

Registered number: 08702056 (England and Wales)

KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

KIRBY MUXLOE PRIMARY SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members

Steve Goddard
Kerrie Grant
David Thomas
Peter Waite
Chris Woodall

Trustees

Lorraine Biddle
Ian Briggs
Matt Bray
Yvonne Connolly (Resigned 7 January 2021)
Steve Goddard
Jat Hanspal
Elliot Howles
Faye Haldane (Appointed 8 December 2020)
Tracey Hutchinson (Resigned 10 May 2021)
David Thomas (Resigned 9 October 2020)
Laura Kenney
Rabinder Singh Lail

Company Secretary

Petrina Horne

Senior Management Team

Elliot Howles, Head Teacher
Nicholas Holt, Deputy Headteacher
Sharon Jackson, Assistant Headteacher
Helene Fisher, Inclusion Leader
Danielle Orton, Opportunities Leader
Chris Hulbert, Citizenship Leader
Laura Button, EYFS Leader
Petrina Horne, School Business Manager

Company Name

Kirby Muxloe Primary School

Principal and Registered Office

Barwell Road
Kirby Muxloe
Leicester
LE9 2AA

Company Registered Number

08702056 (England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Lloyds Bank Plc
145 Narborough Road
Leicester
LE3 0PB

Solicitors

Howes Percival Solicitors
3 The Osiers Business Centre
Leicester
LE19 1DX

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

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Kirby Muxloe. It has a pupil capacity of 385 and had a roll of 394 in the school census on 7 October 2021.

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 documents of the Academy Trust.

The charitable company was incorporated on 23 September 2013. The school converted to Academy Trust status on 1 November 2013, when its operations, assets and liabilities were transferred to the Academy Trust from the Governing Body of the Local Authority.

The Trustees of Kirby Muxloe Primary School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Kirby Muxloe Primary School.

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 & 2.

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 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 Trust 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.

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees of Kirby Muxloe Primary School is constituted as laid down in its Articles of Association and is made up of not less than three Trustees but has no stated maximum. All Trustees, other than the Headteacher, serve for a term of four years after which they are required to be re-elected/re-appointed. New Trustees are appointed by the Members after consultation with the Board of Trustees and an assessment of skills required or by election, for Staff and Parent Trustees.

Parent Trustees	Through open election for all eligible parents or guardians of students who attend Kirby Muxloe Primary School;
Staff Trustees	Through open election for all eligible members of staff working at Kirby Muxloe Primary School; and
Community Trustees	Through nomination by the Board of Trustees of Kirby Muxloe Primary School. We would seek to appoint Trustees with relevant skills and experience to complement the existing Trustee skill set.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

We expect all Trustees to undertake training as appropriate to their work at the school. The training and induction for new Trustees will depend on their existing experience and will be tailored specifically to the needs of the individual. Where necessary, induction will provide training on charity, educational, legal and finance matters. All new Trustees are given a tour of the Academy Trust and are provided with minutes, accounts, budgets, plans, handbook and other documents needed to undertake their role. The Academy Trust subscribes to the Governor Development Service (provided by the Local Authority) and the National Governors' Association.

Where a training need is identified, the appropriate training is procured which may be on site, online or by attendance at an external event. A log is kept of all Trustees training and reviewed on a regular basis

Organisational Structure

The Trustees agree the strategic direction for the school, hold the Headteacher to account for the educational performance of the school and its pupils and have oversight of the school's finances. A scheme of delegation, which is regularly reviewed, sets out the levels for decision making.

The day-to-day running of the school is delegated to the Headteacher, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The day-to-day administration is undertaken within the policies and procedures approved by the Trustees with major expenditure and other significant decisions being referred to the Trustees in line with the agreed policies and procedures.

The Clerk to the Trustees is responsible for arranging meetings, supporting the work of the Trustees, the preparation of agendas and the review of matters arising. The School Business Manager is responsible for the preparation of accounts for the Resources Committee. The Headteacher oversees the recruitment of all educational staff and is a Trustee, Principal Accounting Officer and attends all Board of Trustees and Resources Committee meetings. The School Business Manager attends all Resources Committee meetings and any other meetings as required.

All Trustees give their time freely and no expenses were paid in the year.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust has a clear and robust pay policy that is updated on an annual basis. Senior staff are set clear targets that in turn relate to potential pay increments. Teaching staff pay is set in line with the Teachers Pay & Conditions Document and non-teaching staff in line with Leicestershire pay guidance. Pay and remuneration is monitored by the Pay and Performance Panel.

Related Parties and other Connected Charities and Organisations

Enrich is a collaboration between the local primary schools who are the feeder schools for the local high school and college. There are two main aims of the partnership: to provide enrichment opportunities across the schools and age ranges for pupils and to provide a highly effective transition programme for pupils in Year 6. The Headteacher is a member of this local partnership and regularly attends a range of local and countywide meetings to enable him to keep up to date with current educational policies and practice and network with other schools to share expertise, knowledge and experience.

The school also has a relationship with the Bradgate Education Partnership and this provides access to subject and leader network meetings, national updates, training and moderation.

