidence informed research to develop teachers' knowledge.

Objective Three:

Provision for vulnerable children (including those with SEND and those eligible for PP) is inclusive, appropriate and effective, meeting needs and ensuring progress is made.

Respond to the mental health needs and children's well-being through a readiness to engage, recognising that our relationships are paramount.

Objective Four:

Develop a culture of individual professional growth, team collaboration and leadership development to allow staff at all levels to develop, evaluate and improve their own pedagogy and their area of responsibility through research and relevant professional learning.

Cultivate a working environment that is understanding of staff well-being, where mental health is valued and supported.

Objective Five:

Implementing an inclusive, diverse, knowledge rich 'Muscliff' curriculum: building on the intent development from 2020/2021

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

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.

Achievements and performance

a. Achievements and Performance

| | | |
|---------|--------------|-------------------|
| Reading | Expected 77% | Greater Depth 25% |
| Writing | Expected 78% | Greater Depth 17% |
| Maths | Expected 72% | Greater Depth 30% |
| RWM | Expected 69% | Greater Depth 9% |

End of KS1 results:

| | | |
|---------|--------------|-------------------|
| Reading | Expected 79% | Greater Depth 29% |
| Writing | Expected 67% | Greater Depth 12% |
| Maths | Expected 80% | Greater Depth 25% |
| RWM | Expected 67% | Greater Depth 9% |

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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

Achievements and performance (continued)

b. 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 increased inflation rates. 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.

c. Key Performance Indicators

Ofsted inspection was completed on 2 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.

Staffing Ratio: The cost of staffing salaries as a proportion of the total income (excluding capital) of the Academy is 85%

d. Financial review

Most of the Academy's income is obtained from the Department of Education (DFE) via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year can be seen in the Statement of Financial Activities.

During the 12 months to 31 August 2022, the Academy received a total revenue income of £3,149,182 and incurred revenue expenditure of £2,901,410. The level of free reserves carried forward are £492,669.

The Academy has reopened the school facilities to external hirers. The lettings income has increased and the school is providing facilities for its external clubs every day of the week. This is benefiting the local community and children.

The After School Club and Breakfast Club numbers are increasing since Covid, as parents/carers are back at work.

The Academy has a 'pool' of in-house supply and Higher Level Teaching Assistants to cover staff absences and PPA, so the need for expensive external supply teachers has been lessened and should improve the overspend on the budget.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

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 Governors review the reserve levels of the academy annually and regularly monitor expenditure to ensure the reserves. The review includes the income and expenditure stream, the need to match income with commitments and the nature of the reserves. The Governors have determined that the level of reserves should be the equivalent to 1 month's salary which is approximately, £150,000. The Academy's current levels of reserves (total funds less the amount held in fixed assets and restricted funds) is £492,669 (2021 £305,569).

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.

c. Principal risks and uncertainties

The Academy has adopted a risk management process including the creation of a robust risk register and risk review process. The risk register enables Governors to identify risks and put in place controls and where necessary, plan mitigation against the risks.

The principle risks that were identified throughout the year, were the falling number in birth rate across the Dorset area. The school must build up its reserves adequately to meet the unexpected needs of the school in the next few years. The loss of funding from the ESFA will be seen in years 2022/23, 2023/24, 2024/25.

Controls in place to alleviate the loss of funding include:

- Increased monitoring of cash flow and bank account by the Head Teacher, School Business Manager and Chair of Resources Committee.
- Close monitoring of internal controls to ensure that the budget does not have an overspend.
- The Academy to maintain a good reputation to attract children from other areas.

Fundraising

The Academy undertakes fundraising in the form of sponsored events and organised events such as the Summer and Christmas Fayre to raise funds for extra projects that benefit the pupils in the school. The School does not currently have a parents association so are reliant upon volunteers and staff members to run these events. No professional fundraisers or commercial participators are used for this fundraising. Fundraising conforms to the Charity Commissions recognized standards, the school does not use intrusive or persistent fundraising approaches or put undue pressure on the school community to donate. No complaints have been received regarding the schools fundraising activities.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

Plans for future periods

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

For 2-3 years, Covid-19 caused major disruption to the school and the wider community and the HT had to adapt to this new 'normal'. For the past year the intention of the HT was 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. The school is pleased with the July 2022 outcomes across the board (all in line/ above National data), however will continue to work hard to improve to ensure next year's data is matched/ better than previous data (pre-Covid).

