

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

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MONKTON JUNIOR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	V Byass N Henderson D W Mullen M Olsen A Sharp
Trustees	A Sharp, Chair N Henderson, Vice Chair K E Anderson S P Bowler, Principal and Accounting Officer L W Drew C B Lincoln D W Mullen M Olsen (resigned 19 November 2019) V Sheriff G P Tobin (appointed 19 May 2020) N Trehwella R Wood (resigned 4 January 2020)
Company registered number	07984453
Company name	Monkton Junior School
Principal and registered office	Dame Flora Robson Avenue South Shields Tyne and Wear NE34 9RD
Company secretary	C Flynn
Senior leadership team	S P Bowler, Principal L Heathfield, Deputy Principal N Graham, SENCO H McCullough, Maths Lead V Sheriff, English Lead
Independent auditors	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	Lloyds Bank plc 101 Kings Street South Shields Tyne and Wear NE33 1DT

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors

PGS Law
Law Court Chambers
20/22 Waterloo Square
South Shields
Tyne and Wear
NE33 1AW

MONKTON JUNIOR SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates an academy trust for children aged 7 to 11 years old in an area of high deprivation, Simonside, South Shields. It has a pupil capacity of 240 and has 178 children on roll as at 31 October 2020.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing document of the academy trust. The principal object of the academy trust 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.

The Trustees of Monkton Junior School are also the directors of the charitable company for the purposes of company law. We have five members of the charitable company, three who are Trustees of Monkton Junior School and two who are independent.

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.

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.

Trustees' indemnities

The academy trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 11.

Method of recruitment and appointment or election of Trustees

The members of the academy trust are selected from within the Trustees of the school, apart from two who are independent.

The term of office for any Trustee 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 Trustee, any Trustee may be re-appointed or re-elected.

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

- 4 academy trust Trustees
- 2 Co-opted Trustees
- The Principal
- 2 Parent Trustees
- 2 Staff Trustees

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary training is provided on educational, legal and financial matters. The academy trust buys into an annual Service Level Agreement for Trustee training and support. Every year Trustees receive a personal training planner which highlights training sessions available and Trustees are encouraged to attend. All new Trustees are given a tour of the academy trust and the chance to meet with staff and students. They are provided with a Trustee Information Pack from the Chair which contains copies of policies, procedures, minutes, 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 is undertaken formally and is tailored to the individual. Trustees will then be provided with key areas of responsibility following a skills audit.

Organisational structure

During the year, the academy trust has operated a unified leadership structure. The structure consists of two levels: the Trustees and the Senior Leadership Team. The Leadership Team work closely with middle leaders, thus ensuring that 'leadership' and 'management' are devolved accordingly within the academy trust.

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

The Senior Leadership Team consists of the Principal, Deputy Principal, SENCO, Maths Lead and English Lead who provide the strategic leadership for the academy trust implementing the policies laid down by the Trustees and reporting back to them via the Principal. The Senior Leadership Team is responsible for the day to day running of the academy trust, the financial management of the academy trust funds and the appointment of staff through interview panels that may contain a Trustee(s).

Arrangements for setting pay and remuneration of key management personnel

The academy trust pay policy is reviewed and updated each year in line with national guideline for school staff. On conversion, the academy trust made clear its intention not to deviate from teacher pay and conditions and also those of support staff employed under the local government structure, so that school employees would not be disadvantaged with respect to colleagues in local authority maintained schools.

Objectives and activities

Objects and aims

The principal object and activity of the company is the operation of Monkton Junior School to provide education for students of different abilities between the ages of 7 and 11.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Objectives, strategies and activities

Our Vision is to: Inspire, Achieve, Empower (in a circle design).

Our Mission statement is: Making Memorable Moments everyday; all day; for everyone.

Our School Story: At Monkton, children are at the heart of all we do. We have a nurturing culture of resilience, respect and pride as well as a strong sense of community belonging. This ensures our children learn, collaborate and reach their full potential with the belief that anything is possible.

Our School Story is what school life should actually look like and something we can easily measure against.

School Values (How we will Inspire, Empower and help our pupils Achieve.)

We INSPIRE pupils by:

- Teaching exciting and challenging lessons that help us learn new skills and acquire knowledge
- Inspiring us to be physically fit
- Developing our aspirations to explore the wider world
- Encouraging us by telling us we can do it

EMPOWER by:

- Teaching us life skills so that we can become independent
- Knowing how to keep ourselves and others' safe
- Encouraging us to be confident and feel good about ourselves
- Helping us to get along with all members of our school community

ACHIEVE by:

- Challenging us and allowing us time to reflect and improve our learning
- Providing an environment where we are confident to experiment and make mistakes
- Promoting resilience and being able to overcome obstacles in our path
- Giving us a variety of opportunities to succeed across the curriculum

Public benefit

The academy trust's aims and objectives are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Key performance indicators

The school had an OFSTED inspection in May 2019. It maintained its grading of good which is reflective of all the hard work undertaken by staff and Trustees over the last 2 years; particularly when looking at the barriers to progress. The report was positively written and indicated how far the school had moved. Next steps recommended:

- Teaching of reading continues to improve so that pupils make more rapid progress and results are in line with national averages;
- The leaders for English, Mathematics and SEN continue to develop their use of assessment information more effectively to plan support, which enables underachieving pupils to catch up in their learning;
- Recent changes in the curriculum are embedded so that pupils' learning in English and Mathematics is supported by links to other subjects.