The school has a connected charity, Kirby Muxloe Primary School PFA, which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy Trust.

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

OBJECTIVES AND ACTIVITIES

The Vision: 'Inspiring Excellence in Everyone'

We aim to be an excellent school for the local community by providing a fun, exciting and inspiring environment in which everyone is enabled to achieve their very best, regardless of starting points and in which everyone feels valued and supported on their own personal journey to excellence.

Our Strategic Aims

1. To provide an excellent environment for learning that is rich, vibrant and well organised to meet the learning, emotional and spiritual needs of learners and staff within a safe and secure setting.
2. To ensure that the quality of teaching is of the highest priority and that this should be elevated through a clear setting of expectations that lead to high levels of pupil achievement.
3. To ensure children understand their history and their potential future, whilst being equipped with the skills and knowledge to navigate, enjoy and begin to find their place in the world they currently inhabit.
4. To ensure that children demonstrate behaviour to a very high standard whether inside or outside of the classroom. They should be able to treat everyone with an equally high level of respect and know why this is important.
5. To be an excellent employer, where continuous professional development and endeavour is recognised, encouraged and supported.
6. To deliver governance that is sharply focused on strategic areas of the vision whilst ensuring the school is run in a sustainable and stable manner.
7. To create a reflective culture where the school listens to and takes on board the views of staff, pupils, parents, the local community and other local education providers.
8. To nurture existing and develop new partnerships with other education providers and agencies that add value to the quality and provision on offer at Kirby Muxloe Primary School.
9. To equip all our pupils to value life-long learning and make a smooth transition between different phases of education.
10. To be recognised as an excellent school by parents, the local community and other education providers.

Objectives, Strategies and Activities

The 2020-21 Academic year has been one of high challenge due to the ongoing Covid 19 pandemic and the disruption it has caused. Children and staff worked under tight restrictions for the whole school year and the majority of children worked from home for approximately 1/3 of the school year.

Our main aims for the school year centred on recovery work from the previous year and extended school closure due to the pandemic. Primarily, this involved:

- Aiming to enable to children to recover lost learning and achieve attainment levels typical for their age and stage in school;
- Identifying and supporting more vulnerable children and those with particular needs and ensuring they achieve as well as they could; and
- Ensuring a positive and happy learning environment was quickly re-established.

Due to the cancelling of end of key stage assessments, we were unable to externally measure the success of our academic activity, however, internal data shows that children have, in the circumstances, achieved well. As we have no national comparison as to how other schools have performed, we will be unable to state how good this achievement is.

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

In support of this work, the following actions have been undertaken:

- Precise use of assessment data to target areas of focus and the use of staff and other resources (including the use of Covid Catch up money);
- Provision of mobile devices to families who needed them during lockdown to ensure that remote learning could take place;
- Provision of high quality remote learning for those children unable to attend school due to Covid 19 reasons; and
- Monitoring of vulnerable children and families and provision of appropriate support.

Public Benefit

Public benefit is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit.

The aims and objectives of Kirby Muxloe Primary School are outlined in the section above but in ensuring the school focuses upon these aims, the following has been taken into consideration by the Board of Trustees:

- The beneficiaries must be appropriate to the aims where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted;
- People in poverty must not be excluded from the opportunity to benefit; and
- Any private benefits must be incidental.

These principles underline the work undertaken at Kirby Muxloe Primary School and, through monitoring and evaluation of procedures and policies, the Board of Trustees ensure that the Academy Trust has complied with its duties.

The Academy Trust's catchment area encompasses a 'mixed' catchment area; children from private and council housing are within our catchment area. First time admissions to the school remain the decision of Leicestershire Local Authority, in accordance with the Trust's Admissions Policy, which is consistent with the Local Authority Admissions Policy.

The OFSTED rating as a 'Good' school remains in place and the continual improvements in academic progress ensure our pupils benefit from the education we provide.

The Academy Trust's Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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

STRATEGIC REPORT

Achievements and Performance

We began the year with high expectations and hopes for sustained recovery of learning and personal and social skills. As the year progressed, we saw staff working under tight restrictions throughout and the majority of children work at home for approximately 1/3 of the school year. This severely restricted the quality of learning we could offer and the impact it could have on progress, particularly for younger children.

As mentioned above, due to the cancelling of end of key stage assessments, we were unable to externally measure the success of our academic activity. We have continued to assess children at key points through the year, using our Pixl assessment and support strategy and this has indicated that children have, in the circumstances, achieved well. As we have no national comparison as to how other schools have performed, we will be unable to state how good this achievement is.

Key Performance Indicators **Current OFSTED Grading**

The school was last inspected in September 2016 and was graded as good overall and in all areas except Early Years, which was graded as outstanding. There were many areas of excellent practice noted in the report and we see ourselves as being close to the overall outstanding criteria. The report notes that much progress had been made since the last inspection in 2012.

2021 Key Stage 2 Results

Due to the Covid-19 Pandemic, national statutory testing was abandoned for the 2020-21 academic year. As a result, no end of year or key stage data is available.