Funds held as custodian on behalf of others

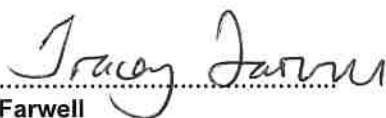
No funds are held as custodian on behalf of others.

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 was approved by order of the Board of Trustees, as the company directors, on 30 November 2022 and signed on its behalf by:


.....
T Farwell
Chair of Trustees

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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.

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 |
| Lucian Andrews | Staff Governor |
| Alexander Zaremba | Governor |
| Jessica Hanafin | Governor |
| Rebecca Oliver | Governor |

The board of governors has formally met eight 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 | 8 | 8 |
| S Fenby, Head Teacher | 7 | 7 |
| D Banks | 7 | 8 |
| L Andrews, Staff Trustee | 7 | 7 |
| J Cartwright | 6 | 6 |
| A Zaremba | 4 | 6 |
| J Hanafin | 4 | 4 |
| R Oliver | 1 | 1 |

The Board maintains an up to date and complete register of interests. This information is used in the day to day management and governance of the academy trust at each board meeting. Trustees are required to declare any continuing conflicts of interest that they have on the register of interests. This is requested at the start of each meeting. Where there is an item on the agenda in which a trustee has a conflict of interest, they declare this at the start of the meeting and withdraw for that part

MUSCLIFF PRIMARY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The board has worked as an effective team, using a good balance of skills, experience, and knowledge to make informed decisions throughout the year. Despite the circumstances around the pandemic, the board has maintained a rigorous approach in addressing its roles and responsibilities in a collective and confident manner. The board has continued to meet regularly throughout the year, albeit remotely, to ensure its continued effectiveness of support and challenge to the Academy. New Trustees have received an appropriately resourced induction when they have joined and have been supported by the Chair, Governance Professional and a Trustee mentor to settle into the role. The board has reviewed its own performance and has considered the balance of skills, experience and knowledge, its diversity, how the board works together and other factors that affect its effectiveness.

The Resource 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 |
|--------------|-------------------|-------------------|
| J Cartwright | 6 | 6 |
| T Farewell | 4 | 6 |
| D Banks | 1 | 6 |
| L Andrews | 1 | 1 |
| J Hanafin | 2 | 3 |
| R Oliver | 1 | 3 |
| S Fenby | 5 | 6 |
| A Zaremba | 2 | 6 |

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 board understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The board considers how the Academy Trusts use of its resources has provided good value for money during each academic year, and this is reflected in reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. Good value for money has delivered improved value for money during the year by:

During the year, the Academy tendered for new LED lighting throughout the school. The work was completed during the summer break so there was no disruption to the school. The Academy should now start seeing a decrease in their energy bills.

CPD and training resources have increasingly been accessed digitally saving the Academy money where staff have not had to lose time travelling to training and costs for accessing on-line training remotely have been less.

MUSCLIFF PRIMARY SCHOOL
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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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- HR Procedures
- Financial Procedures
- Credit Card Procedures

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

The Board of Trustees has decided to employ Carter & Coley 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:

The internal auditor reports to the board of Trustees through the Resource Management 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

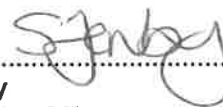
As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 work of the external auditors;

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 and signed on their behalf by:


.....
T Farwell
Chair of Trustees


.....
S Fenby
Accounting Officer

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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 and 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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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: 30/11/22

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 . 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 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 30 November 2022 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 2022 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 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (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.

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

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

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.

