

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 2020**

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 9
<b>Governance Statement</b>	10 – 13
<b>Statement on Regularity, Propriety and Compliance</b>	14
<b>Statement of Trustees' Responsibilities</b>	15
<b>Independent Auditor's Report on the Financial Statements</b>	16 – 18
<b>Independent Reporting Accountant's Report on Regularity</b>	19 – 20
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	21
<b>Balance Sheet</b>	22 – 23
<b>Statement of Cash Flows</b>	24
<b>Notes to the Financial Statements</b>	25 - 54

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Members**

Steve Goddard  
Kerrie Grant  
David Thomas  
Peter Waite  
Chris Woodall

**Trustees**

Kate Austen (Resigned 9 December 2019)  
Ian Biggs  
Yvonne Connolly  
Steve Goddard – Chair of Trustees  
Kerrie Grant (Resigned 11 November 2019)  
Jatinder Hanspal  
Elliot Howles – Headteacher and Accounting Officer)  
Tracey Hutchinson  
Laura Kenney – Staff Trustee  
Rabinder Singh Lail  
David Thomas  
Lorraine Biddle (Appointed 12 May 2020)  
Matt Bray (Appointed 11 November 2019)

**Senior Leadership Team**

Elliot Howles – Headteacher and Accounting Officer  
Nicholas Holt - Deputy Headteacher  
Sharon Jackson - Assistant Headteacher  
Helene Fisher - SEN- SLT  
Danielle Orton – SLT  
Chris Hulbert - SLT Maternity Cover  
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)

**Company Secretary**

Petrina Horne

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**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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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The 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 400 in the school census on 6 October 2020.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company was incorporated on 23 September 2013. The school converted to Academy status on 1 November 2013, when its operations, assets and liabilities were transferred to the Academy 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 pages 1 and 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 business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officer's 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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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**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 and are provided with minutes, accounts, budgets, plans, handbook and other documents needed to undertake their role. The Academy 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 the Senior Leadership Team. 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, 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 has a clear and robust pay policy that is updated on an annual basis. The Senior Leadership Team 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 is also a member of the STEP Teaching School Alliance 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.

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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
(A Company Limited by Guarantee)

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

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## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

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; and
10. To be recognised as an excellent school by parents, the local community and other education providers.

### **Objectives, Strategies and Activities**

During their time at our school. Pupils will develop:

- The ability to learn alone or alongside others in an effective, cooperative and collaborative way;
- Core skills in reasoning, communication and mathematics;
- The ability to discover, question and draw inspiration from all aspects of the world around us;
- The creativity, confidence and resilience to adapt to change, challenge and new opportunities; and
- An understanding of their place in the world and how to navigate it with respect and integrity.

### **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.

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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
**(A Company Limited by Guarantee)**

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

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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 has complied with its duties.

The Academy'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'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.

## **STRATEGIC REPORT**

### **Achievements and Performance**

Prior to the substantive closure of schools nationwide in late March 2020, the school was working hard to secure further improvements and was on track to do so. When the schools closed, the focus shifted to childcare for critical workers and vulnerable children and then to widen this to partial opening for more of these children as the summer term progressed. We achieved remarkable things in the circumstances and provided a great service to our community.

With this interruption to our normal way of working, an accurate assessment of how well the school performed is not possible.

### **Overall Effectiveness**

Kirby Muxloe Primary School continues provides a good standard of education.

### **Effectiveness of Leadership and Management**

The school's leaders and Trustees are sharply focused on achievement and have developed a relentless attitude towards under performance. The school is held robustly to account by Trustees' and the leadership has continually improved key aspects of school life.

### **Quality of Teaching, Learning and Assessment**

The quality of teaching is high across the school and is evidenced by generally crisp lessons, high quality learning journey and math's books and well directed marking and feedback which children mostly use to improve their learning.