Going Concern

There has been a financial impact of managing the Covid 19 pandemic and swimming letting incomes have been reduced, whilst additional costs for cleaning and staffing have been incurred. These have coincided with a reduction in some other costs that have not been occurred due to the pandemic and overall, the financial position remains healthy. 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, it continues to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

FINANCIAL REVIEW

The Academy Trust had a net decrease in funds for the year ended 31 August 2021 of £1,000 including fixed asset movements but excluding pension reserve movements of £102,000 (2020 - £247,000). As at 31 August 2021 the Academy Trust held unrestricted reserves of £86,000 (2020 - £77,000) plus £3,000 (2020 - £6,000) of unspent restricted grants. The Academy Trust therefore held combined unrestricted and non-fixed asset restricted funds of £89,000 (2020 - £86,000) being its available reserves. The fixed asset reserve of £3,175,000 being the book value of past purchases of £3,150,000 plus unspent capital grants of £25,000 (2020 - £3,179,000 plus unspent capital grants of £3,000).

The Academy Trust had a pension deficit on the Local Government Pension Scheme of £1,345,000 at 31 August 2021 (2020 - £1,025,000).

The impact of the COVID 19 pandemic has meant that lettings income for the year was significantly impacted and this continues to be the case into 2021/22. This has affected the results as there are limited costs associated with the lettings and so that income does contribute significantly to the additional funds available to support the Academy Trust's activities.

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FOR THE YEAR ENDED 31 AUGUST 2021

The principal sources of funding for the Academy Trust do continue to be the General Annual Grant (GAG) and other DfE Group grants such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

Reserves Policy

At 31 August 2021 the total funds comprised:

Unrestricted		£85,000
Restricted:	Fixed asset funds	£3,175,000
	Pension reserve	(£1,345,000)
	Other	£4,000
		<u>£1,919,000</u>

Investment Policy

The School Business Manager prepares, and regularly reviews, a cash flow forecast and monitors the cash flow and bank account on a weekly basis to ensure that the immediate financial commitments of payroll and payments can be met and the Academy Trust has adequate balances to meet planned future commitments.

The Academy Trust's current Investment Policy is to only invest in risk free deposit accounts as set out in the Financial Manual. The Policy is reviewed annually.

At present the Academy Trust does not hold significant funding to warrant additional investment. The end of year balance is held within our main school bank account.

Principal Risks and Uncertainties

The Academy Trust practices through its Board of Trustees and the Resources Committee, risk management principles and have approved a Risk Policy. Any major risks highlighted at any meeting are brought to the Board of Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers. The principal risks facing the Academy Trust are included in the Risk Register and Management Plan and include:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers that affect the level of funding and the uncertainty of Government policies. Active promotion of the Academy Trust is maintained and budgets monitored carefully over a 3-year period to manage any potential reduction in funding.

A further risk was the potential increase in pupil numbers throughout the school and particularly in Reception. Trustees assessed that the former would potentially reduce educational standards across the school and give concern for the health and safety of pupils in a building with restrictive capacity on a constrained site. The risk of Reception numbers increasing to require an additional class (and additional costs) was a risk Trustees were not prepared to take. In order to protect the school's educational standards and financial position, Trustees have determined to cap the annual number at 58 from the start of the 2017/18 academic year, which was increased

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TRUSTEES' REPORT (continued)
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to 60 in July 2021.

FUNDRAISING

Fundraising at Kirby Muxloe Primary School takes the form of a number of fundraising events throughout the year. These will include Children in Need, Poppy Appeal and Comic/Sport Relief. The funds are donated directly to the associated charities. The fundraising events were seriously curtailed in 2020-21 due the Covid-19 pandemic. The Academy Trust does not use any external fundraisers.

PLANS FOR FUTURE PERIODS

The overarching aim of this school over the next 3 years is to continue to develop from a good school to an excellent school. Underpinning this will be a continuing drive for even greater consistency and an increase of regular excellence in all areas of school life. All schools are currently examining how they can better collaborate to achieve better outcomes for their children and KMPS is looking at ways it can build on its excellent track record in this area.

The Covid-19 pandemic had a dramatic impact on the School in 2020-21 as detailed above. The current housing developments in the area have already provided additional capital funding and there are plans to invest the remainder of this wisely in the infrastructure of the school.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust does not hold funds on behalf of any other organisations.

AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the 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 auditor is aware of that information.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 9 December 2021 and signed on the Board's behalf by:

.....
Steve Goddard
Chair of Trustee

Date: 9 December 2021

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Kirby Muxloe Primary School Academy Trust 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 Headteacher 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 Kirby Muxloe Primary School Academy Trust 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 8 times during the year. Due to the Covid-19 pandemic additional formal Trust Board meetings were held to receive updates on the arrangements due to the lockdown and subsequent reopening of the school and to provide support to the leadership team. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Steve Goddard (Chair)	8	8
Lorraine Biddle	7	8
Ian Biggs	6	8
Matt Bray	8	8
Yvonne Connolly (resigned 7 January 2021)	1	3
Faye Haldane (appointed 8 December 2020)	6	6
Jat Hanspal	7	8
Tracey Hutchinson (resigned 10 May 2021)	4	6
Laura Kenney (Staff Trustee)	7	8
Rabinder Singh Lail	6	8
David Thomas (resigned 9 October 2020)	2	2
Elliot Howles (Staff Trustee, Head and Accounting Officer)	8	8

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE (continued)

Key changes to the Board of Trustees

Following the retirement of David Thomas and the resignations of Yvonne Connolly and Tracey Hutchinson, one vacancy was filled with Faye Haldene as an Appointed Trustee. Due to the pandemic the remaining vacancies are yet to be recruited.