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: 2 December 2022

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 2021 to 2022, 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Misty Nickells FCA (Senior statutory auditor)
Reporting Accountant

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

Date:

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 32,536 | 4,895 | 14,164 | 51,595 | 43,258 |
| Other trading activities | 5 | 71,223 | - | - | 71,223 | 33,533 |
| Investments | 6 | 68 | - | - | 68 | 47 |
| Charitable activities | | 11,576 | 3,028,884 | - | 3,040,460 | 2,808,539 |
| Total income | | 115,403 | 3,033,779 | 14,164 | 3,163,346 | 2,885,377 |
| Expenditure on: | | | | | | |
| Raising funds | | 73,377 | - | - | 73,377 | 43,324 |
| Charitable activities | | - | 3,205,033 | 162,133 | 3,367,166 | 3,028,893 |
| Total expenditure | | 73,377 | 3,205,033 | 162,133 | 3,440,543 | 3,072,217 |
| Net income/(expenditure) | | 42,026 | (171,254) | (147,969) | (277,197) | (186,840) |
| Transfers between funds | 16 | - | (66,771) | 66,771 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 42,026 | (238,025) | (81,198) | (277,197) | (186,840) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 22 | - | 2,492,000 | - | 2,492,000 | (257,000) |
| Net movement in funds | | 42,026 | 2,253,975 | (81,198) | 2,214,803 | (443,840) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 142,400 | (2,740,731) | 6,915,868 | 4,317,537 | 4,761,377 |
| Net movement in funds | | 42,026 | 2,253,975 | (81,198) | 2,214,803 | (443,840) |
| Total funds carried forward | | 184,426 | (486,756) | 6,834,670 | 6,532,340 | 4,317,537 |

MUSCLIFF PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

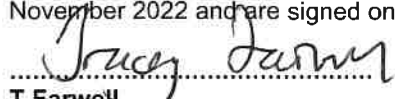
The notes on pages 24 to 49 form part of these financial statements.

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

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 6,834,670 | 6,914,309 |
| | | <u>6,834,670</u> | <u>6,914,309</u> |
| Current assets | | | |
| Debtors | 14 | 51,910 | 44,586 |
| Cash at bank and in hand | | 684,468 | 487,462 |
| | | <u>736,378</u> | <u>532,048</u> |
| Creditors: amounts falling due within one year | 15 | (243,708) | (218,820) |
| Net current assets | | <u>492,670</u> | <u>313,228</u> |
| Total assets less current liabilities | | <u>7,327,340</u> | <u>7,227,537</u> |
| Net assets excluding pension liability | | <u>7,327,340</u> | <u>7,227,537</u> |
| Defined benefit pension scheme liability | 22 | (795,000) | (2,910,000) |
| Total net assets | | <u><u>6,532,340</u></u> | <u><u>4,317,537</u></u> |
| Funds of the academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 16 | 6,834,670 | 6,915,868 |
| Restricted income funds | 16 | 308,244 | 169,269 |
| | | <u>7,142,914</u> | <u>7,085,137</u> |
| Restricted funds excluding pension asset | 16 | 7,142,914 | 7,085,137 |
| Pension reserve | 16 | (795,000) | (2,910,000) |
| Total restricted funds | 16 | <u>6,347,914</u> | <u>4,175,137</u> |
| Unrestricted income funds | 16 | <u>184,426</u> | <u>142,400</u> |
| Total funds | | <u><u>6,532,340</u></u> | <u><u>4,317,537</u></u> |

The financial statements on pages 20 to 49 were approved by the Trustees, and authorised for issue on 30 November 2022 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 2022

| | Note | 2022 £ | 2021 £ |
|---|--------|-----------------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 18 | 257,353 | 196,285 |
| Cash flows from investing activities | 19 | (60,347) | 2,222 |
| Change in cash and cash equivalents in the year | | 197,006 | 198,507 |
| Cash and cash equivalents at the beginning of the year | | 487,462 | 288,955 |
| Cash and cash equivalents at the end of the year | 20, 21 | 684,468 | 487,462 |

The notes on pages 24 to 49 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 2022

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 2021 to 2022 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 2022 of £492,669 with £684,468 cash at this date. A detailed budget for 2022/23 has been prepared and updated to include the impact of Covid, 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 2022/23 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.