### **Personal Development, Behaviour and Welfare**

Pupil attitudes to learning and their behaviour is generally excellent. They take pride in their school and have a desire to do well. Systems for keeping children safe and ensuring good behaviour are strongly and robustly followed. Instances of bullying and bad behaviour are rare.

### **Outcomes for Pupils**

Most children make good or better progress and attainment is broadly high.

### **Effectiveness of Early Years**

The effectiveness of the early years remains strong with very high levels of progress and attainment and excellent teaching. This was judged as 'Outstanding' at the last inspection.



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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**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.

**2020 Key Stage 2 Results**

Due to the Covid-19 Pandemic, national statutory testing was abandoned for the 2019-20 academic year. As a result, no end of year or key stage data is available.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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 had a net decrease in funds for the year ended 31 August 2020 of £247,000 including fixed asset movements but excluding pension reserve movements (2019 - £159,000). As at 31 August 2020 the Academy held unrestricted reserves of £77,000 (2019 - £77,000) plus £6,000 (2019 - £35,000) of unspent restricted grants. The Academy therefore held combined unrestricted and non-fixed asset restricted funds of £86,000 (2019 - £112,000) being its available reserves. The fixed asset reserve of £3,182,000 being the book value of past purchases of £3,179,000 plus unspent capital grants of £3,000 (2019 - £3,303,000 plus unspent capital grants of £15,000).

The Academy had a pension deficit on the Local Government Pension Scheme of £1,025,000 at 31 August 2020 (2019 - £785,000).

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 2020/21. This has affected the results as there are limited costs associated with the lettings and so that income does not contribute significantly to the additional funds available to support the Academy's activities. The Academy has been able to recover exceptional costs incurred as a result of the pandemic and this has been through the ESFA Exceptional Costs grant but support does not extend to lost revenue streams.

The principal sources of funding for the Academy 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, subject to any remaining reserves.

**Reserves Policy**

At 31 August 2020 the total funds comprised:

	£'000
Unrestricted	77
Restricted:	
Fixed asset funds	3,182
Pension reserve	(1,025)
Other	6
	<u>2,240</u>

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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**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 has adequate balances to meet planned future commitments.

The Academy'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 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 are included in the Risk Register and Management Plan and include:

- Strategic and Reputational Risks;
- Operational Risks;
- Compliance Risks; and
- 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 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.

**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 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 Kirby Muxloe Primary School is looking at ways it can build on its excellent track record in this area.

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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY  
(A Company Limited by Guarantee)**

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

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The Covid-19 pandemic had a dramatic impact on the School in March 2020 with the all children told to stay at home as part of the nationwide lockdown with only vulnerable children and children of key workers able to attend school. The effect closure of the school has impacted on future plans and continues to do so until an exit strategy is found.

The current housing developments in the area will provide additional funding and there are plans to invest this wisely in the infrastructure of the school.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**AUDITOR**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 and signed on the Board's behalf by:

.....  
**Steve Goddard**  
Chair of Trustees

15th December 2020

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**KIRBY MUXLOE PRIMARY SCHOOL ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**SCOPE OF RESPONSIBILITY**

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

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 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 7 times during the year. Due to the Covid-19 pandemic additional formal Board of Trustees 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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Steve Goddard - Chair of Trustees	7	7
Kate Austen (Resigned 9 December 2019)	1	2
Ian Biggs	5	7
Kerrie Grant (Resigned 11 November 2019)	0	1
Jatinder Hanspal	5	7
Tracey Hutchinson - Vice Chair	1	7
Laura Kenney - Staff Trustee	7	7
David Thomas	7	7
Yvonne Connolly	7	7
Rabinder Singh Lail	5	7
Matt Bray (Appointed 11 November 2019)	6	6
Lorraine Biddle (Appointed 12 May 2020)	3	4
Elliot Howles - Headteacher and Accounting Officer	7	7

**Key changes to the Board of Trustee**

Following the resignations of Kate Austin and Kerrie Grant the vacancies were filled with Matt Bray through the Parent Election process and Lorraine Biddle, who was an appointed Trustee.