The coverage of its work:

- The Board's work was typical for a Primary Academy Trust of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with the Trustees during their work.
- A review of the Board's performance is detailed below. Challenges encountered have focused on the Covid-19 pandemic concerning staff management and maintaining educational standards.
- The quality of data and information flowing to the Board is considered acceptable by Trustees based on their experiences, their observations, enquiries and judgements. However, it must be noted that as a result of the severe disruption encountered due to the Covid-19 pandemic that data was not available from March 2020.
- The Board's performance, including assessing its own effectiveness and any particular challenges that have arisen for the Board have been carried out by the Trustees using the Articles of Association and Funding Agreement; The Financial Handbook; The Governor Handbook; and Statutory responsibilities of the Board as a method of self-assessment of the Board.
- Along with most schools, the financial management challenges were significant with the stringent financial climate for education. Regular reviews of the financial situation were undertaken and a balanced budget was produced for 2020/21. There was an intervention from the ESFA with a School Resource Management Advisor visiting the school and providing a report on the implication for the school's finances which supported actions already taken by Trustees.

Governance Review

The Board of Trustees undertook a review of its Governance Structure in particular the scrutiny of the educational standards and following the introduction of the Curriculum and Standards Group in the previous 2020/2021 academic year, the Trustees agreed to make this a full Curriculum and Standards Committee to report the Board of Trustees on a termly basis. The rest of the Governance arrangements were deemed to be fit for purpose. The Trustees had planned to complete the self-evaluation of governance by July 2020 however this has not been completed due to the Covid-19 pandemic.

The Resources Committee is a sub-committee of the main Board of Trustees and encompasses the functions of an audit committee. Its purpose is to assist the decision making of the Academy Trust, by enabling more detailed consideration to be given to the best means of fulfilling the Academy Trust's responsibility, to ensure sound management of the Academy Trust's resources; property, staffing and finances, including proper financial planning, monitoring and probity.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Matt Bray (Chair)	2	5
Ian Biggs	0	5
Steve Goddard	5	5
Faye Haldane (appointed 10 December 2021)	2	3
Jat Hanspal	3	5
Elliot Howles	5	5
Tracey Hutchinson (resigned 10 May 2021)	1	2
Rabinder Singh Lail	3	5
David Thomas	1	1
Petrina Horne (School Business Manager)	5	5

The Curriculum and Standards Committee is a sub-committee of the main Board of Trustees to assist the decision making of the Academy Trust, by enabling more detailed consideration to be given to the best means of fulfilling the Academy Trust's responsibility to ensure sound management of the Academy Trust's School Improvement Plan, deliver of a well-rounded curriculum, relationship with parents/carers, assessment and progress information, and Ofsted Inspection ready.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Lorraine Biddle (Chair)	2	2
Steve Goddard	2	2
Jat Hanspal	1	2
Elliot Howles	1	1
Tracey Hutchinson (resigned 10 May 2021)	1	1
Laura Kenney	2	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 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:

- Ensuring targeted academic recover and improvement work following the pandemic;
- Spending Covid catch up money effectively;
- Securing additional Section 106 funding from the Local Authority in order to improve the building and site space; and
- Promoting fair competition through quotation and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Kirby Muxloe Primary School Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial 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:

- Compliance;
- Governance;
- Responsible committees;
- Specific financial concerns; and
- Transaction testing.

A full internal audit visit was carried out in June 2021.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Only three minor points linked to publishing of information were raised, these are in the process of being actioned.

On an annual basis, the auditor reports to the Board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. This work has been completed as expected.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 auditor; and
- the work of the executive managers 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 Resources 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 9 December 2021 and signed on its behalf by:

.....
Steve Goddard
Chair of Trustee

.....
Elliot Howles
Accounting Officer

Date: 9 December 2021

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

As Accounting Officer of Kirby Muxloe Primary 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 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 2020.

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 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- Balance sheet was not prepared throughout the year ended 31 August 2021;
- Whistleblowing procedures were not published on the Trust website; and
- Trustees resignation was not notified to ESFA on Get information about schools.

.....
Elliot Howles
Accounting officer

Date: 9 December 2021

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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

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

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

Steve Goddard
Chair of Trustees

.....
Elliot Howles
Accounting Officer

Date: 9 December 2021

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KIRBY MUXLOE PRIMARY SCHOOL

Opinion

We have audited the financial statements of Kirby Muxloe Primary School (the 'Academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities incorporating Income and Expenditure, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (Incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' 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.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustee's Responsibilities Statement set out on page 16, 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.