Attendance at school up to March 2020 was 94.38%. This was only an interim measure but was 1% below normal. Covid was already having an effect. SEN and Y6 pupils were the major areas of targeting. However, this only includes attendance up to March 2020 due to the Covid-19 pandemic when most children were not in school until the new academic year. All attendance policies and procedures were reviewed and a School Shop established to reward good attendance. Key pupils are targeted and attendance improves significantly from when the children start school. However, we are still hoping to achieve 96.5% by the end of next year.

Total income per pupil was at £2,746.99 (AWPU) on 171 pupils this year with funding received in the form of :

- Total pupil led factors income £690,515.52
- Total budget share income £800,515.52
- SEN budget funding £110,964.07
- Pupil Premium £138,084.57
- Sports Premium £17,319.00
- DFC £5,901.25

Key Stage 2 Performance data

Key Stage 2 SATs tests were cancelled due to the Covid pandemic and thus there is no data to review. However, school targets that were set at the beginning of the year, were on track to be achieved in all year groups for all subjects. It is important to note:

- Projected future progress scores are heavily influenced by KS1 attainment scores (Infant school moderated twice in 2 years). These indicate high levels of Greater Depth pupils especially for reading in the next 3 years. Results for KS1 (for next 3 years) outcomes are always above national standards at both ARE and Greater Depth; sometimes significantly so. This presents us with a challenge bearing in mind what is assessed at the beginning of Y3. Current Y3 did not undertake KS1 SATs and missed 6 months of school due to the pandemic. It is likely that areas of the Y2 curriculum will need to be taught in Y3. Data given assessed the children as what they were expected to achieve in July 2020.
- Reading attainment and progress is a key area of development. In 2019, the school achieved below national expectations in reading, maths and combined. Progress scores especially in reading and maths also need improvement. Writing attainment and progress is in-line with national averages. The Floor target was surpassed. There has been a history of inconsistent progress in some subjects in some year groups but this is now being addressed and closely monitored.
- Disadvantaged pupils' attainment and progress remain a key focus.
- Low achievers progress well but some predicted Greater Depth pupils need to make better progress.
- Pupil progress and targets are rigorously tracked and evaluated via a series of pupil progress meetings to monitor impact of school strategies. All outcomes are triangulated against lesson observation and work

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

scrutinies to ascertain successes and any next steps.

- Progress across year groups is improving and gaining greater consistency. Formal assessments, regular work scrutinies and teacher observations enable leaders to monitor the impact of initiatives closely and quickly resolves any areas of concern.

Review of activities

2019 - 2020 was again a year of significant change and challenge for Monkton Junior School. Most staffing remained the same. Miss Heathfield returned to school after her maternity leave in the role of Vice-Principal. Several new Trustees were appointed, all with specific expertise. These changes have led to even greater stability for Monkton Junior School and have enabled it to continue to move forward at an accelerated rate.

Other changes in staffing have included:

- Miss McKenzie (NQT) was appointed for a 1 year temporary contract;
- Mrs Warren took early retirement during the year;
- All leadership roles were evaluated with staff responsibilities changed according to pay grade and experience. Mrs Gray is the school's Curriculum Lead and Mrs Ford the PSHE and Curriculum. Miss Heathfield is the Lead for Pupil Premium and Attendance amongst other duties.

Pupil numbers have remained stable at 170+ with 2 parallel classes per year group. Y5 numbers are low with less than 40. Future numbers are projected to be at least at this level but generally nearer to 180 - 190.

All aspects of school life have continued to change during the past year. Significant changes have included:

- The Covid – 19 pandemic had a significant effect on normal school life. Most children were not in school between March and July. Remote learning packs were sent home but this became an area of school development. The school faced increased costs due to additional cleaning and cleaning materials. A significant amount of time was also committed to making the school safe by the leadership team and Trustees. This included getting the school ready for all pupils in September 2020;
- The wider curriculum is under continued development. Cornerstones, a curriculum support package, is still being used. This structure uses an Engage, Develop, Innovate and Express approach. Topics generally start with a visit or interactive event which the school funds. This is aligned to the school's new mission statement and ethos. A clear curriculum model is in place. Assessment procedures for Foundation subjects are being developed. Leadership of the Foundation subjects has also moved forward. This is to ensure that pupils embed skills in reading, writing and maths as well as gaining a better understanding of the wider world. Principles for the teaching of core subjects have also been developed. Home Learning is directly linked to the pupil's curriculum;
- Skills ladders are in place for all Foundation subjects;
- Target setting for all year groups is now embedded including the combined score. FFT data is also used to support this process. The standardised assessment system is still in place. This (and teacher assessment) is now tracked by O'Track. Data is being triangulated via these assessment systems, classroom observations and work scrutinies. In some classes, progress is not as clear as it can be when looking at progress over time. New methods of teaching in the core subjects has shown impact on pupil progress but these approaches need embedding in the school curriculum. Moderation in school also needs development. Middle leaders have been appointed as mentors where appropriate with all monitoring activities undertaken with the Principal;
- Monitoring and evaluation by the MLT has improved and leaders have a much clearer idea of how their areas of responsibility are progressing. Teachers are given systematic feedback that shows them how and where to improve. This is re-visited in the next monitoring cycles. Joint working underpins all monitoring activities;

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Strategic report (continued)

Achievements and performance (continued)

- Intervention strategies are beginning to match the gap analysis. Plans are clearly focused and show the use of more accurate assessment information. The SENCo has worked hard to ensure the pupils' progress improves. This is because identification procedures are more effective and the correct support is given to the correct pupils. However, progress for some SEND and middle prior attainment pupils is an area of development;
- Physical fitness remains important to school life. We take our responsibility for pupil's mental health seriously. We have an Emotional Health Lead and continue to use Place2Be for more complex children. There are a variety of strategies for sex, physical and emotional health in school;
- School communication procedures have been improved via the updated school website, school App, text service, Facebook page, school blog and more 2-way communication events.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £1,069,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £67,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2020 net book value of fixed assets was £1,393,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £239,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2020 of £1,315,000 comprising £124,000 of restricted general funds, £1,393,000 of restricted fixed asset funds, a pension deficit of £239,000 and £37,000 of unrestricted funds.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Reserves Policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds).

The Trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Due to the uncertainty from revenue funding, Trustees consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in the fixed assets and restricted funds) of three months' worth of annual budgeted salary expenditure. In 2019/20 this equated to circa £193,000.

This is considered to cover:

- Possible future government funding restrictions and longevity of teachers' pension and pay grants
- To cover ongoing costs in relation to the running of the academy trust including school trips and uniform costs.

The academy trust's current level of reserves, excluding the fixed asset funds and pension reserve is £161,000 which includes unrestricted reserves of £37,000 and GAG funds carried forward of £124,000.

The Trustees are currently reviewing their reserves policy to ensure it remains appropriate for the size of the academy trust.

Investment policy

The Trustees' policy regarding investments is to monitor regularly cash flow and cash balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments; to avoid its current account being overdrawn; and to invest funds only in risk free and immediately accessible deposit accounts when considered necessary.

Principal risks and uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The Trustees have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

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

Plans for future periods

During 2020 - 2021 we will continue to provide a broad and balanced curriculum for our pupils and embed the significant changes that have occurred during the previous 12 months. We also aim to:

- Continue to invest in the ICT infra-structure. We will also purchase portable ICT equipment to enhance our curriculum model for all year groups
- Introduction of a CPA approach to teaching maths
- Continue to develop a catch-up curriculum
- Invest in our Remote Learning approach both in terms of content and providing ICT equipment for our most disadvantaged pupils
- Develop the learning environment and improve the school's heating and lighting systems
- Continue to invest in the Wider Curriculum and identify thematic and discrete areas of teaching and how they are resourced
- Improve the teaching of more able pupils and ensure we reach national levels of attainment
- Establish a school library and Research Station for fiction and non-fiction texts
- Continue to develop the Science Lab and Forest School
- Embedding of specific SEN interventions to improve progress
- Introduce the teaching of Spanish in school

Funds held as custodian on behalf of others


During the period covered by the report, Monkton Junior School has not held any funds as a custodian Trustee 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, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 January 2021 and signed on its behalf by:



A Sharp
Chair

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Monkton Junior 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Monkton Junior School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 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
A Sharp, Chair	6	6
N Henderson, Vice Chair	6	6
K E Anderson	4	6
S P Bowler, Principal and Accounting Officer	6	6
L W Drew	5	6
C B Lincoln	5	6
D W Mullen	5	6
M Olsen (resigned 19 November 2019)	1	1
V Sheriff	3	6
G P Tobin (appointed 19 May 2020)	2	2
N Trehwella	5	6
R Wood (resigned 4 January 2020)	1	2

Mrs A Sharp was once again elected the Chair of Trustees as was Mr N Henderson as Vice-Chair. Trustees carried out their role in contributing to the work of the academy trust by ensuring high standards of achievement for all children in the school by:

- Upholding the school's vision, ethos and strategic direction;
- Holding the Principal to account for the educational performance of the school and its pupils; and
- Overseeing the financial performance of the school and making sure its money is well spent.