**The coverage of its work:**

- The Board's work was typical for a primary Academy 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;

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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- 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; and
- 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 academic year 2018/19, 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, by enabling more detailed consideration to be given to the best means of fulfilling the Academy's responsibility, to ensure sound management of the Academy's resources; property, staffing and finances, including proper financial planning, monitoring and probity.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Davis Thomas	5	5
Steve Goddard - Chair of Trustees	5	5
Kerrie Grant (Resigned 11 November 2019)	0	1
Jatinder Hanspal	3	5
Elliot Howles – Headteacher and Accounting Officer	5	5
Tracey Hutchinson	3	5
Ian Biggs	2	5
Matt Bray (Appointed 11 November 2019)	2	3

**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.

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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:

- Improving educational outcomes for pupils compared with the previous year;
- Securing additional funding from the ESFA to replace parts of the school infrastructure to bring in line with modern fire safety requirements , thereby mitigating future cost & liabilities; and
- Promoting fair competition through quotation and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

**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<sup>st</sup> September 2019 to 31 August 2020 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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

**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.

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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:

- testing of payroll system;
- testing of purchase system; and
- testing of control account/bank reconciliations.

A full internal audit visit was carried out in August 2020.

Only four minor points were raised, three of which were due to Covid – but were carried out as soon as lockdown ceased, and all have now been actioned and completed.

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.

**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 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 and signed on its behalf by:

.....  
**Steve Goddard**  
Chair of Trustees

Date: 8 December 2020

.....  
**Elliot Howles**  
Accounting Officer

Date: 8 December 2020

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**KIRBY MUXLOE PRIMARY SCHOOL  
(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

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 2019.

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

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

.....  
**Elliot Howles**  
Accounting Officer

8 December 2020



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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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

Date: 8 December 2020

.....  
**Elliot Howles**  
Accounting Officer

Date: 8 December 2020

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**Opinion**

We have audited the financial statements of Kirby Muxloe Primary School (the 'Academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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**

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

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

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (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; and
- 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors 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.

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

**Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)**

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

11 Merus Court

Meridian Business Park

Leicester

LE19 1RJ

Date: 22 December 2020

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## KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kirby Muxloe Primary School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kirby Muxloe Primary School and the 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- 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;
- consideration of governance issues; and
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

**MHA MacIntyre Hudson**

11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Date: 22 December 2020

**KIRBY MUXLOE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>Income from:</b>						
Donations and capital grants	3	-	5	(7)	(2)	145
Funding for Academy's educational operations	4	-	1,758	9	1,767	1,680
Other trading activities	5	28	-	-	28	39
<b>Total income</b>		<b>28</b>	<b>1,763</b>	<b>2</b>	<b>1,793</b>	<b>1,864</b>
<b>Expenditure on:</b>						
Raising funds	6	2	-	-	2	8
Academy's educational operations	7	-	1,886	152	2,038	2,015
<b>Total expenditure</b>	8	<b>2</b>	<b>1,886</b>	<b>152</b>	<b>2,040</b>	<b>2,023</b>
<b>Net income/ (expenditure)</b>		<b>26</b>	<b>(123)</b>	<b>(150)</b>	<b>(247)</b>	<b>(159)</b>
Transfers between funds	17	(26)	(2)	28	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(144)	-	(144)	(280)
<b>Net movement in funds</b>		<b>-</b>	<b>(269)</b>	<b>(122)</b>	<b>(391)</b>	<b>(439)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		77	(750)	3,304	2,631	3,070
Net movement in funds		-	(269)	(122)	(391)	(439)
<b>Total funds carried forward</b>		<b>77</b>	<b>(1,019)</b>	<b>3,182</b>	<b>2,240</b>	<b>2,631</b>

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

The notes on pages 25 to 54 form part of these financial statements.

