

Monkton Infants School

(A company limited by guarantee)

Annual report

31 August 2022

Monkton Infants School

(A company limited by guarantee)

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Reference and administrative details

Members Mr WF Armstrong (resigned 8 November 2022)
Mrs J Hansen
Mr D Pickering
Mr M Hodgson

Governors Mr M Hodgson, Chair
Mr R Cheadle, Vice Chair
Mrs C Askwith, Principal
Mrs H Winter, Deputy Principal
Mr WF Armstrong (resigned 8 November 2022)
Mrs J Ware
Mrs J Hansen
Mrs K Snowden
Ms J Watkins
Mrs V McGregor (resigned 14 June 2022)
Mrs S J Stewart
Mrs C Owens

Company registered number 08354212

Company name Monkton Infants School

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

Company secretary Ms J DGLISH

Principal Mrs C Askwith

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

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

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

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Reference and administrative details (continued)

Year ended 31 August 2022

Solicitors

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

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Governors' report Year ended 31 August 2022

The governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Monkton Infants School (the academy) for the year ended 31 August 2022. The annual report serves the purposes of both a governors' report, and a directors report under company law.

The trust operates an academy for pupils aged 4-7 serving a catchment area in South Tyneside. The separate nursery caters for children aged 2 to 4 years. The academy has a pupil capacity of 258 and had a roll of 170 as at July 2022.

Structure, governance and management

Constitution

The academy is a company limited by guarantee and an exempt charity. It was set up by a Memorandum of Association on 1 February 2013. The principal object of the academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, which shall offer a broad and balanced curriculum.

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

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

Members' liability

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

Method of recruitment and appointment or election of governors

The term of office for any governor shall be 4 years, save that this time limit shall not apply to the principal or any post held ex-officio. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

The make-up of the board of governors is as follows:

- Principal
- 4 Trust governors
- 4 Co-opted governors
- 3 Parent governors
- 2 Staff governors

The approach taken by the academy to recruit new governors varies as to the type of governors:

Parent governors are elected by parents of pupils in school and nursery, following an appeal for nominations, then a ballot process is carried out.

Co-opted governors are recruited through recommendation from serving governors or via an online Governor provision site. Each potential governor undergoes a meeting with the Chair of governors and the Principal during which the role of governor is outlined in detail. There is also the opportunity for the potential governor to explain the reasons as to why they wish to become a governor for the academy.

Following this meeting, if both parties are in agreement that the recruitment should proceed, at the next Board

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Governors' report (continued) Year ended 31 August 2022

meeting, the Chair of Governors informs the governors of the potential governor, governors then vote as to whether to accept the new recruit. If successful, the new recruit is then invited to join the meeting.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors depends on their existing experience. Where necessary induction and training is provided on educational, legal and financial matters. The academy buys into an annual service level agreement for governor training and support. All new governors are given a tour of the academy and the chance to meet with staff and students. All newly appointed governors are provided with an induction pack and other documents that they will need to undertake in their role as a governor. As there are normally only one or two new governors each year, induction is undertaken formally and is tailored to the individual. Every year governors receive a personal training planner, which highlights training sessions available, and governors are encouraged to attend.

Organisational structure

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

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

The senior leadership team consist of the principal, deputy principal, early years lead and school business manager who provide the strategic leadership for the academy implementing the policies laid down by the governors and reporting to them via the principal. The senior leadership team is responsible for the day-to-day running of the academy, the financial management of the academy funds and the appointment of staff through interview panels that may contain a governor.

Governors' Indemnities

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

Arrangements for setting pay and remuneration of key management personnel

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

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Governors' report (continued) Year ended 31 August 2022

Objectives and Activities

Objects and aims

The principle object and activity of the company is the operation of Monkton Infants School to provide education for students of different abilities between the ages of 2 and 7.

In accordance with the articles of association the academy trust's objects is specifically to advance, for the public benefit, education in the United Kingdom.

Objectives, strategies and activities

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

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

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

Our aims are:

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

Public benefit

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

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Governors' report (continued) Year ended 31 August 2022

Strategic report

Achievements and performance

Key performance indicators

The attainment of key pupil groups in summer 2022 reflected the previous disruption to education that these children experienced during the two preceding years as a result of the pandemic. Although standards of attainment were as predicted and were quite good, there was a dip when compared to 2019 results. 2019 was the last time data was collected and analysed, as this was the last year where education was uninterrupted for all children until the academic year 2021- 22.