This was achieved by contributing to the strategic discussions at Board of Trustees meetings which determine:

- the vision and ethos of the school;
- clear and ambitious strategic priorities and targets for the school;
- that all children, including those with special educational needs, have access to a broad and balanced curriculum;
- the school's budget, including the expenditure and use of the pupil premium and sports premium allocations;
- the securing of high needs education funding where required;
- the school's staffing structure and key staffing policies;
- the principles to be used by school leaders to set other school policies;
- Trustees held the senior leaders to account by monitoring the school's performance; this included: agreeing the outcomes from the Principals self-evaluation form and ensuring they are used to inform the priorities in the school development plan;

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- considering all relevant pupil performance data and feedback provided on request by school leaders and external sources on all aspects of school performance;
- asking challenging questions of school leaders; ensuring senior leaders have arranged for the required audits to be carried out and receiving the results of those audits;
- ensuring senior leaders have developed the required policies and procedures and the school is operating effectively according to those policies;
- acting as link Trustees (rather than operating a committee structure) on specific issues, making relevant enquiries of the relevant staff, and reporting to the Board of Trustees on the progress on the relevant school priority; and
- listening to and reporting to the school's stakeholders: pupils, parents, staff and the wider community.

Trustees ensured that school staff had the resources and support they required to do their jobs well, including the necessary expertise on business management, external advice where necessary, effective appraisal and CPD (Continuing Professional Development), and emerging and developing premises, and that the way in which those resources are used has impact. When required, Trustees were available to serve on panels of Trustees to:

- appoint a Principal into a substantive post;
- appoint senior leaders;
- appraise the Principal; and
- set the Principals pay and agree the pay recommendations for other staff.

The Finance, Staffing, Resources & Premises Committee is also a sub-committee of the main Board of Trustees and is skilled at challenging the financial direction of the school. Finance decisions are discussed, challenged openly and minuted. The Board of Trustees meets six times a year and the Finance, Staffing, Resources & Premises Committee has met at intervals to suit the financial management programme. During the academic year 2019-2020 the Finance, Staffing, Resources & Premises Committee met face to face once. Thereafter, because of the restrictions in place due to the ongoing pandemic the Finance, Staffing, Resources & Premises Committee was then incorporated into the other Board of Trustees meetings. This committee has sought monthly financial reporting from the school and carries out budget assessment and approval on behalf of the Board of Trustees. It has approved the budget set for the year along with the audited accounts and has been responsible for the Trustees Report accompanying the accounts. Mrs A Sharp has monthly oversight of the accounts including staffing costs, payments made in and out, requisition requests against budgets and monthly credit card expenditure.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S P Bowler	1	1
N Henderson	1	1
C B Lincoln	1	1
D W Mullen	1	1
G P Tobin	0	0
A Sharp	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Financial accountability starts with the Principal as Accounting Officer who delegates day to day financial management to the School Finance Officer acting as Chief Financial Officer. Mr D Mullen Chairs the Audit Committee and briefs the Trust Members responsible for finance. We have recently appointed Mr G Tobin who is an accountant by profession and offers quality in-depth knowledge to our Finance, Staffing, Resources & Premises Committee. The Committee Chair and Chair of Trustees challenges the School Finance Officer on every component of the budget throughout the year and observes the selection process of major service contractors ensuring that analytical matrices of bid assessment criteria contribute to appointing economically effective suppliers.

Transparency of procurement is always required to ensure compliance with policy. The Chair also monitors staff recruitment and appointments along with the annual performance management and pay review of the Principal and staff pay awards.

The school and Trustees work to apply expenditure for educational use as a priority. Review of value for money to ensure improving educational outcomes. The school is fully committed to ensuring that all pupils receive the highest levels of education, where teaching enables them to make consistently good and better progress. We set high standards for behaviour, welfare and safety for all our pupils. The Trustees and Senior Leadership Team ensure that all resources are targeted in line with the School Development Plan and priorities are reviewed regularly to ensure there is an impact on pupils' progress and attainment. As Accounting Officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

The staff structure is under regular review and is adjusted accordingly to fully support the needs of all pupils including those who are in receipt of Pupil Premium and those with Disabilities and Special Educational Needs. Changes have included the appointment of both additional teaching and support staff to enable all pupils to reach their full potential. In addition, performance reviews and appraisals have been developed which clearly link expectations of pupil performance with teacher targets. Focus on individual pupils, The Trustees and senior members of staff have ensured that resources are directed where they are most needed and most effective in meeting educational requirements of our pupils. For those pupils who attract Pupil Premium funding and at risk of underachieving, we implement a variety of intervention programmes on a one-to-one basis or in small groups. Funding is allocated to optimal effect as indicated by the detailed breakdown on the school website.