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

- Obtaining and understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the Academy Trust financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

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

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

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson (Statutory Auditor)
Chartered Accountants
Statutory Auditors
Leicester

Date: 13 December 2021

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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

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

Respective responsibilities of Kirby Muxloe Primary School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Kirby Muxloe Primary School's funding agreement with the Secretary of State for Education dated 1 November 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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.

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- considerations of governance issues.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1 – Balance Sheet – Management accounts

During the year the Academy Trust failed to comply with section 2.21 of the Academies Financial Handbook in respect of including a Balance Sheet in the monthly management accounts and its distribution. Monthly management accounts were prepared throughout the year ended 31 August 2021. However, they did not include a Balance Sheet.

Matter 2 – Whistleblowing procedure

During the year the Academy Trust failed to comply with section 2.44 of the Academies Financial Handbook in respect of publishing its whistleblowing procedures on the Trust's website. A whistleblowing policy is in place and has been agreed by the Trustees. However this has not been published on the Trust's website. This has been addressed since the year end.

Matter 3 – Governance information

During the year the Academy Trust failed to comply with section 2.53 – 2.55 of the Academies Financial Handbook in respect of notifying ESFA of changes to governance information in respect of one Trustee. It was noted that one Trustee's resignation was not notified on the governance section of DfE's Get information about schools register within 14 days of the change. This has been addressed since the year end.

Reporting Accountant

MHA MacIntyre Hudson (Statutory Auditor)
Leicester, United Kingdom

Date: 13 December 2021

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	-	-	138	138	(2)
Charitable activities:	4					
Funding for Academy Trust's educational operations		-	1,802	9	1,811	1,767
Other trading activities	5	10	-	-	10	28
Total income		10	1,802	147	1,959	1,793
Expenditure on:						
Raising funds	6	-	-	-	-	2
Charitable activities:	7					
Academy Trust's educational operations		-	1,915	146	2,061	2,038
Total expenditure	8	-	1,915	146	2,061	2,040
Net income/ (expenditure)		10	(113)	1	(102)	(247)
Transfers between funds	17	(2)	10	(8)	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(219)	-	(219)	(144)
Net movement in funds		8	(322)	(7)	(321)	(391)
Reconciliation of funds:						
Total funds brought forward		77	(1,019)	3,182	2,240	2,631
Net movement in funds		8	(322)	(7)	(321)	(391)
Total funds carried forward		85	(1,341)	3,175	1,919	2,240

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 55 form part of these financial statements.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08702056

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	3,150	3,179
		<u>3,150</u>	<u>3,179</u>
Current assets			
Debtors	15	50	56
Cash at bank and in hand	21	258	169
		<u>308</u>	<u>225</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(194)	(139)
		<u>114</u>	<u>86</u>
Net current assets		<u>114</u>	<u>86</u>
Net assets excluding pension liability		<u>3,264</u>	<u>3,265</u>
Defined benefit pension scheme liability	23	(1,345)	(1,025)
Total net assets		<u><u>1,919</u></u>	<u><u>2,240</u></u>
Funds of the Academy			
Restricted funds:			
Restricted fixed asset funds	17	3,175	3,182
Restricted income funds	17	4	6
		<u>3,179</u>	<u>3,188</u>
Restricted funds excluding pension asset	17	3,179	3,188
Pension reserve	17	(1,345)	(1,025)
		<u>1,834</u>	<u>2,163</u>
Total restricted funds	17	<u>1,834</u>	<u>2,163</u>
Unrestricted income funds	17	85	77
		<u>1,919</u>	<u>2,240</u>
Total funds		<u><u>1,919</u></u>	<u><u>2,240</u></u>

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08702056

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 23 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Steve Goddard
Chair of Trustees

.....
Elliot Howies
Accounting Officer

Date: 9th December 2021

The notes on pages 27 to 55 form part of these financial statements.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(65)	38
Cash flows from investing activities	20	154	(40)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		89	(2)
Cash and cash equivalents at the beginning of the year		169	171
Cash and cash equivalents at the end of the year	21	<hr/> 258 <hr/>	<hr/> 169 <hr/>

The notes on pages 27 to 55 form part of these financial statements

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kirby Muxloe Primary School meets the definition of a public benefit entity under FRS 102.

Kirby Muxloe Primary School is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operations and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1,000.

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.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

Leasehold buildings	- 4% straight line
Leasehold land	- over 125 years
Furniture and fixtures	- 25% straight line
Computer equipment	- 33.3% straight line

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

1.6 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.

1.7 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.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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 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. As stated in note 23, 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Pensions (continued)

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.

1.11 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 15. 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 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 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 2021

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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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

Critical areas of judgement:

The judgements that have had a significant effect on the amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

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FOR THE YEAR ENDED 31 AUGUST 2021

3. Donations and capital grants

	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Capital Grants	-	138	138
Total 2021	-	138	138
	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Capital Grants	-	(7)	(7)
Grants	5	-	5
Total 2020	5	(7)	(2)

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants		
General Annual Grant (GAG)	1,477	1,477
Other DfE/ESFA grants		
UIFSM	67	67
Pupil Premium	52	52
Teachers' Pay and Pension grants	71	71
Other DfE/ESFA grants	34	34
	1,701	1,701
Other Government grants		
Local Authority grants	69	69
	69	69
Other income from the Academy's educational operations	9	9
Exceptional Government spending		
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	32	32
	32	32
Total 2021	1,811	1,811

The Academy Trust received £32k of funding for catch-up premium and costs incurred in respect of this funding totalled £28k, with the remaining £4k to be spent in the 2021/2022 Academic year.