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

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**BALANCE SHEET  
AS AT 31 AUGUST 2020**

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	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	14	3,179	3,289
		<u>3,179</u>	<u>3,289</u>
<b>Current assets</b>			
Debtors	15	56	148
Cash at bank and in hand	21	169	171
		<u>225</u>	<u>319</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(139)	(192)
		<u>86</u>	<u>127</u>
<b>Net current assets</b>			
		<u>3,265</u>	<u>3,416</u>
<b>Net assets excluding pension liability</b>			
Defined benefit pension scheme liability	24	(1,025)	(785)
		<u>2,240</u>	<u>2,631</u>
<b>Total net assets</b>		<u><u>2,240</u></u>	<u><u>2,631</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Restricted fixed asset funds	17	3,182	3,304
Restricted income funds	17	6	35
		<u>3,188</u>	<u>3,339</u>
Restricted funds excluding pension asset	17	3,188	3,339
Pension reserve	17	(1,025)	(785)
		<u>2,163</u>	<u>2,554</u>
<b>Total restricted funds</b>	17	2,163	2,554
<b>Unrestricted income funds</b>	17	77	77
		<u>2,240</u>	<u>2,631</u>
<b>Total funds</b>		<u><u>2,240</u></u>	<u><u>2,631</u></u>



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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 21 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....  
**Steve Goddard**  
Chair of Trustees

Date: 8 December 2020

.....  
**Elliot Howles**  
Accounting Officer

Date: 8 December 2020

The notes on pages 25 to 54 form part of these financial statements.

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020</b> <b>£000</b>	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<b>38</b>	(64)
<b>Cash flows from investing activities</b>	20	<b>(40)</b>	(39)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(2)</b>	(103)
Cash and cash equivalents at the beginning of the year		<b>171</b>	274
<b>Cash and cash equivalents at the end of the year</b>	21	<b>169</b>	171
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 54 form part of these financial statements

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## KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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#### 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, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 and principal place of operations are detailed on page 1. The nature of the Academy's operations and principal activity are detailed in the Trustees' Report.

The Company's functional and presentational currency is British Pound Sterling (£), 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 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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.

##### 1.3 Income

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

- **Grants**

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

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 period it is receivable and to the extent the Academy has provided the goods or services.

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.5 Tangible fixed assets**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land 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:

Leasehold buildings	- 4% straight line
Leasehold land (125 year lease)	- 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 is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.7 Liabilities and provisions**

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

Provisions are recognised when the Academy 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.

**1.8 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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.

**1.9 Operating leases**

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

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.10 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.11 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**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 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 24, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

**3. Donations and capital grants**

	<b>Restricted funds 2020 £000</b>	<b>Restricted fixed asset funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Capital Grants	-	(7)	(7)
Parent & Friends Association donations	5	-	5
<b>Total 2020</b>	<u>5</u>	<u>(7)</u>	<u>(2)</u>



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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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3. Donations and capital grants (continued)

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Capital Grants	74	38	112
Grants	33	-	33
Total 2019	<u>107</u>	<u>38</u>	<u>145</u>

**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

**4. Funding for the Academy's educational operations**

	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	1,435	1,435
Pupil Premium	52	52
Devolved Formula Capital	9	9
Other DfE/ESFA grants	164	164
	1,660	1,660
<b>Other Government grants</b>		
Local Authority grants	65	65
	65	65
<b>Other funding</b>		
Insurance income	22	22
Trips and parental contributions	10	10
	32	32
<b>Exceptional Government funding</b>		
Coronavirus exceptional support	10	10
	10	10
<b>Total 2020</b>	<b>1,767</b>	<b>1,767</b>

The Academy has been eligible to claim additional funding in the year from Government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "exceptional Government funding".

The funding received for Coronavirus exceptional support covers £9,855 of premises and cleaning costs. These costs are included in note 7 below as appropriate.

