

Registration number: 07601846

# Buttsbury Junior School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



**Edmund Carr LLP**  
**Chartered Accountants and Registered Auditors**  
**146 New London Road**  
**Chelmsford**  
**Essex**  
**CM2 0AW**

# Buttsbury Junior School

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# Buttsbury Junior School

## Reference and Administrative Details

### Members

Mr. L Sheppard (resigned 16 July 2020)  
Mr. A Breathwick (resigned 16 July 2020)  
Mrs. J Hamilton-Morris (resigned 16 July 2020)  
Mr. M McGowan  
Mrs. C Ramsden (resigned 2 September 2019)  
Mr. S Harbrow, (resigned 12 December 2019, re-appointed 16 July 2020)  
Dr. S Lague (resigned 16 July 2020)  
Mr. A Mears (resigned 16 July 2020)  
Dr. S Warhurst (resigned 16 July 2020)  
Mrs. S Cheesman (resigned 16 July 2020)  
Mr. A Parker (appointed 16 July 2020)  
Mr. S Kew (appointed 16 July 2020)

### Governors

Mrs A Robinson, Headteacher  
Mr L Sheppard, Chair of Finance & Facilities Committee  
Mr A Breathwick, Vice Chair of Governors  
Mrs J Hamilton-Morris  
Mr M McGowan, Chair of Governors (resigned 29 September 2020)  
Mrs C Ramsden (resigned 2 September 2019)  
Mr S Harbrow (resigned 12 October 2019)  
Dr S Lague, Chair of Governors (from 29 September 2020)  
Mr A Mears  
Dr S Warhurst  
Mrs S Cheesman  
Mr A Gilbert (appointed 12 December 2019)

### Senior Management Team

Mrs N Child, Year 3 Leader  
Mrs A Robinson, Headteacher  
Miss J Featherstone, Year 5 Leader  
Mr A Graves, Deputy Headteacher  
Miss G Cutmore, Year 4 Leader  
Miss S Carroll, Year 6 Leader  
Mrs R Cheesman, Inclusion Manager

### Principal and Registered Office

Mrs A Robinson,  
Buttsbury Junior School  
Norsey View Drive  
Billericay  
Essex  
CM12 0QR

## Buttsbury Junior School

### Reference and Administrative Details (continued)

**Company Registration Number** 07601846 (England and Wales)

**Auditors** Edmund Carr LLP  
146 New London Road  
Chelmsford  
Essex  
CM2 0AW  
16 April 2020

**Bankers** Lloyds Bank  
89 High Street  
Billericay  
Essex  
CM12 9AT

## **Buttsbury Junior School**

### **Governors' Report for the Year Ended 31 August 2020**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The charitable company operates an academy school for pupils aged 7 to 11 serving a catchment area in Billericay. Governors increased the number to admit during the year and the school now has a pupil capacity of 512 and had a roll of 505 in the 2019 school census.

#### **Structure, governance and management**

##### ***Constitution***

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are its primary governing documents. The Governors of Buttsbury Junior School are also directors of the Charitable Company for the purposes of company law. The term Governor, Trustee and Director are interchangeable in this Report. The Charitable Company is known as Buttsbury Junior School (the School).

Details of the Governors (who served throughout the year except as noted) are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

##### ***Governors' indemnities***

Academy insurers encompass all relevant insurance including Governor third party indemnity provision.

##### ***Method of recruitment and appointment or election of Governors***

Governors are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Governors and Staff Governors are elected to office. In the event of insufficient candidates offering themselves for election as Parent Governors, the Governing Body may appoint Parent Governors. The Articles of Association make provision for; a minimum of 2 and a maximum of 7 Community Governors; a minimum of 2 and a maximum of 5 Parent Governors; a maximum of 2 Staff Governors; the Headteacher; a maximum of 3 Co-opted Governors; any additional Governors appointed by the Secretary of State.

##### ***Policies and procedures adopted for the induction and training of Governors***

New Governors are required to attend an induction programme that typically involves a tour of the School and meetings with students and staff. They are provided with copies of the relevant policy and procedure documents that are appropriate to the role they undertake as Governors, with particular emphasis on the committee work that they will undertake.

## **Buttsbury Junior School**

### **Governors' Report for the Year Ended 31 August 2020 (continued)**

#### ***Organisational structure***

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy income and costs against the budget, reviewing progress towards educational objectives and results and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. They also agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

The Headteacher is the Accounting Officer and has overall responsibility for day to day financial management.

The Leadership Team consists of the Headteacher, Deputy Headteacher, Assistant Headteacher, Year Group Heads and the Inclusion Manager. This team controls the Academy at an executive level, implementing policies and reporting to the Governing Body. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff, following vetting and safeguarding recruitment processes. Each member of the Leadership Team has specific responsibilities to assist the Headteacher to manage specific aspects of the Academy.

#### ***Arrangements for setting pay and remuneration of key management personnel***

Key management personnel include those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel are decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the Full Governing Body.