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 2022

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 2022

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 2022

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 2022

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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|----------------|--|--|--|---------------------------------------|
| Donations | 32,536 | 4,895 | 3,150 | 40,581 |
| Capital Grants | - | - | 11,014 | 11,014 |
| | 32,536 | 4,895 | 14,164 | 51,595 |
| | <i>Unrestricted funds 2021 £</i> | <i>Restricted funds 2021 £</i> | <i>Restricted fixed asset funds 2021 £</i> | <i>Total funds 2021 £</i> |

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FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants (continued)

| | <i>Unrestricted funds 2021 £</i> | <i>Restricted funds 2021 £</i> | <i>Restricted fixed asset funds 2021 £</i> | <i>Total funds 2021 £</i> |
|----------------|--|--|--|---------------------------------------|
| Donations | 15,027 | 3,900 | 13,800 | 32,727 |
| Capital Grants | - | - | 10,531 | 10,531 |
| | <u>15,027</u> | <u>3,900</u> | <u>24,331</u> | <u>43,258</u> |

4. Funding for the academy's charitable activities

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|--|--|--|---------------------------------------|
| Education | | | |
| DfE/ESFA grants | | | |
| General Annual Grant | - | 2,608,319 | 2,608,319 |
| Other DfE/ESFA grants | | | |
| Pupil Premium | - | 159,533 | 159,533 |
| UIFSM | - | 81,252 | 81,252 |
| Others | - | 104,776 | 104,776 |
| | <u>-</u> | <u>2,953,880</u> | <u>2,953,880</u> |
| Other Government grants | | | |
| Higher Needs | - | 68,804 | 68,804 |
| Other Government Grants | - | 6,200 | 6,200 |
| | <u>-</u> | <u>75,004</u> | <u>75,004</u> |
| Other income from the academy's education | 11,576 | - | 11,576 |
| | <u>11,576</u> | <u>3,028,884</u> | <u>3,040,460</u> |
| | <u>11,576</u> | <u>3,028,884</u> | <u>3,040,460</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy's charitable activities (continued)

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

In 2021/22 the Academy received £15,479 of funding for catch-up premium and costs incurred in respect of this funding totalled £15,479.

The Trust received £7,661 of COVID-19 funding from the Local Authority, of which £7,661 was fully spent in the 2021/22 academic year.

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

5. Income from other trading activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|--------------------|--|---------------------------------------|
| Hire of facilities | 11,696 | 11,696 |
| Other | 59,527 | 59,527 |
| | <u>71,223</u> | <u>71,223</u> |
| | | |
| | <i>Unrestricted funds 2021 £</i> | <i>Total funds 2021 £</i> |
| Hire of facilities | 3,389 | 3,389 |
| Other | 30,144 | 30,144 |
| | <u>33,533</u> | <u>33,533</u> |

6. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---------------|--|---------------------------------------|
| Bank interest | 68 | 68 |
| | <u>68</u> | <u>68</u> |
| | | |
| | <i>Unrestricted funds 2021 £</i> | <i>Total funds 2021 £</i> |
| Bank interest | 47 | 47 |
| | <u>47</u> | <u>47</u> |

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7. Expenditure

| | Staff Costs 2022 £ | Premises 2022 £ | Other 2022 £ | Total 2022 £ |
|--|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Expenditure on fundraising trading activities: | | | | |
| Direct costs | 36,860 | - | 36,517 | 73,377 |
| Education: | | | | |
| Direct costs | 2,111,382 | 110,981 | 102,137 | 2,324,500 |
| Support costs | 701,003 | 150,464 | 191,199 | 1,042,666 |
| | <u>2,849,245</u> | <u>261,445</u> | <u>329,853</u> | <u>3,440,543</u> |
| | 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 |
| Allocated 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> |

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

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|-----------|--|---|---------------------------------------|
| Education | 2,324,500 | 1,042,666 | 3,367,166 |

| | <i>Activities undertaken directly 2021 £</i> | <i>Support costs 2021 £</i> | <i>Total funds 2021 £</i> |
|-----------|--|---|---------------------------------------|
| Education | 2,154,825 | 874,068 | 3,028,893 |