Early Years Foundation Stage - Summer 2022

Skills on Entry to Nursery	Well below average
Skills on Entry to Reception	Below Average
% Achieving a Good Level of Development	58%
Achievement	Satisfactory

Key Stage 1

Achievement at the end of Key Stage 1 is consistently good however learning and attainment was affected by the pandemic and period of restricted attendance in the preceding years.

Using summer data, levels remained good overall with the following proportion of children attaining the expected level and above:

Reading - 64% (national: 67%)

Writing - 60% (national: 58%)

Maths - 60% (national: 68%)

	Reading		Writing		Maths	
	Exp	Exp+	Exp	Exp+	Exp	Exp+
All pupils – 45 in cohort	64%	20%	60%	4%	60%	13%
Male	71%	25%	63%	-	63%	21%
Female	57%	14%	57%	10%	57%	8%
Pupil Premium	43%	14%	38%	-	33%	10%
Non Pupil Premium	83%	25%	79%	8%	83%	24%
SEND	25%	17%	25%	-	33%	17%
Non SEND	79%	21%	73%	6%	70%	12%

The data has been carefully analysed and is used to inform the school improvement plan 2022-23. Pupils' attitudes to learning are good. Consistently good teaching promotes high levels of engagement and interest which encourages pupils to work productively for extended periods of time. The work is differentiated to meet the needs of all pupils and challenge activities are used effectively to extend learning. The school is very focussed on those pupils who are failing to make sufficient progress and a range of interventions are implemented to help these children to catch up.

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Governors' report (continued) Year ended 31 August 2022

Year 1 Phonics Screen

Children in Year 1 undertook the screening and the pass rate was 72% which is only 3% lower than the national figure. Three children missed the screening and are not included in the data below.

	Number in cohort	Pass %	Fail %
All pupils	57	72%	28%
Male	32	69%	31%
Female	25	72%	28%
SEND	8	50%	50%
Non-SEND	49	76%	24%
Pupil Premium	32	66%	34%
Non - Pupil Premium	25	80%	20%

The teaching of Phonics remains a priority for the school this year. Intervention groups have been implemented to narrow the learning gap between pupil groups and the academy now follows a DfE validated Phonics scheme.

Review of Activities

The academy has continued to perform well over the year and all pupils have made at least satisfactory, but generally good, progress in all areas of learning.

The academy underwent a 2-day OFSTED inspection in November 2019 and retained the grade as a 'Good school'.

Outside visits and visitors were reinstated during the year: children in all year groups visited 'The Word' to experience a wide range of computing activities. Summer visits were also completed; Reception children spent a day at Hardwick Hall, Year 1 went to Gibside and Year 2 children enjoyed a day at Beamish. Visitors were welcomed into school, these included the school nurses and even Florence Nightingale!

Parents are supportive of the academy; and have been able to attend many in-school activities – e.g. weekly community assemblies, concerts and performances. Christmas and Easter performances were once again performed in front of a live, appreciative audience.

Parents' progress meetings were held twice during the year in both school and nursery and were well attended.

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

The emotional health and wellbeing of pupils and staff remains an area of high priority; the academy successfully achieved the Bronze School Mental Health Award this year.

Principal risk and uncertainties

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

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Governors' report (continued) Year ended 31 August 2022

Financial review

Most of the academy's income is obtained from the 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/ESFA during the period 1 September 2021 to 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2019), such grants are shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period 1 September 2021 to 31 August 2022, recurrent grant funding from the DfE/ESFA together with other incoming resources totalled £1,153,281 and exceeded total expenditure of £1,145,317. The excess of income over expenditure for the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £7,964.

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

At 31 August 2022 the net book value of fixed assets was £1,368,774 and movements in tangible fixed assets are shown in the Financial Statements. The assets are used exclusively for providing education and the associated support services to the students of the academy.

The provision of Financial Reporting Standard 102 have been applied in full in respect of LGPS pension scheme, resulting in a surplus of £24,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2022 of £1,732,094 comprising of £1,643,402 of restricted funds and £88,692 of unrestricted funds.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the governors.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further detail regarding the adoption of the going concern basis of preparation is given in the accounting policies.