#### ***Connected organisations, including related party relationships***

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is possible that from time to time transactions will take place with organisations in which a member of the Governing Body may have an interest. Further, the Academy has formal or informal arrangements with several connected organisations. These include BCT, Billericay SCITT, Teaching Schools Alliance, First Strokes Swimming, Winger Sports, Brentwood Catholic Children's Society, Elites Swimming and William de Ferrers Sports Partnership. All transactions involving these organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Where contracts for goods or services exceeded £2,500 cumulatively in the year, the element above £2,500 is provided at no more than cost. There have been no such contracts this year.

#### ***Sponsor contribution***

The Trust does not have a formal sponsor.

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### Objectives and activities

##### *Objects and aims*

The School's overriding objective is to provide free education and care for pupils of different abilities between the ages of 7 and 11.

##### *Objectives, strategies and activities*

It seeks to achieve this objective by:

- Establishing high quality teaching, learning and assessment;
- Providing a broad and balanced curriculum and a wide range of extra-curricular activities;
- Care, guidance and support of students; and
- Strong, effective leadership and management.

Our success in performing these activities can be measured by:

- Positive Ofsted inspection (November 2019) – the school was judged to be outstanding in all areas.
- Strong performance predicted by staff for SATS results (though unfortunately due to COVID-19 the SATS tests didn't take place to verify the predictions);
- Positive comments and feedback from parents and other stakeholders;
- Children's enjoyment in coming to School and their positive responses in pupil questionnaires; and
- Aspirational leadership meant we had procedures in place ready for when permission was given to welcome year 3, 4 and 5 children back to school at the end of the Summer Term. We were one of the first schools to implement this.

##### *Public benefit*

The Governors confirm that in exercising their powers or duties they have referred to and follow the guidance contained in the Charity Commission's guidance on public benefit.

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### **Achievements and performance**

The Academy continued its mission to ensure that all students achieved their potential; it provided a wide range of extra-curricular activities, developed and retained suitable staff and successfully prepared students for transfer to secondary education.

The School continued to implement its robust development plan to bring about rapid improvements in all aspects of School life. The success of the plan was verified in November 2019 by Ofsted's endorsement of the School's self-evaluation as 'Outstanding'.

##### Impact of Covid-19

The academic year, 2019-2020, was significantly impaired by the COVID-19 pandemic and the closure of schools in March 2020.

The pandemic had a significant impact on the whole of school life, not just in terms of finance, but also more broadly, to include areas such as attainment, curriculum access and mental health and well-being - of both children and staff.

When the Government closed all schools in March, Buttsbury Junior School remained open for the children of key workers, including during the school holiday periods. During this time, staff worked mainly from home, with a rota system in place to ensure the school had adequate staff present for the children on site.

Lettings and catering incomes were hit significantly; however, the rota system enabled the school to manage staffing levels effectively to protect staff who were shielding.

School trips were cancelled as were many school events such as the Year 6 play. However, the school looked at alternatives and was able to offer some normality by holding the Year 6 Leavers' Disco outside and filming the Year 6 'pod-based' Leavers' Assembly.

Mentoring was key as some children had been impacted by the school closure, the pressures of home-schooling and some had suffered bereavements. This was offered virtually.

However, the school was creative in its management of the partial re-opening for Year 6 children and was also able to welcome all other year groups back for a short period of time before the school closed for the Summer break. 98% of children returned to school in some capacity.

##### Academic performance

The Academy continues to operate at a very high level. Academic performance compares very favourably to national data and also shows an improving trend over time. There are no 2020 figures as SATS were cancelled. However, teacher assessment in March were indicating that results would probably have been significantly better than last year.

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

	Percentage attaining the expected standard (2019 results in brackets)	Percentage above national average (2019 results in brackets)
Grammar, Punctuation and Spelling	N/A (89%)	N/A (11%)
Reading	N/A (85%)	N/A (12%)
Writing *	N/A (92%)	N/A (14%)
Maths	N/A (89%)	N/A (10%)
Reading, Writing and Maths combined	N/A (79%)	N/A (14%)

\* Writing attainment is teacher-assessed every year

#### Sporting performance

The various sports teams had another very successful year:

- We were awarded the Sportsmark Platinum Award for the first time, having achieved the Gold Award for five consecutive years.
- Our status as an 'Enhanced Healthy School' was re-validated for three years in July 2020.
- Prior to the curtailment of the sporting calendar, the school's sports teams had fared well in the early stages of various competitions and had already qualified for the next round in every sport.
- 82% of children participated in at least one sporting club per week;
- Regular inter-house competitions enabled all children to participate in competitive sport.
- We also took part in more events this year with 90 children being selected to take part in Boot Camp activities, another 12 participating in the Festival of Sport and 25 also taking part in Change for Life activities.
- A further 24 children also took part in the Rising Stars sports events, for children identified to be demonstrating specific talent in sport.

#### Performance in Music

The Academy has had another very successful year in terms of music with a large number of children passing external examinations in a wide range of instruments. Both school choirs continue to flourish and have been singled out for praise. Over 120 children performed as members of the choirs.