O'Track tracking system was embarked upon to ensure that all pupils are assessed, tracked and supported to achieve and excel across all areas of school life, regardless of starting positions. Mentoring sessions with class teachers have begun to develop pupils' confidence and meta-cognition skills, so that they take increasing responsibility for their learning and behaviour choices, building independent learners who are motivated and involved in their own learning.

Pupils have been actively involved in their local community, supporting care homes and the local school community. Most recently delivery care packages to the local community and children nominating them for a 'thank you' award.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

There has been an emphasis on PE and sport, with inter-school events organised throughout the year. We now have a specialist sports teacher who has provided a wide range of sport to all pupils including extra-curricular activities.

Educational visits and themed days have been increased to enrich our curriculum so that all children are offered a range of visits which are connected with work in the classroom. We have made visits locally and further afield, have had themed days and invited visitors into school from the wider community.

Quantifying improvements

School progress is showing an improving picture and is starting to show that pupils at the school make better progress. Maths and reading continue to be our area for improvement as documented in our School Improvement Plan. Progress for disadvantaged groups across the school is also an improving picture. In accordance with the school ethos, the emphasis on establishing positive well-being and mental health has resulted in putting in the Place2Be service. This service is accessed by children and staff on a weekly basis.

Better purchasing

Contracts and suppliers are regularly appraised and renegotiated to ensure value for money. An approved list of services and contractors is being developed so we can ensure we are getting the best value. This process ensures that the school receives the best mix of quality and effectiveness for all services and products, at the least cost, particularly in the purchasing of consumables. Individual budget holders are held accountable for their budgets and are assisted by the School Finance Officer to ensure budgets are maintained and used effectively. This process has ensured a tighter control on expenditure.

Benchmarking

Benchmarking is an area that has been established and we continue to follow procedure. The whole budget is now benchmarked before it is set to ensure we achieve best value for money in all areas.

Options appraisal

All large contracts follow a procurement process. At least three quotes are received which are analysed to produce the analytical matrices that assist both the Finance Officer and Board of Trustees to consider the proposal prior to making any decisions. Through this process, the school may choose an option that was not the cheapest but will be the most cost effective over time.

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 trust 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 Junior School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. Previously, the Chair of Trustees had asked the school's accountant, to carry out a review of, and report on, the financial controls that were in place and had been implemented during this financial year. This report remains valid. A newly instructed internal auditor completed an extensive review and contributed to our program of work. Our Finance Officer works closely with our schools Bursar, Mrs Anthea Murphy of Anthea Murphy Limited to ensure an effective monthly program of work including monthly reconciliation.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust 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 trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance, Staffing, Resources & Premises Committee and the Board of Trustees 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 buy-in an internal audit service from Julia Raftery Consulting Ltd

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

- Regularity and compliance
- Risk management
- Budget management and financial planning
- Cash security and banking arrangements
- Purchasing procedures
- Payroll procedures
- Asset management

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance, Staffing, Resources & Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Material control points were noted in the following areas during the internal audit:

- Regularity and compliance
- Budget management and financial planning
- Cash security and banking arrangements
- Purchasing procedures

This informed the implementation of a new finance system and added structure to the procedures used within the academy trust. Internal processes are now firmly in place and working well. The Internal Auditors also provided support to our School Finance Officer to set up new processes and procedures to allow for clearer reporting in line with the AFH.

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

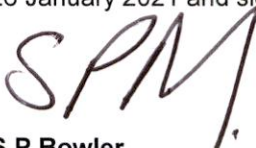
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance functions of the Finance, Staffing, Resources & Premises Committee;
- the work of the school Finance Officer and Senior Leadership Team within the academy trust 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, Staffing, Resources & Premises 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 26 January 2021 and signed on their behalf by:


A Sharp
Chair


S P Bowler
Accounting Officer

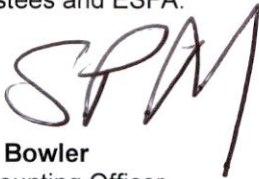
MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Monkton Junior School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.

A handwritten signature in dark ink, appearing to read 'SPM' with a long vertical stroke extending downwards from the 'M'.

S P Bowler
Accounting Officer
Date: 26 January 2021

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 26 January 2021 and signed on its behalf by:



A Sharp
Chair

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MONKTON JUNIOR SCHOOL**

Opinion

We have audited the financial statements of Monkton Junior School (the 'academy trust') for the year ended 31 August 2020 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 2019 to 2020 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 trust's affairs as at 31 August 2020 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 2019 to 2020 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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 trust'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 trust'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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of
Clive Owen LLP

Chartered Accountants
and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

26 January 2021

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MONKTON JUNIOR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 December 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Monkton Junior School during the year 1 September 2019 to 31 August 2020 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 Junior School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Monkton Junior 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 Junior School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Monkton Junior School's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MONKTON JUNIOR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Trust's internal controls and review processes on regularity, supported by detailed tests on a sample of costs incurred by the Trust and on specific high risk transactions identified from our review.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MONKTON
JUNIOR 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in dark ink, appearing to read 'Clive Owen' followed by a stylized flourish.