Promoting the success of the company

The governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of the members as a whole, having regard for the stakeholders and members as set out in S172(1) (a - f) of the Companies Act 2006, in the decisions taken during the year ended 31 August 2022.

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Governors' report (continued) Year ended 31 August 2022

Reserves policy

The academy held fund balances at 31 August 2022 of £1,732,094 (2021: £927,130) comprising £1,643,402 (2021: £870,161) of restricted funds and £88,692 (2021: £56,969) of unrestricted funds. Free reserves (ie those not designated or tied up in fixed assets) amounted to £335,212 including restricted revenue funds held.

The reserves policy in place ensures that the academy:

- Maintains sufficient cash balances in its current account to meet its day-to-day commitments
- Invests surplus cash to earn an acceptable rate of return without undue risk
- Consider spreading risk between differing types of investment and institutions to reduce credit risk

The Principal and Governing Body have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the School Business Manager and School Bursar; who will liaise with the Principal and Governing Body in relation to investment decisions. Given the continuing uncertainty over the impact of the pandemic and future funding for pension costs, the governors consider this level to be satisfactory at around three months' costs.

Investment Policy

The academy will operate an interest bearing current account with a bank approved by the Governing Body and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

The Governing Body reserves the power to:

- Give prior approval to the opening of new bank current accounts
- Amend the approved institutions with whom the academy will invest
- Give prior approval to any bank deposit with a maturity date exceeding six months

The Governing Body delegates authority to the Principal to place deposits in the academy's name, at approved institutions, subject to the agreed limits within this policy. No deposits will be placed without prior agreement with the Principal or other signatory subject to the relevant limits.

Plans for the future

- Approaches to wellbeing and mental health for pupils and staff will be further developed in school especially in relation to staff workload;
- To fully implement a DfE validated Phonics programme ('Little Wandle') – a statutory requirement since September 2022;
- To narrow the gap between the attainment of disadvantaged pupils and non-disadvantaged with particular focus upon writing in Key Stage 1; and
- To develop communication skills for children in the Early Years Foundation Stage as a large number of children start their education with low oral skills and understanding.

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Governors' report (continued) Year ended 31 August 2022

Disclosure of information to auditor

Insofar as the governors are aware:

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

Auditor

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

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 8 December 2022 and signed on its behalf by:



Mr M Hodgson
Chair of Governors

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Governance Statement

Scope of responsibility

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

As a relatively small Single Academy Trust, we acknowledge that it is not always viable for the Trust Board to meet 6 times a year as recommended in the Academies Trust Handbook. However, the Trust is still able to maintain affective oversight of funds.

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

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

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The board of governors has formally met 6 times during the year.

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

Governor	Meetings attended	Out of a possible
Mr M Hodgson, Chair	6	6
Mr R Cheadle, Vice Chair	4	6
Mrs C Askwith, Principal	6	6
Miss H Winter, Deputy Principal	3	6
Mr WF Armstrong	4	6
Mrs J Ware	5	6
Mrs J Hansen	6	6
Miss K Snowden	3	6
Ms J Watkins	2	3
Mrs V McGregor	2	3
Mrs S J Stewart	0	6
Mrs C Owens	5	6

During 2021 - 2022, Mrs V McGregor resigned from the Trust Board.

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Governance Statement (continued)

Governance (continued)

The finance and audit committee is a sub-committee of the main board of governors. Its purpose is to provide further assistance to the senior leadership team in financial and regulatory aspects of the academy.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr M Hodgson, Chair	3	3
Mrs C Askwith, Principal	3	3
Ms J Watkins	2	2
Mr W F Armstrong	2	3
Mrs J Hansen	3	3
Mrs C Owens	2	3

Review of value for money

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

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

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

The purpose of the system of internal control

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

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Governance Statement (continued)

The risk and control framework

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

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

The board of governors has decided to employ Clive Owen LLP as internal auditor.

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

- testing of balance sheet and control account reconciliations
- testing of safeguarding policies and training
- testing of the payroll processes
- testing of income and cash handling

The internal auditor conducted 2 Internal Audits throughout the year alongside the School Business Manager and Headteacher; during Spring 2022 and Summer 2022. The full report and recommendations were shared with governors during the termly meetings. No concerns have been highlighted.