#### Community Involvement and Fundraising

The Academy has been working towards The Dementia Friends' Award this year which involved training for staff and children and also several different projects. The Academy was the first in the local area to receive the award which was presented in July 2020.

The Academy has also been actively involved in the Reading Rooms Mayflower 2020 project which culminated in an exhibition in the Reading Rooms which was open to Billericay's residents.

The Academy has strengthened its links with the Billericay Rotary Club and our Rotakids have been heavily involved in a number of community events, such as: the Christmas Market. A strong link has continued with The Ark Day Care Centre for adults with dementia and fundraising activities have accrued a significant amount of money for Little Havens Children's Hospice and Cancer Research UK.

#### On the Facilities front:

- All the downstairs convection heaters were replaced
- Several group rooms, such as the library and Inclusion Manager's Office were decorated
- Grounds work was undertaken, e.g. trees cut back and grass areas re-turfed or seeded

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### *Key non-financial performance indicators*

<b>Academic Indicators</b>	<b>2019/20*</b>	<b>2018/19</b>	<b>2017/18</b>
Standardised progress measure in Maths	N/A	-0.3	+0.6
Standardised progress measure in Reading	N/A	0.0	+0.2
Standardised progress measure in Writing	N/A	+1.4	- 0.5
Attaining/exceeding expected standard in GPS	N/A	89%	88%
Attaining/exceeding expected standard in Reading	N/A	85%	86%
Attaining/exceeding expected standard in Maths	N/A	89%	88%
Attaining/exceeding standard in Reading, Writing & Maths	N/A	79%	77%
Attendance Level (Target 97.7%)	N/A	97.4%	97.4%

\* As there were no SATS the DfE were not able to calculate standardised measures

##### *Key financial performance indicators*

<b>Income KPIs</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
Total Revenue Income Per Pupil	£4,134	£4,206	£4,107
GAG Income per Pupil	£3,260	£3,315	£3,484
GAG Income as a % of Total Revenue Income	79%	86%	85%
<b>Expenditure KPIs</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
Staff Costs as % of Total Revenue Income	86%	77%	79%
Teaching Staff Costs as % of Total Revenue Income	67%	64%	62%
Teaching Staff Costs as % of Total Staff Costs	78%	83%	78%
Total Expenditure as a % of Total Revenue Income (excluding capital costs)	113%	109%	108%
<b>Balance Sheet KPIs</b>	<b>2019-20</b>	<b>Target KPI</b>	
Cash Balances as a % of Total Income	13%	>10%	
Current Assets to Current Liabilities	2.6 times	1.2 – 3.5 times	

##### *Going concern*

After making appropriate enquiries, the Governing Body has a reasonable expectation that the 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 Statement of Accounting Policies.

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### Financial review

###### Source of Funding

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the year ending 31st August 2020 the Academy received £1,646,330 in GAG funding. A high percentage of this funding is spent on wages, salaries and support costs to deliver the Academy's primary objective of the provision of education.

During the year the Trust incurred expenditure (excluding depreciation) of £2,244,069. Excluding restricted fixed assets and the restricted LGPS pension fund liability, the Academy brought forward from 2018/19, £6,440 restricted funds and £251,132 unrestricted funds. The carry forward for 2019/20 is £6,067 restricted funds and £194,606 unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,453,000. This does not mean that an immediate liability for this amount crystallises. Such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Trust is currently making payments as agreed with scheme administrators towards the deficit and it is envisaged that should this amount be increased it will be met from the Academy's budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy.

The total deficit for the year, including revaluation of the defined benefit pension scheme was £397,292.

##### *Reserves policy*

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

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £194,606.

The Academy's Reserves Policy states that non-earmarked reserves equating to 3% of total funds should be held, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. This works out at £5,838.

Deducting the above long-term reserves and non-earmarked reserves leaves £188,768 of free reserves. Governors have earmarked this as follows:

- £30,000 earmarked for contributions to potential capital bids
- £20,000 earmarked for future toilet refurbishments
- £138,768 held for unspecified future use beyond 2020/21

##### *Investment policy*

The Governor's regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

The Academy's investment policy states that funds surplus to the above needs can be placed in an interest-bearing account. This year the Governors have kept £85,000 of the Academy's reserves in a 3-month notice account.

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### *Principal risks and uncertainties*

The Governors assess the principal risks and uncertainties facing the Academy as follows:

- Staff retention: In order to deliver the best quality learning experience for our children it is critical we retain the best staff and continue to keep them motivated and enthusiastic. However, it is not felt that there are any immediate threats in this regard.
- Material decrease in income affecting provision: This has become less likely following changes to the funding formula. The budget for 2020/21 projects an in-year surplus and the medium-term financial plan shows adequate contingency against unwelcome future developments, and the longer term position looks a little brighter.
- Falling rolls: If the number on roll was to fall unexpectedly it could have an adverse impact on the Academy's ability to balance the budget. However, the Academy has traditionally enjoyed a full roll and expects to continue to do so. This year we increased our number to admit from 31 to 32 per class and class sizes across the year-groups are gradually expanding to take up this extra capacity, confirming that demand for places remains strong
- Building repairs: The main buildings have exceeded their originally anticipated useful life and thus may require expected repair and renovation that has not been budgeted for. To date we have been successful with capital bids when such work has been necessary
- Bank balances & investments: There is no significant risk other than an institution ceasing to trade.
- Debtors: There are no material debtors.
- The Academy's credit rating: This is not in jeopardy, though it has no need for credit facilities.
- The Academy's cash flow: This is healthy and long-term financial planning predicts it will remain so.