Reporting Accountant
Clive Owen LLP
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 26 January 2021

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	-	46	46	218
Charitable activities	4	2	996	-	998	923
Other trading activities	5	15	-	-	15	13
Total income		<u>17</u>	<u>996</u>	<u>46</u>	<u>1,059</u>	<u>1,154</u>
Expenditure on:						
Charitable activities	6	16	962	91	1,069	1,160
Total expenditure		<u>16</u>	<u>962</u>	<u>91</u>	<u>1,069</u>	<u>1,160</u>
Net income/(expenditure)		<u>1</u>	<u>34</u>	<u>(45)</u>	<u>(10)</u>	<u>(6)</u>
Transfers between funds	15	-	(65)	65	-	-
Net movement in funds before other recognised gains/(losses)		<u>1</u>	<u>(31)</u>	<u>20</u>	<u>(10)</u>	<u>(6)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	50	-	50	(91)
Net movement in funds		<u>1</u>	<u>19</u>	<u>20</u>	<u>40</u>	<u>(97)</u>
Reconciliation of funds:						
Total funds brought forward		36	(134)	1,373	1,275	1,372
Net movement in funds		1	19	20	40	(97)
Total funds carried forward		<u>37</u>	<u>(115)</u>	<u>1,393</u>	<u>1,315</u>	<u>1,275</u>

The notes on pages 29 to 50 form part of these financial statements.

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07984453

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	12	1,393	1,373
		<u>1,393</u>	<u>1,373</u>
Current assets			
Debtors	13	37	109
Cash at bank and in hand		213	335
		<u>250</u>	<u>444</u>
Creditors: amounts falling due within one year	14	(89)	(285)
Net current assets		<u>161</u>	<u>159</u>
Total assets less current liabilities		<u>1,554</u>	<u>1,532</u>
Net assets excluding pension liability		<u>1,554</u>	<u>1,532</u>
Defined benefit pension scheme liability	21	(239)	(257)
Total net assets		<u><u>1,315</u></u>	<u><u>1,275</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	15	1,393	1,373
Restricted income funds	15	124	123
		<u>1,517</u>	<u>1,496</u>
Restricted funds excluding pension asset	15	1,517	1,496
Pension reserve	15	(239)	(257)
Total restricted funds	15	<u>1,278</u>	<u>1,239</u>
Unrestricted income funds	15	37	36
Total funds		<u><u>1,315</u></u>	<u><u>1,275</u></u>

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07984453

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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 25 to 50 were approved by the Trustees, and authorised for issue on 26 January 2021 and are signed on their behalf, by:

A handwritten signature in dark ink, appearing to read 'A Sharp', with a stylized, cursive script.

A Sharp
Chair

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	17	(97)	(178)
Cash flows from investing activities	18	(25)	159
Change in cash and cash equivalents in the year		(122)	(19)
Cash and cash equivalents at the beginning of the year		335	354
Cash and cash equivalents at the end of the year	19, 20	<u>213</u>	<u>335</u>

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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.

• **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 trust has provided the goods or services.

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

In the prior year assets costing £500 or more were capitalised, this year it was considered more appropriate to only capitalise those assets costing £1,000 or more.

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:

Long-term leasehold land	- Over the life of the lease
Long term leasehold property	- 50 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 3 years straight line

In the prior year the depreciation rate of computer equipment was 4 years straight line, this year it was considered more appropriate to use the rate of 3 years straight line as an expected useful life.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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 trust 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.

1.9 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 Financial instruments

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Taxation

The academy trust 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 trust 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.

1.13 Pensions

Retirement benefits to employees of the academy trust 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 trust 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 trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

1.14 Fund accounting

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgement

Estimates and judgements 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 21, 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 2020. 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 the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £51,000.

Critical areas of judgement:

Land – Land is held under a 125 year lease from South Tyneside Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	-	-	-	1
Capital Grants	-	46	46	217
	-	46	46	218
Total 2019	1	217	218	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	796	796	754
Pupil Premium	-	138	138	134
PE and Sport Premium	-	17	17	18
Teachers' pay grants	-	9	9	2
Other DfE Group grants	-	30	30	3
	-	990	990	911
Other government grants				
SEN	-	6	6	-
	-	6	6	-
Other funding				
Student trips	2	-	2	12
	2	-	2	12
	2	996	998	923
Total 2019	12	911	923	

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from facilities and services	2	2	2
Receipts from Supply Teacher Insurance claims	5	5	-
Other	8	8	11
	15	15	13
Total 2019	13	13	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy trust's educational operations:					
Direct costs	658	-	52	710	603
Allocated support costs	96	109	154	359	557
	<u>754</u>	<u>109</u>	<u>206</u>	<u>1,069</u>	<u>1,160</u>
Total 2019	<u>673</u>	<u>218</u>	<u>269</u>	<u>1,160</u>	

In 2020, of the total expenditure, £16,000 (2019 - £24,000) was to unrestricted funds, £91,000 (2019 - £230,000) was to restricted fixed asset funds and £962,000 (2019 - £906,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts

There were total gifts made by the academy trust of £130.