Review of effectiveness

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

- the work of the internal assurance function;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the School Business Manager and School Bursar within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8 December 2022 and signed on their behalf by:



Mr M Hodgson
Chair of Governors



Mrs C Askwith
Accounting Officer

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Statement on regularity, propriety and compliance

As accounting officer of Monkton Infants School I have considered my responsibility to notify the academy board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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



Mrs C Askwith
Accounting Officer
Date: 8 December 2022

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Statement of governors' responsibilities Year ended 31 August 2022

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 8 December 2022 and signed on its behalf by:



Mr M Hodgson
Chair of Governors



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

Opinion

We have audited the financial statements of Monkton Infants School ('the academy') for the year ended 31 August 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 governors with respect to going concern are described in the relevant sections of this report.



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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors 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 governor's report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditor's responsibilities for the audit of the financial statements

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

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:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the governors and other management (as required by Auditing Standards) and from inspection of the academy's legal correspondence and we discussed with the governors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the academy is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the academy is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, environmental law, data protection, safeguarding and child protection and certain aspects of company legislation, recognising the nature of the academy's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

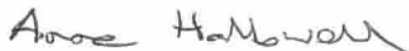
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

Use of our report

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



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

8 December 2022

Monkton Infants School

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 17 October 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 Monkton Infants 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 Monkton Infants School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Monkton Infants School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Monkton Infants School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Monkton Infants School's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies 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 support our conclusion includes:

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

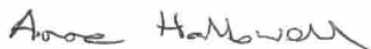
Monkton Infants School

(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Anne Hallowell BSc FCA DChA

UNW LLP
Chartered Accountants

Date: 8 December 2022

Monkton Infants School

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) 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	-	-	7,537	7,537	6,035
Charitable activities	4	53,719	1,091,990	-	1,145,709	978,954
Investments		35	-	-	35	31
Other income		-	-	-	-	287
Total income		53,754	1,091,990	7,537	1,153,281	985,307
Expenditure on:						
Charitable activities	5	22,031	1,067,759	55,527	1,145,317	1,101,158
Total expenditure		22,031	1,067,759	55,527	1,145,317	1,101,158
Net movement in funds before other recognised gains/(losses)		31,723	24,231	(47,990)	7,964	(115,851)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	797,000	-	797,000	(8,000)
Net movement in funds		31,723	821,231	(47,990)	804,964	(123,851)
Reconciliation of funds:						
Total funds brought forward		56,969	(550,711)	1,420,872	927,130	1,050,981
Net movement in funds		31,723	821,231	(47,990)	804,964	(123,851)
Total funds carried forward		88,692	270,520	1,372,882	1,732,094	927,130

The notes on pages 26 to 47 form part of these financial statements.

Monkton Infants School

(A company limited by guarantee)

Balance sheet At 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	1,368,774	1,420,872
Current assets			
Debtors	12	49,684	34,570
Cash at bank and in hand		404,156	303,471
		<u>453,840</u>	<u>338,041</u>
Creditors: amounts falling due within one year	13	(114,520)	(139,783)
Net current assets		<u>339,320</u>	<u>198,258</u>
Total assets less current liabilities		<u>1,708,094</u>	<u>1,619,130</u>
Net assets excluding pension asset / liability		<u>1,708,094</u>	<u>1,619,130</u>
Defined benefit pension scheme asset / liability	20	24,000	(692,000)
Total net assets		<u><u>1,732,094</u></u>	<u><u>927,130</u></u>
Funds of the academy			
Restricted funds:			
Restricted fixed asset funds	14	1,372,882	1,420,872
Restricted income funds	14	246,520	141,289
		<u>1,619,402</u>	<u>1,562,161</u>
Restricted funds excluding pension liability	14	1,619,402	1,562,161
Pension reserve	14	24,000	(692,000)
Total restricted funds	14	<u>1,643,402</u>	<u>870,161</u>
Unrestricted income funds	14	<u>88,692</u>	<u>56,969</u>
Total funds		<u><u>1,732,094</u></u>	<u><u>927,130</u></u>

Monkton Infants School

(A company limited by guarantee)

Balance sheet (continued)

At 31 August 2022

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 47 were approved by the trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:



Mr M Hodgson

Chair of Governors

The notes on pages 26 to 47 form part of these financial statements.