##### **Fundraising**

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

##### *Plans for future periods*

The Academy will continue striving to improve the levels of performance of its students at all levels. The last Ofsted inspection (full) in November 2019 rated the School as Outstanding in all areas. The School's current self-evaluation (moderated by external feedback) rates the school as 'Outstanding'.

The Governors intend to enhance and expand facilities in pursuance of the Academy's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing needs to allow them full access to the curriculum and that adjustments to learning environments may be required to meet these needs.

## Buttsbury Junior School

### Governors' Report for the Year Ended 31 August 2020 (continued)

#### **Funds held as Custodian Trustee on behalf of others**

The Academy holds, receives, and distributes funds on behalf of the Billericay Community Trust. These funds are held in a separate bank account and the income and expenditure of this Trust are not incorporated into the financial statements of the Academy. Further information can be found in note 25.

#### **Auditor**

Each of the persons who were Governors at the time when this Governors' Report was approved has confirmed that:

- So far as he or she is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- He or she has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish that the Charitable Company's Auditors are aware of that information

#### ***Reappointment of auditor***

The Auditors, Edmund Carr LLP, indicated their willingness to continue in office. The Members will propose a motion reappointing the Auditors at a meeting of the Members.

The governors' report, incorporating a Strategic Report, was approved by the Governing Body on ..... and signed on its behalf by:

.....  
Dr S Lague  
Chair of Governors

# Buttsbury Junior School

## Governance Statement

### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Ann Robinson, 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 Buttsbury Junior School and the Secretary of State for Education. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Breathwick, Vice Chair of Governors	5	5
Mrs S Cheesman	5	5
Mr A Gilbert (appointed 12 December 2019)	2	3
Mrs J Hamilton-Morris	4	5
Mr S Harbrow (resigned 12 October 2019)	2	2
Dr S Lague, Chair of Governors (from 29 September 2020)	5	5
Mr M McGowan, Chair of Governors (resigned 29 September 2020)	4	5
Mr A Mears	5	5
Mrs A Robinson, Headteacher	5	5
Mr L Sheppard, Chair of Finance & Facilities Committee	4	5
Dr S Warhurst	5	5

### Governance reviews

The Governing Body carried out a second self-evaluation this year, following on from the external review we commissioned two years ago. Our evaluation was based on review and analysis of our established Governor Self-Evaluation Form. We continue to focus on governance succession planning and seeking out perceived governance good practice.

Our self-evaluation was supported by the Ofsted inspection last November, which judged leadership and management to be outstanding.

We plan to have an external evaluation in the coming year.

**Buttsbury Junior School**  
**Governance Statement (continued)**

**The Finance, Facilities Management and Audit Committee is a sub-committee of the main Governing Body.** Its purpose is to address financial, facilities and audit matters. In addition to fulfilling its routine responsibility to regularly monitor academy funds and receive the audit report, it addressed the following issues:

- monitoring of potential actions needed to address a forecast deficit identified by the 5yr budget forecast
- reviewing of lettings rates to keep them in line with current market rates
- resolution of issues identified in the termly Internal Control reports received from the Essex County Council Internal Audit service. No significant concerns were raised.
- conducting a tendering exercise for selection of a new auditor, following unsatisfactory performance by our existing auditor in 2019/20

This year we folded the remit of the Audit committee into this committee.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr. A Breathwick	6	6
Mr A Gilbert	2	2
Dr. S Lague	6	6
Mr. M McGowan	6	6
Mr. A Mears	6	6
Mrs A Robinson	6	6
Mr L Sheppard	6	6

## **Buttsbury Junior School**

### **Governance Statement (continued)**

#### **Review of value for money**

As accounting officer, the member 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 maximising the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Throughout each academic year the accounting officer considers whether the trust's use of its resources is providing good value for money (for example by the use of benchmarking data where available), and reports this to the board of trustees, highlighting any opportunities where value for money can be improved.

The accounting officer for the academy trust has ensured delivery of value for money during the year by:

- **Actively seeking alternative providers**

The school reviewed its audit contract this year and went out to tender in the Autumn Term. Competitive tenders were received - the school made the decision to change auditor based on quality of service and also cost.

- **Managing a long term staff sickness (not covered by insurance)**

The school used a non-class based teacher to cover 60% of the staff sickness - this ensured high quality teaching for the children, with a respected member of staff and also delivered significant budgetary savings.

- **Responding pro-actively to the challenges presented by the COVID-19 pandemic**

When the school was required to close for all children other than key workers, this had a huge impact on the school's catering income - it was not viable to keep the kitchen open for just a handful of children. The catering staff could not be furloughed as the school's overall financial position meant that it did not meet the criteria for furlough. In an effort to generate some catering income, the school decided to re-open the kitchen, on 1st June, when the Year 6 children returned. This had a positive impact and meant that the catering account generated a profit overall.