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

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

	Restated restricted funds 2020 *	Restated total funds 2020 *
	£000	£000
DfE/ESFA grants		
General Annual Grant (GAG)	1,435	1,435
Other DfE/ESFA grants		
UIFSM	65	65
Pupil Premium	52	52
Teachers' Pay and Pension grants	73	73
Other DfE/ESFA grants	35	35
	1,660	1,660
Other Government grants		
Local Authority grants	65	65
	65	65
Other income from the Academy's educational operations	32	32
Exceptional Government spending		
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	10	10
	10	10
Total 2020	1,767	1,767

*Following the reclassification in the Academies Accounts Direction 2020/2021 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

There are no unfulfilled conditions or other contingencies attached to the government grant above.

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

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Lettings income	8	8
Other income	2	2
Total 2021	<u>10</u>	<u>10</u>

	Unrestricted funds 2020 £000	Total funds 2020 £000
Lettings income	9	9
Fundraising income	3	3
Other income	6	6
After school club and other clubs	10	10
Total 2020	<u>28</u>	<u>28</u>

6. Expenditure on raising funds

	Unrestricted funds 2020 £000	Total funds 2020 £000
Other expenses	<u>2</u>	<u>2</u>

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

7. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational operations	1,573	488	2,061

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	1,614	425	2,039

Analysis of direct costs

	Educational operations 2021 £000	Total funds 2021 £000
Staff costs	1,369	1,369
Staff development	4	4
Educational supplies	27	27
Technology costs	10	10
Educational visits	17	17
Depreciation	146	146
Total 2021	1,573	1,573

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

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Educational operations 2020 £000	Total funds 2020 £000
Staff costs	1,316	1,316
Staff development	14	14
Educational supplies	47	47
Technology costs	22	22
Educational visits	27	27
Other direct costs	36	36
Depreciation	152	152
	<hr/>	<hr/>
Total 2020	1,614	1,614
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs

	Educational operations 2021 £000	Total funds 2021 £000
Pension finance costs (note 13)	18	18
Staff costs	217	217
Recruitment	1	1
Maintenance of premises and equipment	25	25
Cleaning	9	9
Rates	10	10
Insurance	21	21
Catering	62	62
Other support costs	32	32
Energy costs	75	75
Governance costs	18	18
	<hr/>	<hr/>
Total 2021	488	488
	<hr/> <hr/>	<hr/> <hr/>

KIRBY MUXLOE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational operations 2020 £000	Total funds 2020 £000
Pension finance costs (note 13)	16	16
Staff costs	212	212
Recruitment	1	1
Maintenance of premises and equipment	7	7
Cleaning	7	7
Rates	15	15
Insurance	21	21
Catering	55	55
Other support costs	51	51
Energy costs	28	28
Governance costs	12	12
	<hr/>	<hr/>
Total 2020	425	425
	<hr/> <hr/>	<hr/> <hr/>

8. Total expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other Costs 2021 £000	Total 2021 £000
Expenditure on raising funds:	-	-	-	-
Academy Trust's educational operations:				
Direct costs	1,369	146	58	1,573
Support costs	235	81	172	488
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2021	1,604	227	230	2,061
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

KIRBY MUXLOE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Total expenditure (continued)

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on raising funds:				
Direct costs	-	-	2	2
Academy Trust's educational operations:				
Direct costs	1,316	121	177	1,614
Support costs	228	57	140	425
Total 2020	1,544	178	319	2,041

9. Net income/(expenditure)

Net expenditure for the year includes:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	146	152
Auditors' remuneration - audit	12	11
Auditors' remuneration - other services	6	1
Operating lease rentals	1	3

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	1,138	1,103
Social security costs	88	86
Pension costs	351	333
	<u>1,577</u>	<u>1,522</u>
Agency staff costs	9	6
Pension finance costs (note 13)	18	16
	<u>1,604</u>	<u>1,544</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual staff severance payments totalling £420 (2020: £Nil). Individually, the payment was £420 (2020: £Nil).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	21	22
Administration and Support	42	44
Management	2	2
	<u>65</u>	<u>68</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Higher paid staff (continued)

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 pension contributions for this staff member amounted to £17,593 (2020: £17,122).

e. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Leadership 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 £539,146 (2020: £485,090).

11. 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:

		2021	2020
		£000	£000
Elliot Howles (Headteacher)	Remuneration	70 - 75	70 - 75
	Pension contributions paid	15 - 20	10 - 15
Laura Kenney (Staff Trustee)	Remuneration	15 - 20	10 - 15
	Pension contributions paid	0 - 5	0 - 5

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

Other related party transactions involving the Trustees are set out in note 26.

12. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust 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.