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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	Restricted funds 2019 £000	Total funds 2019 £000
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	1,378	1,378
Pupil Premium	53	53
Devolved Formula Capital	24	24
Other DfE/ESFA grants	95	95
	<hr/>	<hr/>
	1,550	1,550
<b>Other Government grants</b>		
Local Authority grants	49	49
	<hr/>	<hr/>
	49	49
<b>Other funding</b>		
Insurance income	42	42
Trips and parental contributions	37	37
Training Income	2	2
	<hr/>	<hr/>
	81	81
	<hr/>	<hr/>
Total 2019	1,680	1,680
	<hr/> <hr/>	<hr/> <hr/>

**5. Income from other trading activities**

	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
	<hr/>	<hr/>
<b>Total 2020</b>	28	28
	<hr/> <hr/>	<hr/> <hr/>

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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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	Unrestricted funds 2019 £000	Total funds 2019 £000
Lettings income	27	27
Fundraising income	2	2
Other income	6	6
After school club and other clubs	4	4
	<hr/>	<hr/>
Total 2019	39	39
	<hr/> <hr/>	<hr/> <hr/>

**6. Expenditure on raising funds**

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

	Unrestricted funds 2019 £000	Total funds 2019 £000
Fundraising expenses	1	1
Club expenses	4	4
Other expenses	3	3
	<hr/>	<hr/>
Total 2019	8	8
	<hr/> <hr/>	<hr/> <hr/>

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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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7. Analysis of expenditure by activities

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

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational operations	1,457	558	2,015

Analysis of direct costs

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

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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Educational operations 2019 £000	Total funds 2019 £000
Educational supplies	42	42
Staff development	9	9
Other direct costs	31	31
Educational visits	41	41
Technology costs	17	17
Depreciation	149	149
Staff costs	1,168	1,168
	<hr/>	<hr/>
Total 2019	1,457	1,457
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs

	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	12	12
	<hr/>	<hr/>
<b>Total 2020</b>	<b>425</b>	<b>425</b>
	<hr/> <hr/>	<hr/> <hr/>

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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational operations 2019 £000	Total funds 2019 £000
Pension finance costs (note 13)	12	12
Staff costs	195	195
Recruitment	1	1
Maintenance of premises and equipment	159	159
Cleaning	3	3
Rates	12	12
Insurance	22	22
Catering	61	61
Other support costs	57	57
Energy Costs	26	26
Governance	10	10
Total 2019	<u>558</u>	<u>558</u>

8. Total expenditure

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

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Expenditure on raising funds:				
Direct costs	-	-	8	8
Academy's educational operations:				
Direct costs	1,168	140	149	1,457
Support costs	207	200	151	558
Total 2019	<u>1,375</u>	<u>340</u>	<u>308</u>	<u>2,023</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2020 £000</b>	2019 £000
Depreciation of tangible fixed assets	<b>152</b>	149
Auditors' remuneration - audit	<b>11</b>	8
Auditors' remuneration - other services	<b>1</b>	1
Operating lease rentals	<b>3</b>	3



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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	Restated 2019 £000
Wages and salaries	1,103	1,017
Social security costs	86	84
Pension costs	333	252
	<hr/> 1,522	<hr/> 1,353
Agency staff costs	6	10
Pension finance costs (note 13)	16	12
	<hr/> 1,544	<hr/> 1,375
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	22	18
Administration and Support	44	41
Management	2	5
	<hr/> 68	<hr/> 64
	<hr/> <hr/>	<hr/> <hr/>

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**10. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
In the band £70,001 - £80,000	<b>1</b>	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions for this staff member amounted to £17,122 (2019: £11,597).

**d. Key management personnel**

The Key Management Personnel of the Academy comprise the Staff Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy was £466,001 (2019: £372,109).