The school also liaised with providers whose services it was unable to use during the lockdown period; as a consequence, most providers agreed there would be no charge to the school.

The school negotiated reduced letting fees for the businesses that operate on the school's premises to reflect the fact that they were unable to operate fully; this meant that the school still managed to generate a small lettings income. Overall, careful management of the budget meant that the COVID-19 pandemic had very little impact on the financial situation of the school.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Buttsbury Junior School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

## Buttsbury Junior School

### Governance Statement (continued)

#### The risk and control framework

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

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

The board of governors has considered the need for a specific internal audit function and has decided to reappoint the Essex County Council internal audit service (now apart of Juniper Education) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

The checks to be performed during the year were agreed with Juniper Education, focusing on the operation of the systems of control and on the discharge of governors' financial responsibilities. The Finance, Facilities Management and Audit Committee discusses the scope of the internal audit work to ensure it fulfils the school's needs.

Biannually, the internal auditor visits the school and produces a report for the Finance, Facilities Management and Audit Committee. The agreed schedule of works was delivered as planned. No material control issues were identified.

#### Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor;
- the financial management and governance self-assessment process
- 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 Finance and General Purposes 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 Governing Body on ..... and signed on its behalf by:

**Buttsbury Junior School**  
**Governance Statement (continued)**

.....  
Dr S Lague  
Chair of Governors

.....  
Mrs A Robinson  
Headteacher & Accounting Officer

## Buttsbury Junior School

### Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of 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 Governing Body and ESFA.

.....  
Ann Robinson, Headteacher  
Accounting officer

Date:.....

## Buttsbury Junior School

### Statement of Governors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the Governing body on ..... and signed on its behalf by:

.....  
Dr S Lague  
Chair of Governors

## **Buttsbury Junior School**

### **Independent Auditor's Report on the Financial Statements to the Members of Buttsbury Junior School**

#### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP and Academies Accounts Direction 2019 to 2020.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

#### **Other information (covers the Reference and Administrative Details, the Governors' Report and Strategic Report and the Governance Statement)**

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's 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.

## **Buttsbury Junior School**

### **Independent Auditor's Report on the Financial Statements to the Members of Buttsbury Junior School (continued)**

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 Strategic Report and Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Governors' Report.

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

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

#### **Responsibilities of Governors**

As explained more fully in the Statement of Governors' Responsibilities [set out on page 18], the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Buttsbury Junior School

### Independent Auditor's Report on the Financial Statements to the Members of Buttsbury Junior School (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the Academy's Governors, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Sandra Morrell (Senior Statutory Auditor)  
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

Date:.....

## **Buttsbury Junior School**

### **Independent Reporting Accountant's Report on Regularity to Buttsbury Junior School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 16 April 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Buttsbury Junior School during the period 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 Buttsbury Junior School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Buttsbury Junior School and the 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 Buttsbury Junior School and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 May 2011 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 from 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meeting of the governing board and other evidence made available to us, relevant to our consideration of regularity.
- Testing a sample of payments and receipts to documentation
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer

#### **Conclusion**

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

**Buttsbury Junior School**

**Independent Reporting Accountant's Report on Regularity to Buttsbury Junior School  
and the Education and Skills Funding Agency (continued)**

.....

Sandra Morrell  
For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

Date:.....

## Buttsbury Junior School

### Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	97,848	9,591	107,439
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,867,643	-	1,867,643
Other trading activities	4	110,919	-	-	110,919
Investments	5	1,760	-	-	1,760
Total		112,679	1,965,491	9,591	2,087,761
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	103,250	2,140,819	121,984	2,366,053
Net income/(expenditure)		9,429	(175,328)	(112,393)	(278,292)
Transfers between funds		(65,955)	65,955	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	-	(119,000)	-	(119,000)
Net movement in deficit		(56,526)	(228,373)	(112,393)	(397,292)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		251,132	(1,218,560)	3,212,520	2,245,092
Total funds/(deficit) carried forward at 31 August 2020		194,606	(1,446,933)	3,100,127	1,847,800

## Buttsbury Junior School

### Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	132,648	28,470	161,118
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	128,340	1,777,837	-	1,906,177
Other trading activities	4	36,518	-	-	36,518
Investments	5	2,475	-	-	2,475
<b>Total</b>		<u>167,333</u>	<u>1,910,485</u>	<u>28,470</u>	<u>2,106,288</u>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>213,712</u>	<u>2,011,422</u>	<u>149,054</u>	<u>2,374,188</u>
Net expenditure		(46,379)	(100,937)	(120,584)	(267,900)
Transfers between funds		-	(9,623)	9,623	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>(174,000)</u>	<u>-</u>	<u>(174,000)</u>
Net movement in deficit		(46,379)	(284,560)	(110,961)	(441,900)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		<u>297,511</u>	<u>(934,000)</u>	<u>3,323,481</u>	<u>2,686,992</u>
Total funds/(deficit) carried forward at 31 August 2019		<u><u>251,132</u></u>	<u><u>(1,218,560)</u></u>	<u><u>3,212,520</u></u>	<u><u>2,245,092</u></u>