13. Pension finance cost

	2021	2020
	£000	£000
Expected return on pension scheme assets	23	23
Interest on pension scheme liabilities	(41)	(39)
	(18)	(16)

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14. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2020	3,812	147	135	4,094
Additions	112	5	-	117
At 31 August 2021	<u>3,924</u>	<u>152</u>	<u>135</u>	<u>4,211</u>
Depreciation				
At 1 September 2020	684	121	110	915
Charge for the year	120	11	15	146
At 31 August 2021	<u>804</u>	<u>132</u>	<u>125</u>	<u>1,061</u>
Net book value				
At 31 August 2021	<u>3,120</u>	<u>20</u>	<u>10</u>	<u>3,150</u>
At 31 August 2020	<u>3,128</u>	<u>26</u>	<u>25</u>	<u>3,179</u>

Included in Long leasehold land and buildings is long leasehold land valued at £1,025,400 (2020: £1,025,400) on conversion in 2013 by Andrea Hopkins MRICS, using the depreciated replacement cost method. The Trustees considered that the valuation remains appropriate for the purposes of these Financial Statements.

Additions of £112,000 to leasehold property in the year were in respect of LED lighting and the toilet block at the Academy Trust.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2013.

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NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	5	-
VAT recoverable	35	35
Prepayments and accrued income	10	21
	50	56
	50	56

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	25	-
Other taxation and social security	20	28
Other creditors	30	30
Accruals and deferred income	119	81
	194	139
	194	139
	2021 £000	2020 £000
Deferred income at 1 September 2020	52	39
Resources deferred during the year	42	52
Amounts released from previous periods	(52)	(39)
	42	52
Deferred income at 31 August 2021	42	52

At the balance sheet date the Academy Trust was holding funds received in advance for rates and Universal Infant Free School Meals for the 2021/2022 Academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	77	10	-	(2)	-	85
Restricted general funds						
General Annual Grant (GAG)	-	1,477	(1,475)	(2)	-	-
UIFSM	-	67	(67)	-	-	-
Pupil Premium	-	52	(52)	-	-	-
Teachers' Pay Grant	-	71	(71)	-	-	-
Other DfE/ESFA grants	6	25	(31)	-	-	-
Local Authority grants	-	69	(69)	-	-	-
Other income	-	9	(9)	-	-	-
Catch-up premium	-	32	(28)	-	-	4
Devolved Capital Grant	-	-	(12)	12	-	-
Pension reserve	(1,025)	-	(101)	-	(219)	(1,345)
	<u>(1,019)</u>	<u>1,802</u>	<u>(1,915)</u>	<u>10</u>	<u>(219)</u>	<u>(1,341)</u>
Restricted fixed asset funds						
Net book value of fixed assets	3,179	-	(146)	117	-	3,150
Devolved Capital Grant	3	9	-	(12)	-	-
S106	-	90	-	(65)	-	25
Salix Loan	-	48	-	(48)	-	-
	<u>3,182</u>	<u>147</u>	<u>(146)</u>	<u>(8)</u>	<u>-</u>	<u>3,175</u>
Total Restricted funds	<u>2,163</u>	<u>1,949</u>	<u>(2,061)</u>	<u>2</u>	<u>(219)</u>	<u>1,834</u>
Total funds	<u><u>2,240</u></u>	<u><u>1,959</u></u>	<u><u>(2,061)</u></u>	<u><u>-</u></u>	<u><u>(219)</u></u>	<u><u>1,919</u></u>

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

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees. Transfers of £1,000 to restricted funds from unrestricted funds represents a contribution to GAG expenses.

General Annual Grant (GAG)

Funds from the ESFA for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021. Transfers of £52,000 from restricted funds to the restricted fixed asset fund represents allocations of GAG to capital spends. Transfers of £48,000 from restricted funds to restricted fixed asset funds represents allocations of GAG towards the repayment of the Salix grant. Transfers of £12,000 to restricted funds from restricted fixed asset funds represents DFC spent on revenue items. Transfers of £1,000 to restricted funds from unrestricted funds represents a contribution to GAG expenses.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Local Authority grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy Trust's educational operations.

Parents & Friends Association

Parents & Friends Association donations relate to amounts donated to the school for specific purposes. The income was fully spent in the year.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the ESFA. The DFC is to be used for ICT items, improvements to buildings and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for. Transfers of £12,000 from restricted fixed asset funds to restricted funds represents DFC spent on revenue items.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability this is not payable immediately. Plans are in place to address the deficit.

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

Restricted fixed asset fund

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. long leasehold land and buildings, furniture and fixtures and computer equipment. Also included in the funds is depreciation charged on fixed assets held. Transfers of £52,000 from restricted funds to the restricted fixed asset fund represents allocations of GAG to capital spends.

S106 funding

The Section 106 fund has been created to recognise unspent Section 106 funding received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the net book value of fixed assets.

Salix Grant

This fund includes a grant from the ESFA which were granted to fund LED lighting upgrades. The balance has been paid off through the GAG. Transfers of £48,000 to restricted fixed asset funds from restricted funds represents allocations of GAG towards the repayment of the grant.