Analysis of direct costs

| | Total funds 2022 £ | <i>Total funds 2021 £</i> |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 2,104,731 | 1,983,159 |
| Depreciation | 135,868 | 128,100 |
| Educational Supplies | 42,256 | 19,626 |
| Other Costs | 22,738 | 10,395 |
| Supply Teachers | 6,651 | 9,204 |
| Recruitment and Other staff Costs | 6,876 | 3,938 |
| Technology costs | 5,380 | 403 |
| | 2,324,500 | 2,154,825 |

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2022 £ | <i>Total funds 2021 £</i> |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Pension finance costs | 46,000 | 36,000 |
| Staff costs | 701,003 | 563,522 |
| Depreciation | 26,265 | 22,606 |
| Other Costs | 1,666 | 349 |
| Maintenance of premises and equipment | 42,873 | 24,356 |
| Cleaning | 48,187 | 50,892 |
| Rent and rates | 20,358 | 23,388 |
| Heat and light | 23,092 | 18,722 |
| Insurance | 11,856 | 11,124 |
| Security and transport | 3,627 | 2,079 |
| Catering | 43,905 | 17,399 |
| Technology costs | 22,875 | 30,857 |
| Office overheads | 26,388 | 27,648 |
| Legal and professional | 4,805 | 16,783 |
| Governance costs | 19,766 | 28,343 |
| | 1,042,666 | 874,068 |

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2022 £ | <i>2021 £</i> |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 2,706 | 2,706 |
| Depreciation of tangible fixed assets | 162,133 | 150,706 |
| Fees paid to auditors for: | | |
| - audit | 3,150 | 2,900 |
| - other services | 1,860 | 2,150 |

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 | 2021 |
|-----------------------|------------------|-------------|
| | £ | £ |
| Wages and salaries | 1,955,667 | 1,818,159 |
| Social security costs | 160,092 | 147,192 |
| Pension costs | 726,835 | 617,899 |
| | 2,842,594 | 2,583,250 |
| Agency staff costs | 6,651 | 9,204 |
| | 2,849,245 | 2,592,454 |

b. Staff numbers

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

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 29 | 26 |
| Administration and Support | 75 | 65 |
| Management | 5 | 5 |
| | 109 | 96 |

The average headcount expressed as full-time equivalents was:

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 26 | 25 |
| Administration and support | 39 | 31 |
| Management | 3 | 3 |
| | 68 | 59 |

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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:

| | 2022 | 2021 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | - | 1 |
| In the band £70,001 - £80,000 | <u>1</u> | <u>-</u> |

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 £353,908 (2021 £332,969).

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:

| | | 2022 | 2021 |
|-----------------------|----------------------------|------------------------|-----------------|
| | | £ | £ |
| S Fenby, Head Teacher | Remuneration | 70,000 - 75,000 | 70,000 - 75,000 |
| | Pension contributions paid | 15,000 - 20,000 | 15,000 - 20,000 |
| L Andrews | Remuneration | 50,000 - 55,000 | 50,000 - 55,000 |
| | Pension contributions paid | 10,000 - 15,000 | 10,000 - 15,000 |

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £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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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------|
| Cost or valuation | | | | |
| At 1 September 2021 | 7,656,064 | 31,412 | 95,028 | 7,782,504 |
| Additions | 2,995 | 42,054 | 37,445 | 82,494 |
| At 31 August 2022 | <u>7,659,059</u> | <u>73,466</u> | <u>132,473</u> | <u>7,864,998</u> |
| Depreciation | | | | |
| At 1 September 2021 | 786,411 | 18,453 | 63,331 | 868,195 |
| Charge for the year | 132,325 | 7,347 | 22,461 | 162,133 |
| At 31 August 2022 | <u>918,736</u> | <u>25,800</u> | <u>85,792</u> | <u>1,030,328</u> |
| Net book value | | | | |
| At 31 August 2022 | <u>6,740,323</u> | <u>47,666</u> | <u>46,681</u> | <u>6,834,670</u> |
| At 31 August 2021 | <u>6,869,653</u> | <u>12,959</u> | <u>31,697</u> | <u>6,914,309</u> |

14. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|---------------|
| Due within one year | | |
| Trade debtors | 384 | 726 |
| Other debtors | 12,380 | 18,097 |
| Prepayments and accrued income | 39,146 | 25,763 |
| | <u>51,910</u> | <u>44,586</u> |