**Buttsbury Junior School**  
**(Registration number: 07601846)**  
**Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	3,091,560	3,198,520
<b>Current assets</b>			
Stocks	12	1,238	905
Debtors	13	63,231	46,709
Cash at bank and in hand		<u>280,328</u>	<u>335,634</u>
		344,797	383,248
Creditors: Amounts falling due within one year	14	<u>(132,433)</u>	<u>(107,511)</u>
Net current assets		<u>212,364</u>	<u>275,737</u>
Total assets less current liabilities		3,303,924	3,474,257
Creditors: Amounts falling due after more than one year	15	<u>(3,124)</u>	<u>(4,165)</u>
Net assets excluding pension liability		3,300,800	3,470,092
Pension scheme liability	23	<u>(1,453,000)</u>	<u>(1,225,000)</u>
Net assets including pension liability		<u><u>1,847,800</u></u>	<u><u>2,245,092</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		6,067	6,440
Restricted fixed asset fund		3,100,127	3,212,520
Restricted pension fund		<u>(1,453,000)</u>	<u>(1,225,000)</u>
		1,653,194	1,993,960
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>194,606</u>	<u>251,132</u>
Total funds		<u><u>1,847,800</u></u>	<u><u>2,245,092</u></u>

The financial statements on pages 24 to 48 were approved by the Governors, and authorised for issue on ..... and signed on their behalf by:

.....  
Dr S Lague  
Governor

## Buttsbury Junior School

### Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(42,044)	(55,190)
Cash flows from investing activities	20	<u>(13,262)</u>	<u>(7,148)</u>
Change in cash and cash equivalents in the year		(55,306)	(62,338)
Cash and cash equivalents at 1 September		<u>335,634</u>	<u>397,972</u>
Cash and cash equivalents at 31 August	21	<u><u>280,328</u></u>	<u><u>335,634</u></u>

# Buttsbury Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 1 Accounting policies

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

#### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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.

Buttsbury Junior School meets the definition of a public benefit entity under FRS102.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is no unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 spent on capital projects in line with the terms and conditions of the grant. 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.

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### *Other income*

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### *Interest receivable*

Interest receivable is included in the Statement of Financial Activities on a receivable basis and is stated inclusive of tax related credits.

##### **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.

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £2,500 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, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Land and buildings	19.65 - 50 years
Furniture and fixtures	10 years
Plant and equipment	5 years

##### Liabilities

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

##### Provisions

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

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

##### Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### Financial Instruments

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

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

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

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

##### Stock

Stock generally consists of small items of catering supplies. A full stock count is made at the year end and stock is valued at the lower of cost price or net realisable value.

##### Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### **Pension benefits**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

##### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

##### **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.

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2020. 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.

##### **Agency accounting**

The Academy holds third party funds on behalf of the Billericay Community Trust (BCT). Payments received from the BCT and subsequent disbursements are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds.

#### 2 Donations and capital grants

	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>2019/20 Total £</b>	<b>2018/19 Total £</b>
Educational trips and visits	69,360	-	69,360	92,710
Capital grants	-	9,591	9,591	28,470
Other donations	28,488	-	28,488	39,938
	<u>97,848</u>	<u>9,591</u>	<u>107,439</u>	<u>161,118</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	1,646,330	1,646,330	1,637,509
Other DfE/ESFA grants	155,932	155,932	81,068
	<u>1,802,262</u>	<u>1,802,262</u>	<u>1,718,577</u>
<b>Other government grants</b>			
Local authority grants	65,381	65,381	59,260
<b>Other funding</b>			
Catering income	-	-	128,340
	<u>-</u>	<u>-</u>	<u>128,340</u>
Total grants	<u>1,867,643</u>	<u>1,867,643</u>	<u>1,906,177</u>

#### 4 Other trading activities

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	24,536	24,536	29,075
Catering income	83,717	83,717	-
Income from other charitable activities	2,666	2,666	7,443
	<u>110,919</u>	<u>110,919</u>	<u>36,518</u>

#### 5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	1,760	1,760	2,475
	<u>1,760</u>	<u>1,760</u>	<u>2,475</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 6 Expenditure

	Non Pay Expenditure			2019/20	2018/19
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Academy's educational operations</b>					
Direct costs	1,408,832	-	160,083	1,568,915	1,622,123
Allocated support costs	392,804	270,461	133,873	797,138	752,065
	<u>1,801,636</u>	<u>270,461</u>	<u>293,956</u>	<u>2,366,053</u>	<u>2,374,188</u>

#### Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Depreciation	121,982	134,584
Fees payable to auditor - audit	7,500	4,450
- other audit services	650	4,500
	<u>650</u>	<u>4,500</u>

#### 7 Charitable activities

	2019/20 £	2018/19 £
Direct costs - educational operations	1,568,915	1,622,123
Support costs - educational operations	797,138	752,065
	<u>2,366,053</u>	<u>2,374,188</u>