Monkton Infants School

(A company limited by guarantee)

Statement of cash flows Year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	16	96,612	44,390
Cash flows from investing activities	17	4,073	(59,443)
Change in cash and cash equivalents in the year		100,685	(15,053)
Cash and cash equivalents at the beginning of the year		303,471	318,524
Cash and cash equivalents at the end of the year	18, 19	404,156	303,471

The notes on pages 26 to 47 form part of these financial statements

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements 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

In determining the appropriate basis of preparation of the financial statements, the governors are required to consider whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing of these financial statements.

The governors have performed this assessment and have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons.

At 31 August 2022, the free reserves position (ie. those not designated or tied up in fixed assets) was £335,212 (2021: £198,258) and the academy had cash reserves of £404,156 (2021: £303,471).

The governors have prepared cash flow forecasts for a period in excess of 12 months from the date of their approval of these financial statements. The cash flow forecasts that the governors have prepared are based on their current best estimates and are in line with the funding agreement in place with the Department for Education and show that the academy can maintain sufficient financial headroom for the foreseeable future.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2022

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

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

1.6 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.

1.7 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.

1.8 Liabilities

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

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2022

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

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

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 governor 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.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2022

1. Accounting policies (continued)

1.11 Pensions (continued)

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 governors.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

In particular, the valuations calculated at 31 August 2022 do not take into account the likely increases to pensions from April 2023 caused by above average inflation in the period since April 2022, as these have not yet been confirmed by government. The continued fluctuations in financial markets impacting both interest rates and inflation, both of which impact assumptions applied in the calculation of the LGPS asset, add increased estimation uncertainty to the figures as at 31 August 2022.

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2022

3. Income from donations and capital grants

	Restricted fixed asset funds 2022 £	Total funds 2022 £
Capital grants	7,537	7,537
	Restricted fixed asset funds 2021 £	Total funds 2021 £
Capital grants	6,035	6,035

4. Funding for the academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	788,734	788,734
Other DfE/ESFA grants			
UIFSM	-	37,536	37,536
Pupil Premium	-	98,770	98,770
Other	41,987	38,794	80,781
Capital grants	-	1,900	1,900
School standard fund	11,732	-	11,732
Local authority nursery funding	-	126,256	126,256
	53,719	1,091,990	1,145,709
	53,719	1,091,990	1,145,709

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2022

4. Funding for the academy's educational operations (continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	-	655,301	655,301
Other DfE/ESFA grants			
UIFSM	-	36,014	36,014
Pupil Premium	-	88,985	88,985
Other	-	51,374	51,374
School standard fund	19,450	-	19,450
Local authority nursery funding	-	127,830	127,830
	<u>19,450</u>	<u>959,504</u>	<u>978,954</u>
	<u>19,450</u>	<u>959,504</u>	<u>978,954</u>

5. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational activities:				
Direct costs	583,802	-	60,534	644,336
Support costs	175,030	114,712	211,239	500,981
Total 2022	<u>758,832</u>	<u>114,712</u>	<u>271,773</u>	<u>1,145,317</u>

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational activities:				
Direct costs	615,625	-	60,615	676,240
Support costs	161,050	100,529	163,339	424,918
Total 2021	<u>776,675</u>	<u>100,529</u>	<u>223,954</u>	<u>1,101,158</u>

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2022

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational operations	644,336	500,981	1,145,317

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	676,240	424,918	1,101,158

Analysis of support costs

	2022 £	2021 £
Pension interest cost	11,000	10,000
Support staff costs	175,030	161,050
Depreciation	55,527	56,675
Technology costs	11,913	11,438
Premises costs	114,712	100,529
Legal costs	108	108
Other support costs	132,691	85,118
	500,981	424,918

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2022

7. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	55,527	56,189
Fees paid to auditor for:		
- audit	7,300	7,100
- other services	1,100	1,100
	<u>55,527</u>	<u>56,189</u>

8. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	505,295	531,540
Social security costs	46,199	49,184
Pension costs	184,346	176,186
	<u>735,840</u>	<u>756,910</u>
Agency staff costs	22,992	19,765
	<u>758,832</u>	<u>776,675</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teaching staff	7	9
Administration and support staff	10	9
Management	1	1
	<u>18</u>	<u>19</u>

Monkton Infants School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2022

8. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teaching staff	6	9
Administration and support staff	7	8
Management	1	1
	<hr/> 14 <hr/>	<hr/> 18 <hr/>

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	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<hr/> 1 <hr/>	<hr/> - <hr/>

The above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2022 employer's pension contributions for these persons amounted to £34,176 (2021: £33,751).

d. Key management personnel

The key management personnel of the academy comprise the governors 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 £248,911 (2021: £240,041).