**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2020</b>	2019
		<b>£000</b>	£000
Elliot Howles (Headteacher)	Remuneration	<b>70 - 75</b>	70 - 75
	Pension contributions paid	<b>15 - 20</b>	10 - 15
Laura Kenney (Staff Trustee)	Remuneration	<b>10 - 15</b>	10 - 15
	Pension contributions paid	<b>0 - 5</b>	0 - 5

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

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

**12. Trustees' and Officers' insurance**

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

**KIRBY MUXLOE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

**13. Pension finance cost**

	<b>2020</b>	2019
	<b>£000</b>	£000
Interest income on pension scheme assets	<b>23</b>	30
Interest on pension scheme liabilities	<b>(39)</b>	(42)
	<b>(16)</b>	(12)

**14. Tangible fixed assets**

	Leasehold land and buildings £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2019	<b>3,770</b>	<b>147</b>	<b>135</b>	<b>4,052</b>
Additions	<b>42</b>	-	-	<b>42</b>
At 31 August 2020	<b>3,812</b>	<b>147</b>	<b>135</b>	<b>4,094</b>
<b>Depreciation</b>				
At 1 September 2019	<b>563</b>	<b>105</b>	<b>95</b>	<b>763</b>
Charge for the year	<b>121</b>	<b>16</b>	<b>15</b>	<b>152</b>
At 31 August 2020	<b>684</b>	<b>121</b>	<b>110</b>	<b>915</b>
<b>Net book value</b>				
At 31 August 2020	<b>3,128</b>	<b>26</b>	<b>25</b>	<b>3,179</b>
At 31 August 2019	3,207	42	40	3,289

Included in Long leasehold land and buildings is long leasehold land valued at £1,025,400 (2019 - £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.

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

**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

**15. Debtors**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Due within one year</b>		
VAT recoverable	<b>35</b>	35
Prepayments and accrued income	<b>21</b>	113
	<b>56</b>	148
	<b>56</b>	148

**16. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£000</b>	£000
Other taxation and social security	<b>28</b>	25
Other creditors	<b>30</b>	24
Accruals and deferred income	<b>81</b>	143
	<b>139</b>	192
	<b>139</b>	192

	<b>2020</b>	2019
	<b>£000</b>	£000
Deferred income at 1 September 2019	<b>39</b>	64
Resources deferred during the year	<b>52</b>	39
Amounts released from previous periods	<b>(39)</b>	(64)
	<b>52</b>	39
	<b>52</b>	39

At the balance sheet date the Academy was holding funds received in advance for rates and Universal Infant Free School Meals in relation to funding for the next academic year.

**KIRBY MUXLOE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

**17. Statement of funds**

	Balance at 1 September 2019 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
General Funds	77	28	(2)	(26)	-	77
<b>Restricted general funds</b>						
General Annual Grant (GAG)	35	1,435	(1,449)	(21)	-	-
Pupil Premium	-	52	(52)	-	-	-
Condition Improvement Fund	-	-	(15)	15	-	-
Devolved Formula Capital	-	-	(4)	4	-	-
Other DfE/ESFA grants	-	164	(158)	-	-	6
Local Authority grants	-	65	(65)	-	-	-
Other income	-	32	(32)	-	-	-
Parent & Friends Association	-	5	(5)	-	-	-
Exceptional Government funding	-	10	(10)	-	-	-
Pension reserve	(785)	-	(96)	-	(144)	(1,025)
	<u>(750)</u>	<u>1,763</u>	<u>(1,886)</u>	<u>(2)</u>	<u>(144)</u>	<u>(1,019)</u>
<b>Restricted fixed asset funds</b>						
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
	<u>3,304</u>	<u>2</u>	<u>(152)</u>	<u>28</u>	<u>-</u>	<u>3,182</u>
<b>Total Restricted funds</b>	<u>2,554</u>	<u>1,765</u>	<u>(2,038)</u>	<u>26</u>	<u>(144)</u>	<u>2,163</u>
<b>Total funds</b>	<u><u>2,631</u></u>	<u><u>1,793</u></u>	<u><u>(2,040)</u></u>	<u><u>-</u></u>	<u><u>(144)</u></u>	<u><u>2,240</u></u>

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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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 at the discretion of the Trustees. Transfers of £26,000 from the unrestricted funds to the restricted fixed assets funds represents Academy funds used towards leasehold property improvements.