There were no ex-gratia payments in the period.

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy trust's educational operations	710	359	1,069	1,160
Total 2019	<u>603</u>	<u>557</u>	<u>1,160</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £000	Total funds 2019 £000
Staff costs	658	585
Educational supplies	41	18
Staff development	2	-
Technology costs	8	-
Other costs	1	-
	<hr/> 710	<hr/> 603
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs

	Total funds 2020 £000	Total funds 2019 £000
Pension finance costs	4	4
Staff costs	96	88
Depreciation	51	33
Technology costs	14	52
Supply insurance	8	-
Maintenance of premises	45	185
Cleaning	4	2
Other premises costs	15	10
Energy	14	10
Rent and rates	2	2
Insurance	3	-
Catering	49	52
Other costs	45	110
Governance costs	9	9
	<hr/> 359	<hr/> 557
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	1	-
Depreciation of tangible fixed assets	51	34
Fees paid to auditors for:		
- audit	6	7
- other services	3	2
	<u> </u>	<u> </u>

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	552	482
Social security costs	48	44
Pension costs	141	100
	<u> </u>	<u> </u>
	741	626
Agency staff costs	13	47
	<u> </u>	<u> </u>
	<u>754</u>	<u>673</u>

Included within the operating costs of defined benefit pension scheme is £28,000 (2019: £23,000) in respect of movement in the LGPS pension deficit.

b. Staff numbers

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

	2020 No.	2019 No.
Teaching staff	4	6
Administration and support	11	10
Management	5	5
	<u> </u>	<u> </u>
	20	21

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-

d. Key management personnel

The key management personnel of the academy trust 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 trust was £322,000 (2019 £259,000).

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. 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:

		2020 £000	2019 £000
L Heathfield (resigned 31 December 2018)	Remuneration	-	15 - 20
	Pension contributions paid	-	0 - 5
S Bowler	Remuneration	65 - 70	55 - 60
	Pension contributions paid	15 - 20	10 - 15
V Sheriff	Remuneration	35 - 40	25 - 30
	Pension contributions paid	5 - 10	0 - 5
K Anderson	Remuneration	15 - 20	20 - 25
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

11. Trustees' and Officers' insurance

The academy trust has opted into the Department for 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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12. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	1,551	49	68	1,668
Additions	-	50	21	71
At 31 August 2020	1,551	99	89	1,739
Depreciation				
At 1 September 2019	231	18	46	295
Charge for the year	29	12	10	51
At 31 August 2020	260	30	56	346
Net book value				
At 31 August 2020	1,291	69	33	1,393
At 31 August 2019	1,320	31	22	1,373

13. Debtors

	2020 £000	2019 £000
Due within one year		
Prepayments and accrued income	37	44
VAT recoverable	-	65
	37	109

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NOTES TO THE FINANCIAL STATEMENTS
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14. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
VAT	19	-
Trade creditors	14	238
Other taxation and social security	-	14
Other creditors	-	17
Accruals and deferred income	56	16
	<hr/> 89	<hr/> 285
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	36	17	(16)	-	-	37
Restricted general funds						
General Annual Grant	123	796	(730)	(65)	-	124
Pupil Premium	-	138	(138)	-	-	-
Other DfE/ESFA Grants	-	56	(56)	-	-	-
SEN	-	6	(6)	-	-	-
Pension reserve	(257)	-	(32)	-	50	(239)
	(134)	996	(962)	(65)	50	(115)
Restricted fixed asset funds						
Legacy assets	1,135	-	(25)	-	-	1,110
Devolved Formula Capital	53	6	(16)	-	-	43
GAG capital expenditure	-	-	(6)	65	-	59
Other restricted fixed asset fund	185	-	(4)	-	-	181
CIF funding	-	40	(40)	-	-	-
	1,373	46	(91)	65	-	1,393
Total Restricted funds	1,239	1,042	(1,053)	-	50	1,278
Total funds	1,275	1,059	(1,069)	-	50	1,315

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance. £65,000 was spent on fixed assets and has been transferred into restricted fixed assets.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Statement of funds (continued)

Other DfE/ESFA Grants also includes the PE and sport premium grant, teachers' pay grant and teachers' pension grant.