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Notes to the financial statements

Year ended 31 August 2022

9. Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff governors 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 governors' remuneration and other benefits was as follows:

		2022	2021
		£	£
Mrs C Askwith, Principal	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
Mrs H Winter, Deputy Principal	Remuneration	60,000 -	60,000 -
		65,000	65,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Ms J Watkins	Remuneration	30,000 -	35,000 -
		35,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2022, no governor expenses have been incurred (2021 - £nil).

10. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2022 was included within the academy's overall risk protection arrangements.

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Notes to the financial statements Year ended 31 August 2022

11. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	1,599,443	174,650	47,703	1,821,796
Additions	-	-	3,429	3,429
At 31 August 2022	<u>1,599,443</u>	<u>174,650</u>	<u>51,132</u>	<u>1,825,225</u>
Depreciation				
At 1 September 2021	218,839	138,711	43,374	400,924
Charge for the year	31,989	20,746	2,792	55,527
At 31 August 2022	<u>250,828</u>	<u>159,457</u>	<u>46,166</u>	<u>456,451</u>
Net book value				
At 31 August 2022	<u>1,348,615</u>	<u>15,193</u>	<u>4,966</u>	<u>1,368,774</u>
At 31 August 2021	<u>1,380,604</u>	<u>35,939</u>	<u>4,329</u>	<u>1,420,872</u>

Included in land and buildings is leasehold land at valuation of £121,000 (2021: £121,000) which is not depreciated.

12. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	11,010	9,944
Prepayments and accrued income	38,674	24,626
	<u>49,684</u>	<u>34,570</u>

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Year ended 31 August 2022

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	45,759	43,146
Other taxation and social security	23,182	19,525
Other creditors	9,761	-
Accruals and deferred income	35,818	77,112
	<u>114,520</u>	<u>139,783</u>

	2022 £	2021 £
Deferred income at 1 September 2021	20,338	21,642
Resources deferred during the year	17,783	20,338
Amounts released from previous periods	(20,338)	(21,642)
	<u>17,783</u>	<u>20,338</u>

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Notes to the financial statements Year ended 31 August 2022

14. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General funds	56,969	53,754	(22,031)	-	88,692
Restricted general funds					
Restricted general funds	141,289	1,091,990	(986,759)	-	246,520
Pension reserve	(692,000)	-	(81,000)	797,000	24,000
	<u>(550,711)</u>	<u>1,091,990</u>	<u>(1,067,759)</u>	<u>797,000</u>	<u>270,520</u>
Restricted fixed asset funds					
Restricted fixed asset funds	1,420,872	7,537	(55,527)	-	1,372,882
Total Restricted funds	<u>870,161</u>	<u>1,099,527</u>	<u>(1,123,286)</u>	<u>797,000</u>	<u>1,643,402</u>
Total funds	<u>927,130</u>	<u>1,153,281</u>	<u>(1,145,317)</u>	<u>797,000</u>	<u>1,732,094</u>

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

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

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

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

Unrestricted funds are all other funds of the academy trust.

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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Notes to the financial statements

Year ended 31 August 2022

14. 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	112,466	19,768	(15,853)	(59,412)	-	56,969
	<u>112,466</u>	<u>19,768</u>	<u>(15,853)</u>	<u>(59,412)</u>	<u>-</u>	<u>56,969</u>
Restricted general funds						
Restricted general funds	143,415	959,504	(961,630)	-	-	141,289
Pension reserve	(617,000)	-	(67,000)	-	(8,000)	(692,000)
	<u>(473,585)</u>	<u>959,504</u>	<u>(1,028,630)</u>	<u>-</u>	<u>(8,000)</u>	<u>(550,711)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	1,412,100	6,035	(56,675)	59,412	-	1,420,872
	<u>1,412,100</u>	<u>6,035</u>	<u>(56,675)</u>	<u>59,412</u>	<u>-</u>	<u>1,420,872</u>
Total restricted funds	<u>938,515</u>	<u>965,539</u>	<u>(1,085,305)</u>	<u>59,412</u>	<u>(8,000)</u>	<u>870,161</u>
Total funds	<u><u>1,050,981</u></u>	<u><u>985,307</u></u>	<u><u>(1,101,158)</u></u>	<u><u>-</u></u>	<u><u>(8,000)</u></u>	<u><u>927,130</u></u>