**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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Transfers of £21,000 from the restricted funds to the restricted fixed assets funds represents allocations from GAG towards leasehold property improvements.

**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's educational operations.

**Other Local Authority**

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'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.

**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, however, this is not payable immediately. Plans are in place to address the deficit.

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**17. Statement of funds (continued)**

**Restricted fixed asset funds**

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy from Local Authority following the transfer of assets. It included further amounts invested in fixed assets. Transfers of £19,000 from the restricted fixed asset funds to restricted funds represents capital grants spent on revenue expenditure.

**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

**17. Statement of funds (continued)**

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds	46	39	(8)	-	-	77
<b>Restricted general funds</b>						
General Annual Grant (GAG)	101	1,378	(1,428)	(16)	-	35
Pupil Premium	-	53	(53)	-	-	-
Condition Improvement Fund	-	74	(74)	-	-	-
Other DfE/ESFA grants	8	95	(103)	-	-	-
Local Authority grants	-	49	(49)	-	-	-
Other income	-	81	(81)	-	-	-
Parent & Friends Association	-	33	-	(33)	-	-
Pension reserve	(427)	-	(78)	-	(280)	(785)
	<u>(318)</u>	<u>1,763</u>	<u>(1,866)</u>	<u>(49)</u>	<u>(280)</u>	<u>(750)</u>
<b>Restricted fixed asset funds</b>						
Net book value of fixed assets	3,337	-	(149)	101	-	3,289
Condition Improvement Fund	-	38	-	(26)	-	12
Devolved Capital Grant	5	24	-	(26)	-	3
	<u>3,342</u>	<u>62</u>	<u>(149)</u>	<u>49</u>	<u>-</u>	<u>3,304</u>
<b>Total Restricted funds</b>	<u>3,024</u>	<u>1,825</u>	<u>(2,015)</u>	<u>-</u>	<u>(280)</u>	<u>2,554</u>
<b>Total funds</b>	<u><u>3,070</u></u>	<u><u>1,864</u></u>	<u><u>(2,023)</u></u>	<u><u>-</u></u>	<u><u>(280)</u></u>	<u><u>2,631</u></u>



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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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18. Analysis of net assets between funds

	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)
<b>Total 2020</b>	<b>77</b>	<b>(1,019)</b>	<b>3,182</b>	<b>2,240</b>

  

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	3,289	3,289
Current assets	77	227	15	319
Current liabilities	-	(192)	-	(192)
Pension scheme liability	-	(785)	-	(785)
<b>Total 2019</b>	<b>77</b>	<b>(750)</b>	<b>3,304</b>	<b>2,631</b>

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KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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

	2020 £000	2019 £000
Net expenditure for the year (as per Statement of Financial Activities)	(247)	(159)
<b>Adjustments for:</b>		
Depreciation (note 14)	152	149
Capital grants from DfE and other capital income (note 3 and 4)	(2)	(62)
Defined benefit pension scheme cost less contributions payable (note 24)	80	66
Defined benefit pension scheme finance cost (note 13)	16	12
Decrease/(increase) in debtors (note 15)	92	(92)
(Decrease)/increase in creditors (note 16)	(53)	22
<b>Net cash provided by/(used in) operating activities</b>	<b>38</b>	<b>(64)</b>

20. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets (note 14)	(42)	(101)
Capital grants from DfE Group (note 3 and 4)	2	62
<b>Net cash used in investing activities</b>	<b>(40)</b>	<b>(39)</b>

21. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	169	171
<b>Total cash and cash equivalents</b>	<b>169</b>	<b>171</b>

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**22. Analysis of changes in net debt**

	<b>At 1 September 2019 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2020 £000</b>
Cash at bank and in hand	171	(2)	169
	<u>171</u>	<u>(2)</u>	<u>169</u>

**23. Capital commitments**

At 31 August 2020 the Academy Trust had capital commitments as follows:

	<b>2020 £000</b>	2019 £000
Contracted for but not provided in these financial statements	-	5
	<u>-</u>	<u>5</u>

**24. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

Contributions amounting to £29,736 were payable to the schemes at 31 August 2020 (2019: £24,416) 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 teachers in Academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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## KIRBY MUXLOE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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#### 24. Pension commitments (continued)

##### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £170,000 (2019: £112,000).