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17. Statement of funds (continued)

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

	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						
General Funds	77	28	(2)	(26)	-	77
Restricted general funds						
General Annual Grant (GAG)	35	1,435	(1,449)	(21)	-	-
UIFSM	-	65	(65)	-	-	-
Pupil Premium	-	52	(52)	-	-	-
Teachers' Pay Grant	-	73	(73)	-	-	-
Other DfE/ESFA grants	-	26	(39)	19	-	6
Local Authority grants	-	65	(65)	-	-	-
Other income	-	32	(32)	-	-	-
Catch-up premium	-	10	(10)	-	-	-
Parent & Friends Association	-	5	(5)	-	-	-
Pension reserve	(785)	-	(96)	-	(144)	(1,025)
	(750)	1,763	(1,886)	(2)	(144)	(1,019)
Restricted fixed asset funds						
Net book value of fixed assets	3,289	-	(152)	42	-	3,179
Condition Improvement Fund	12	(7)	-	(5)	-	-
Devolved Capital Grant	3	9	-	(9)	-	3
	3,304	2	(152)	28	-	3,182
Total Restricted funds	2,554	1,765	(2,038)	26	(144)	2,163
Total funds	2,631	1,793	(2,040)	-	(144)	2,240

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	3,150	3,150
Current assets	71	212	25	308
Current liabilities	14	(208)	-	(194)
Pension scheme liability	-	(1,345)	-	(1,345)
Total	<u>85</u>	<u>(1,341)</u>	<u>3,175</u>	<u>1,919</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	3,179	3,179
Current assets	77	145	3	225
Current liabilities	-	(139)	-	(139)
Pension scheme liability	-	(1,025)	-	(1,025)
Total	<u>77</u>	<u>(1,019)</u>	<u>3,182</u>	<u>2,240</u>

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

	2021	2020
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(102)	(247)
Adjustments for:		
Depreciation (note 14)	146	152
Capital grants from DfE and other capital income (note 3 and 4)	(271)	(2)
Defined benefit pension scheme cost less contributions payable (note 24)	83	80
Defined benefit pension scheme finance cost (note 13)	18	16
Decrease/(increase) in debtors (note 15)	6	92
(Decrease)/increase in creditors (note 16)	55	(53)
Net cash (used in)/provided by operating activities	(65)	38

20. Cash flows from investing activities

	2021	2020
	£000	£000
Purchase of tangible fixed assets (note 14)	(117)	(42)
Capital grants from DfE Group (note 3 and 4)	271	2
Net cash provided by/(used in) investing activities	154	(40)

21. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand	258	169
Total cash and cash equivalents	258	169

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

22. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash in hand	169	89	258
	169	89	258
	169	89	258

23. 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £29,981 were payable to the schemes at 31 August 2021 (2020: £29,736) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

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23. Pension commitments (continued)

- 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 £173,000 (2020: £170,000).

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 2021 was £117,000 (2020: £102,000), of which employer's contributions totalled £95,000 (2021: £83,000) and employees' contributions totalled £ 22,000 (2020: £19,000). The agreed contribution rates for future years are 25.7% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Discount rate for scheme liabilities	1.65	1.70
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment	2.90	2.20
Inflation assumption (CPI)	2.90	2.20
Commutation of pensions to lump sums	50.00	50.00

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23. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	21.7	21.5
Females	24.2	23.8
Retiring in 20 years		
Males	22.6	22.2
Females	25.9	25.2

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(15)	(59)
Discount rate -0.1%	15	59
Mortality assumption - 1 year increase	122	94
Mortality assumption - 1 year decrease	(122)	(94)
CPI rate +0.1%	13	51
CPI rate -0.1%	(13)	(51)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2021 £000	2020 £000
Equities	996	775
Bonds	498	381
Property	120	105
Cash	103	53
Total market value of assets	1,717	1,314

The actual return on scheme assets was £300,000 (2020: £52,000).

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

23. Pension commitments (continued)

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

	2021	2020
	£000	£000
Current service cost	178	163
Interest income	(23)	(23)
Interest cost	41	39
Total amount recognised in the Statement of Financial Activities	196	179

The Academy Trust expects to contribute £99,000 to its defined benefit pension scheme in 2022.

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

	2021	2020
	£000	£000
At 1 September	2,339	1,958
Current service cost	178	163
Interest cost	41	39
Employee contributions	22	19
Actuarial losses	496	173
Benefits paid	(14)	(13)
At 31 August	3,062	2,339

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

	2021	2020
	£000	£000
At 1 September	1,314	1,173
Interest income	23	23
Actuarial gains	277	29
Employer contributions	95	83
Employee contributions	22	19
Benefits paid	(14)	(13)
At 31 August	1,717	1,314

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24. Operating lease commitments

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

	2021 £000	2020 £000
Not later than 1 year	4	1
Later than 1 year and not later than 5 years	5	-
	<u>9</u>	<u>1</u>

25. 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.

No related party transactions took place in the year ended 31 August 2021, other than certain Trustees' remuneration and expenses already disclosed in note 11.

26. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

27. Members' liability

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