The SEN funding has been used to pay for classroom assistants.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 21.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
Unrestricted funds	34	26	(24)	-	36
Restricted general funds					
General Annual Grant	91	754	(722)	-	123
Pupil Premium	-	134	(134)	-	-
Other DfE/ESFA Grants	-	23	(23)	-	-
Pension reserve	(139)	-	(27)	(91)	(257)
	<u>(48)</u>	<u>911</u>	<u>(906)</u>	<u>(91)</u>	<u>(134)</u>
Restricted fixed asset funds					
Legacy assets	1,160	-	(25)	-	1,135
Devolved Formula Capital	58	-	(5)	-	53
Other restricted fixed asset fund	168	217	(200)	-	185
	<u>1,386</u>	<u>217</u>	<u>(230)</u>	<u>-</u>	<u>1,373</u>
Total Restricted funds	<u>1,338</u>	<u>1,128</u>	<u>(1,136)</u>	<u>(91)</u>	<u>1,239</u>
Total funds	<u><u>1,372</u></u>	<u><u>1,154</u></u>	<u><u>(1,160)</u></u>	<u><u>(91)</u></u>	<u><u>1,275</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	1,393	1,393
Current assets	37	213	-	250
Creditors due within one year	-	(89)	-	(89)
Provisions for liabilities and charges	-	(239)	-	(239)
Total	37	(115)	1,393	1,315

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	1,373	1,373
Current assets	36	408	-	444
Creditors due within one year	-	(285)	-	(285)
Provisions for liabilities and charges	-	(257)	-	(257)
Total	36	(134)	1,373	1,275

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of Financial Activities)	(10)	(6)
Adjustments for:		
Depreciation	51	33
Capital grants from DfE and other capital income	(46)	(217)
Defined benefit pension scheme cost less contributions payable	28	23
Defined benefit pension scheme finance cost	4	4
Decrease/(increase) in debtors	72	(53)
(Decrease)/increase in creditors	(196)	38
Net cash used in operating activities	(97)	(178)

18. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(71)	(58)
Capital grants from DfE Group	46	217
Net cash (used in)/provided by investing activities	(25)	159

19. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	213	335
Total cash and cash equivalents	213	335

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	335	(122)	213
	<u>335</u>	<u>(122)</u>	<u>213</u>

21. Pension commitments

The academy trust'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 South Tyneside 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 £nil were payable to the schemes at 31 August 2020 (2019 - £17,060) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. 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 2023.

The employer's pension costs paid to TPS in the year amounted to £89,000 (2019 - £59,000).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £31,000 (2019 - £29,000), of which employer's contributions totalled £24,000 (2019 - £24,000) and employees' contributions totalled £ 7,000 (2019 - £5,000). The agreed contribution rates for future years are 17.5% for employers and 5.5% or 6.5% for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2.1
Commutation of pensions to lump sums	75	75

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.8	26.9

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(15)	(15)
Discount rate -0.1%	16	16
Mortality assumption - 1 year increase	(24)	(22)
Mortality assumption - 1 year decrease	24	22
CPI rate +0.1%	15	7
CPI rate -0.1%	(14)	(7)

Share of scheme assets

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

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

	2020 £000	2019 £000
Equities	230	263
Gilts	10	16
Corporate bonds	98	45
Property	39	34
Cash and other liquid assets	8	8
Other	43	33
Total market value of assets	<u>428</u>	<u>399</u>

The actual return on scheme assets was £2,000 (2019 - £24,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £000	2019 £000
Current service cost	(52)	(33)
Past service cost	-	(14)
Interest income	8	10
Interest cost	(12)	(14)
Total amount recognised in the Statement of Financial Activities	<u>(56)</u>	<u>(51)</u>

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

	2020 £000	2019 £000
At 1 September	656	489
Current service cost	52	33
Interest cost	12	14
Employee contributions	7	5
Actuarial (gains)/losses	(56)	105
Benefits paid	(4)	(4)
Past service costs	-	14
At 31 August	<u>667</u>	<u>656</u>

MONKTON JUNIOR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

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

	2020 £000	2019 £000
At 1 September	399	350
Interest income	8	10
Actuarial (losses)/gains	(6)	14
Employer contributions	24	24
Employee contributions	7	5
Benefits paid	(4)	(4)
At 31 August	<u>428</u>	<u>399</u>

22. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	1	-
Later than 1 year and not later than 5 years	1	-
	<u>2</u>	<u>-</u>

23. Related party transactions

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

Expenditure related party transactions

During the year, expenses totalling £nil (2019 : £3,685) were paid to A Murphy, a close relative of L Heathfield, former Trustee, in respect of accountancy services.

J Henderson, the wife of N Henderson, a Trustee, is employed within the academy trust as a teaching assistant. J Henderson's appointment was made in open competition and the Trustee was not involved in the decision making process regarding appointment. J Henderson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.