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £102,000 (2019: £92,000), of which employer's contributions totalled £83,000 (2019: £74,000) and employees' contributions totalled £ 19,000 (2019: £18,000). The agreed contribution rates for future years are 25.2% for employers and 5.5% - 12.5% for employees.

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

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**KIRBY MUXLOE PRIMARY SCHOOL****(A Company Limited by Guarantee)**

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

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**24. Pension commitments (continued)****Principal actuarial assumptions**

	<b>2020</b>	2019
	%	%
Discount rate for scheme liabilities	<b>1.70</b>	1.90
Rate of increase in salaries	<b>2.70</b>	3.30
Rate of increase for pensions in payment	<b>2.20</b>	2.30
Inflation assumption (CPI)	<b>2.20</b>	2.30
Commutation of pensions to lump sums	<b>50.00</b>	50.00

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

	<b>2020</b>	2019
	Years	Years
<i>Retiring today</i>		
Males	<b>21.5</b>	21.2
Females	<b>23.8</b>	23.4
<i>Retiring in 20 years</i>		
Males	<b>22.2</b>	22.2
Females	<b>25.2</b>	24.7

**Sensitivity analysis**

	<b>2020</b>	2019
	£000	£000
Discount rate +0.1%	<b>(59)</b>	(55)
Discount rate -0.1%	<b>59</b>	55
Mortality assumption - 1 year increase	<b>94</b>	78
Mortality assumption - 1 year decrease	<b>(94)</b>	(78)
CPI rate +0.1%	<b>51</b>	45
CPI rate -0.1%	<b>(51)</b>	(45)

**KIRBY MUXLOE PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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

**24. Pension commitments (continued)**

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

	<b>At 31 August 2020 £000</b>	At 31 August 2019 £000
Equities	775	680
Bonds	381	364
Property	105	94
Cash	53	35
<b>Total market value of assets</b>	<b>1,314</b>	<b>1,173</b>

The actual return on scheme assets was £52,000 (2019: £69,000).

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

	<b>2020 £000</b>	2019 £000
Current service cost	(163)	(115)
Past service cost	-	(25)
Interest income	23	30
Interest cost	(39)	(42)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(179)</b>	<b>(152)</b>

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

	<b>2020 £000</b>	2019 £000
<b>At 1 September</b>	<b>1,958</b>	1,449
Current service cost	163	115
Past service cost	-	25
Interest cost	39	42
Employee contributions	19	18
Actuarial losses	173	319
Benefits paid	(13)	(10)
<b>At 31 August</b>	<b>2,339</b>	1,958

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**KIRBY MUXLOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**24. Pension commitments (continued)**

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

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>At 1 September</b>	<b>1,173</b>	1,022
Interest income	<b>23</b>	30
Actuarial gains	<b>29</b>	39
Employer contributions	<b>83</b>	74
Employee contributions	<b>19</b>	18
Benefits paid	<b>(13)</b>	(10)
<b>At 31 August</b>	<b>1,314</b>	1,173

**25. Operating lease commitments**

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

	<b>2020</b>	2019
	<b>£000</b>	£000
Not later than 1 year	<b>1</b>	3
Later than 1 year and not later than 5 years	<b>-</b>	1
	<b>1</b>	4

**26. Related party transactions**

Owing to the nature of the Academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No other related party transactions took place in the year of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

**27. Company limited by guarantee**

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

**28. Controlling party**

The Academy is ultimately controlled by the Board of Trustees, which includes the Headteacher.

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**KIRBY MUXLOE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**29. 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.