	Educational operations £	2019/20 Total £	2018/19 Total £
<b>Analysis of support costs</b>			
Support staff costs	392,804	392,804	307,143
Depreciation	121,984	121,984	134,584
Technology costs	3,955	3,955	3,776
Premises costs	148,477	148,477	145,013
Legal costs - other	2,329	2,329	2,683
Other support costs	119,439	119,439	149,866
Governance costs	8,150	8,150	9,000
Total support costs	<u>797,138</u>	<u>797,138</u>	<u>752,065</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 8 Staff

##### Staff costs

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	1,302,641	1,279,492
Social security costs	102,079	96,922
Operating costs of defined benefit pension schemes	392,636	316,723
	<u>1,797,356</u>	<u>1,693,137</u>
Supply staff costs	4,280	2,967
	<u>1,801,636</u>	<u>1,696,104</u>

##### Staff numbers

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

	<b>2019/20</b>	<b>2018/19</b>
	<b>No</b>	<b>No</b>
<b>Charitable Activities</b>		
Teachers	22	20
Administration and support	57	62
Management	2	2
	<u>81</u>	<u>84</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
£70,001 - £80,000	<u>1</u>	<u>1</u>

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £473,317 (2019: £426,791).

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mrs A Robinson (Accounting officer):

Remuneration: £75,000 - £80,000 (2019 - £75,000 - £80,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £10,000 - £15,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £36 (2019 - £Nil) were reimbursed or paid directly to 1 trustees (2019 - 0).

Other related party transactions involving the trustees are set out in note 24.

#### 10 Trustees' and officers' insurance

The academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where the 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 for up to £10,000,000. It is not possible to quantify the trustees and office indemnity element from the overall cost of the RPA scheme.

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2019	3,962,227	100,344	167,327	4,229,898
Additions	<u>-</u>	<u>11,272</u>	<u>3,750</u>	<u>15,022</u>
At 31 August 2020	<u>3,962,227</u>	<u>111,616</u>	<u>171,077</u>	<u>4,244,920</u>
<b>Depreciation</b>				
At 1 September 2019	825,826	62,167	143,385	1,031,378
Charge for the year	<u>103,083</u>	<u>6,654</u>	<u>12,245</u>	<u>121,982</u>
At 31 August 2020	<u>928,909</u>	<u>68,821</u>	<u>155,630</u>	<u>1,153,360</u>
<b>Net book value</b>				
At 31 August 2020	<u>3,033,318</u>	<u>42,795</u>	<u>15,447</u>	<u>3,091,560</u>
At 31 August 2019	<u>3,136,401</u>	<u>38,177</u>	<u>23,942</u>	<u>3,198,520</u>
Freehold land and buildings includes land valued at £1,684,678 which has not been depreciated.				

#### 12 Stock

	2020 £	2019 £
Catering	<u>1,238</u>	<u>905</u>

#### 13 Debtors

	2020 £	2019 £
VAT recoverable	7,058	5,846
Prepayments and accrued income	<u>56,173</u>	<u>40,863</u>
	<u>63,231</u>	<u>46,709</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 14 Creditors: amounts falling due within one year

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	22,751	24,033
Other creditors	39,200	37,575
Accruals	28,181	13,554
Deferred income	42,301	32,349
	132,433	107,511
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>

#### Deferred income

Deferred income at 1 September 2019	32,349	33,912
Resources deferred in the period	42,301	32,349
Amounts released from previous periods	(32,349)	(33,912)
Deferred income at 31 August 2020	42,301	32,349

Deferred income as at the balance sheet date was made up as follows:

Monies received for trips and visits taking place in the 2020/21 academic year £34,225 (2019: £20,424)  
 Catering income received in advanced: £7,764 (2019: £5,108)  
 Lettings income for Autumn term 2020: £Nil (2019: £6,817)  
 Other miscellaneous income received in advance: £312 (2019: £Nil)

#### 15 Creditors: amounts falling due after one year

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salix Loan	3,124	4,165

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,646,330	(1,712,285)	65,955	-
Other DfE and ESFA funding	-	155,932	(155,932)	-	-
Other government grants	-	65,381	(65,381)	-	-
Restricted trip donations	-	69,360	(69,360)	-	-
Other donations	6,440	28,488	(28,861)	-	6,067
	<u>6,440</u>	<u>1,965,491</u>	<u>(2,031,819)</u>	<u>65,955</u>	<u>6,067</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	3,198,520	-	(121,984)	15,022	3,091,558
DfE Group capital grants	14,000	9,591	-	(15,022)	8,569
	<u>3,212,520</u>	<u>9,591</u>	<u>(121,984)</u>	<u>-</u>	<u>3,100,127</u>
<b>Restricted pension funds</b>					
Pension reserve	(1,225,000)	-	(109,000)	(119,000)	(1,453,000)
Total restricted funds	1,993,960	1,975,082	(2,262,803)	(53,045)	1,653,194
<b>Unrestricted funds</b>					
Unrestricted general funds	251,132	112,679	(103,250)	(65,955)	194,606
Total funds	<u>2,245,092</u>	<u>2,087,761</u>	<u>(2,366,053)</u>	<u>(119,000)</u>	<u>1,847,800</u>