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

15. Creditors: Amounts falling due within one year

| | 2022 | 2021 |
|--|-----------------|-----------------|
| | £ | £ |
| Trade creditors | 99,150 | 23,281 |
| Other taxation and social security | 35,657 | 32,554 |
| Other creditors | 45,979 | 56,882 |
| Accruals and deferred income | 62,922 | 106,103 |
| | 243,708 | 218,820 |
| | 2022 | 2021 |
| | £ | £ |
| Deferred Income | | |
| Deferred income at 1 September 2021 | 60,653 | 61,870 |
| Resources deferred during the year | 56,098 | 60,653 |
| Amounts released from previous periods | (60,653) | (61,870) |
| | 56,098 | 60,653 |

At the balance sheet date the academy was holding funds received in advance of the 2022/23 financial year for UIFSM and Rates Relief.

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

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 142,400 | 115,403 | (73,377) | - | - | 184,426 |
| Restricted general funds | | | | | | |
| General Annual Grant | 163,269 | 2,608,319 | (2,396,573) | (66,771) | - | 308,244 |
| Pupil Premium | - | 159,533 | (159,533) | - | - | - |
| Higher Needs | - | 68,804 | (68,804) | - | - | - |
| UIFSM | - | 81,252 | (81,252) | - | - | - |
| Other grants | 6,000 | 115,871 | (121,871) | - | - | - |
| Pension reserve | (2,910,000) | - | (377,000) | - | 2,492,000 | (795,000) |
| | (2,740,731) | 3,033,779 | (3,205,033) | (66,771) | 2,492,000 | (486,756) |
| Restricted fixed asset funds | | | | | | |
| Transferred on conversion | 6,800,828 | - | (133,175) | - | - | 6,667,653 |
| DFE/ESFA capital grants | 57,494 | 11,014 | (13,357) | - | - | 55,151 |
| Transfer from GAG | 41,512 | - | (10,974) | 66,771 | - | 97,309 |
| Capital donations | 11,093 | 3,150 | (4,485) | - | - | 9,758 |
| MPA | 4,941 | - | (142) | - | - | 4,799 |
| | 6,915,868 | 14,164 | (162,133) | 66,771 | - | 6,834,670 |
| Total Restricted funds | 4,175,137 | 3,047,943 | (3,367,166) | - | 2,492,000 | 6,347,914 |
| Total funds | 4,317,537 | 3,163,346 | (3,440,543) | - | 2,492,000 | 6,532,340 |

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

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 2022.

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16. Statement of funds (continued)

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

| | 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) | - | - | - |
| UIFSM | - | 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
FOR THE YEAR ENDED 31 AUGUST 2022**

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 |

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 6,834,670 | 6,834,670 |
| Current assets | 428,134 | 308,244 | - | 736,378 |
| Creditors due within one year | (243,708) | - | - | (243,708) |
| Provisions for liabilities and charges | - | (795,000) | - | (795,000) |
| Total | 184,426 | (486,756) | 6,834,670 | 6,532,340 |

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2021 £</i> | <i>Restricted funds 2021 £</i> | <i>Restricted fixed asset funds 2021 £</i> | <i>Total funds 2021 £</i> |
|--|--|--|--|---------------------------------------|
| 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 |

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

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Net expenditure for the year (as per Statement of financial activities) | (277,197) | (186,840) |
| Adjustments for: | | |
| Depreciation | 162,133 | 150,706 |
| Capital grants from DfE and other capital income | (14,164) | (24,331) |
| Dividends, Interest and rents from investments | (68) | (47) |
| Defined benefit pension scheme cost less contributions payable | 331,000 | 239,000 |
| Defined benefit pension scheme finance cost | 46,000 | 36,000 |
| Increase in debtors | (7,324) | (3,058) |
| Decrease in creditor | 16,973 | (15,145) |
| Net cash provided by operating activities | 257,353 | 196,285 |

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

19. Cash flows from investing activities

| | 2022 £ | 2021 £ |
|--|-----------------|--------------|
| Dividends, interest and rents from investments | 68 | 47 |
| Purchase of tangible fixed assets | (71,429) | (8,356) |
| Capital grants from DfE Group | 11,014 | 10,531 |
| Net cash (used in)/provided by investing activities | (60,347) | 2,222 |

20. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Cash in hand and at bank | 684,468 | 487,462 |
| Total cash and cash equivalents | 684,468 | 487,462 |

21. Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 487,462 | 197,006 | 684,468 |
| | 487,462 | 197,006 | 684,468 |

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £43,104 were payable to the schemes at 31 August 2022 (2021 - £42,686) and are included within creditors.