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Year ended 31 August 2022

15. 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	-	-	1,368,774	1,368,774
Current assets	88,692	361,040	4,108	453,840
Creditors due within one year	-	(114,520)	-	(114,520)
Defined benefit pension asset	-	24,000	-	24,000
Total	88,692	270,520	1,372,882	1,732,094

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	1,420,872	1,420,872
Current assets	121,943	216,098	-	338,041
Creditors due within one year	(64,974)	(74,809)	-	(139,783)
Provisions for liabilities and charges	-	(692,000)	-	(692,000)
Total	56,969	(550,711)	1,420,872	927,130

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Notes to the financial statements

Year ended 31 August 2022

16. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year (as per statement of financial activities)	7,964	(115,851)
Adjustments for:		
Depreciation	55,527	56,675
Capital grants from DfE and other capital income	(7,537)	(6,035)
Interest receivable	35	31
Defined benefit pension scheme cost less contributions payable	81,000	67,000
Increase in debtors	(15,114)	(254)
(Decrease)/increase in creditors	(25,263)	42,824
Net cash provided by operating activities	96,612	44,390

17. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	(35)	(31)
Purchase of tangible fixed assets	(3,429)	(65,447)
Capital grants from DfE	7,537	6,035
Net cash provided by/(used in) investing activities	4,073	(59,443)

18. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	404,156	303,471

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Notes to the financial statements Year ended 31 August 2022

19. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	303,471	100,685	404,156

20. 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 the Tyne and Wear Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

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Notes to the financial statements Year ended 31 August 2022

20. Pension commitments (continued)

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 £81,320 (2021 - £86,130).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate governor-administered funds. The total contribution made for the year ended 31 August 2022 was £43,000 (2021 - £44,000), of which employer's contributions totalled £33,000 (2021 - £33,000) and employees' contributions totalled £ 10,000 (2021 - £11,000). The agreed contribution rates for future years are 19.7 per cent for employers and 5.5 - 12.5 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.

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Notes to the financial statements Year ended 31 August 2022

20. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions in payment/inflation	2.7	2.6
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	2.7	2.6

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
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.7	26.9

Sensitivity analysis

The table below shows the impact on the present value of the total obligation.

	2022	2021
	£000	£000
Discount rate +0.1%	1,030	1,720
Discount rate -0.1%	1,084	1,812
Mortality assumption - 1 year increase	1,027	1,701
Mortality assumption - 1 year decrease	1,087	1,833
CPI rate +0.1%	1,078	1,801
CPI rate -0.1%	1,036	1,731

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Notes to the financial statements Year ended 31 August 2022

20. Pension commitments (continued)

Share of scheme assets

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

	2022 £	2021 £
Equities	582,000	596,000
Corporate bonds	201,000	216,000
Property	120,000	86,000
Cash and other liquid assets	19,000	43,000
Multi Asset Credit	48,000	-
Other	94,000	110,000
Government bonds	17,000	23,000
Total market value of assets	1,081,000	1,074,000

The actual return on scheme assets was £(31000) (2021 - £168,000).

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

	2022 £	2021 £
Current service cost	(103,000)	(90,000)
Interest income	19,000	15,000
Interest cost	(30,000)	(25,000)
Total amount recognised in the Statement of financial activities	(114,000)	(100,000)

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

	2022 £	2021 £
At 1 September	1,766,000	1,492,000
Current service cost	103,000	90,000
Interest cost	30,000	25,000
Employee contributions	10,000	11,000
Actuarial (gains)/losses	(847,000)	161,000
Benefits paid	(5,000)	(13,000)
At 31 August	1,057,000	1,766,000

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Notes to the financial statements Year ended 31 August 2022

20. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	1,074,000	875,000
Interest income	19,000	15,000
Actuarial (losses)/gains	(50,000)	153,000
Employer contributions	33,000	33,000
Employee contributions	10,000	11,000
Benefits paid	(5,000)	(13,000)
At 31 August	1,081,000	1,074,000

21. Members' liability

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

22. Related party transactions

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

Other than governors' remuneration disclosed in note 10, there were no other related party transactions in either period.