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22. Pension commitments (continued)

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 2024.

The employer's pension costs paid to TPS in the year amounted to £311,099 (2021 - £228,528).

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.

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22. Pension commitments (continued)

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 2022 was £216,000 (2021 - £194,000), of which employer's contributions totalled £170,000 (2021 - £151,000) and employees' contributions totalled £46,000 (2021 - £43,000). 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

| | 2022 | 2021 |
|--|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.90 | 3.90 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.90 |
| Discount rate for scheme liabilities | 4.25 | 1.65 |
| Inflation assumption (CPI) | 2.90 | 2.90 |

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

| | 2022 | 2021 |
|-----------------------------|-------------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 22.1 | 23.4 |
| Females | 24.2 | 24.8 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.4 | 24.8 |
| Females | 25.6 | 26.3 |

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22. Pension commitments (continued)

Sensitivity analysis

| | 2022 | 2021 |
|--|-------------|-------|
| | £000 | £000 |
| Discount rate +0.1% | (68) | (123) |
| Discount rate -0.1% | 70 | 127 |
| Mortality assumption - 1 year increase | 4 | 8 |
| Mortality assumption - 1 year decrease | (4) | (8) |
| CPI rate +0.1% | 67 | 117 |
| CPI rate -0.1% | (66) | (114) |

Share of scheme assets

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

| | At 31 August 2022 | At 31 August 2021 |
|-------------------------------------|------------------------------|----------------------|
| | £ | £ |
| Equities | 1,034,000 | 1,015,000 |
| Gilts | 209,000 | 218,000 |
| Corporate bonds | 88,000 | 103,000 |
| Property | 198,000 | 162,000 |
| Cash and other liquid assets | 29,000 | 30,000 |
| Investment funds | 128,000 | 123,000 |
| Asset backed securities | 87,000 | 87,000 |
| Infrastructure | 143,000 | 114,000 |
| Total market value of assets | 1,916,000 | 1,852,000 |

The actual return on scheme assets was £-81,000 (2021 - £312,000).

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

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Current service cost | (500,000) | (389,000) |
| Interest income | 32,000 | 24,000 |
| Interest cost | (78,000) | (60,000) |
| Administrative expenses | (1,000) | (1,000) |
| Total amount recognised in the Statement of financial activities | (547,000) | (426,000) |

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22. Pension commitments (continued)

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

| | 2022 £ | 2021 £ |
|--------------------------|------------------|-----------|
| At 1 September | 4,762,000 | 3,780,000 |
| Interest cost | 78,000 | 60,000 |
| Employee contributions | 46,000 | 43,000 |
| Actuarial (gains)/losses | (2,605,000) | 545,000 |
| Benefits paid | (70,000) | (55,000) |
| Current service costs | 500,000 | 389,000 |
| At 31 August | 2,711,000 | 4,762,000 |

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

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|-----------|
| At 1 September | 1,852,000 | 1,402,000 |
| Interest income | 32,000 | 24,000 |
| Actuarial (losses)/gains | (113,000) | 288,000 |
| Employer contributions | 170,000 | 151,000 |
| Employee contributions | 46,000 | 43,000 |
| Benefits paid | (70,000) | (55,000) |
| Effects of non-routine settlements | (1,000) | (1,000) |
| At 31 August | 1,916,000 | 1,852,000 |

23. Operating lease commitments

At 31 August 2022 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £ | 2021 £ |
|-----------------------|--------------|-----------|
| Within 1 year | 2,706 | 2,706 |
| Between 1 and 5 years | 4,059 | 6,765 |
| | 6,765 | 9,471 |

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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 Academy Trust 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.