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,637,509	(1,627,886)	(9,623)	-
Other DfE and ESFA funding	-	81,068	(81,068)	-	-
Other government grants	-	59,260	(59,260)	-	-
Restricted trip donations	-	92,710	(92,710)	-	-
Other donations	-	39,938	(33,498)	-	6,440
	<u>-</u>	<u>1,910,485</u>	<u>(1,894,422)</u>	<u>(9,623)</u>	<u>6,440</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds (continued)

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	3,323,481	-	(134,584)	9,623	3,198,520
DfE Group capital grants	-	28,470	(14,470)	-	14,000
	<u>3,323,481</u>	<u>28,470</u>	<u>(149,054)</u>	<u>9,623</u>	<u>3,212,520</u>
<b>Restricted pension funds</b>					
Pension reserve	(934,000)	-	(117,000)	(174,000)	(1,225,000)
Total restricted funds	2,389,481	1,938,955	(2,160,476)	(174,000)	1,993,960
<b>Unrestricted funds</b>					
Unrestricted general funds	297,511	167,333	(213,712)	-	251,132
Total funds	<u>2,686,992</u>	<u>2,106,288</u>	<u>(2,374,188)</u>	<u>(174,000)</u>	<u>2,245,092</u>

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

The General Annual Grant (GAG) and other DfE/ESFA grants represent the core funding for the educational activities of the school that has been provided to an academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. The transfer from unrestricted funds is to ensure the restricted fund does not go into deficit.

The pension reserve separately identifies the LGPS deficit fund inherited from the local authority upon conversion to academy status. This fund is where all the pension scheme movements are recognised.

The Other DfE/ESFA fund has been created to recognise the restricted grant funding received from the DfE/ESFA which fall outside the scope of core funding.

The other government grants represents SEN funding received from Essex County Council in order to provide additional teaching resources to children with special educational needs.

Restricted trip donations represents contributions made by parents towards the running costs of trips for the pupil of the academy and associated costs.

Other donations represents small donations received in the year for specific purposes.

The restricted fixed asset fund represents the value of fixed assets held in line with charitable objectives of the academy.

The DfE/ESFA capital grant income is an annual devolved capital grant received to assist the school with funding capital projects. All income has been shown in the SOFA this year and not deferred.

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	3,091,560	3,091,560
Current assets	194,606	137,460	12,731	344,797
Current liabilities	-	(131,393)	(1,040)	(132,433)
Creditors over 1 year	-	-	(3,124)	(3,124)
Pension scheme liability	-	(1,453,000)	-	(1,453,000)
Total net assets	<u>194,606</u>	<u>(1,446,933)</u>	<u>3,100,127</u>	<u>1,847,800</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 17 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,198,520	3,198,520
Current assets	251,132	112,911	19,205	383,248
Current liabilities	-	(106,471)	(1,040)	(107,511)
Creditors over 1 year	-	-	(4,165)	(4,165)
Pension scheme liability	-	(1,225,000)	-	(1,225,000)
Total net assets	251,132	(1,218,560)	3,212,520	2,245,092

#### 18 Commitments under operating leases

##### *Operating leases*

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	4,728	5,674
Amounts due between one and five years	4,052	7,700
	8,780	13,374

#### 19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20 £	2018/19 £
Net expenditure	(278,292)	(267,900)
Depreciation	121,982	134,584
Interest receivable	(1,760)	(2,475)
Increase in stocks	(333)	(210)
Increase in debtors	(16,522)	(3,498)
Increase/(decrease) in creditors	23,881	(28,526)
Pension adjustments	109,000	117,000
Net cash used in Operating Activities	(42,044)	(51,025)

#### 20 Cash flows from investing activities

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 20 Cash flows from investing activities (continued)

	2019/20	2018/19
	£	£
Interest receivable	1,760	2,475
Purchase of tangible fixed assets	<u>(15,022)</u>	<u>(9,623)</u>
Net cash used in investing activities	<u>(13,262)</u>	<u>(7,148)</u>

#### 21 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>280,328</u>	<u>335,634</u>
Total cash and cash equivalents	<u>280,328</u>	<u>335,634</u>

#### 22 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.

#### 23 Pension and similar obligations

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

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

##### Teachers' Pension Scheme

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

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

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

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

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 23 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £186,974 (2019: £129,076).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £119,000 (2019 - £119,000), of which employer's contributions totalled £96,000 (2019 - £95,000) and employees' contributions totalled £23,000 (2019 - £24,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 12.5 per cent for employees.

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

#### Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.90
Inflation assumptions (CPI)	1.50	1.70
RPI increases	2.30	2.70
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 23 Pension and similar obligations (continued)

	<b>2020</b>	<b>2019</b>
<b>Retiring today</b>		
Males retiring today	21.80	21.30
Females retiring today	23.80	23.60
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.20	23.00
Females retiring in 20 years	<u>25.20</u>	<u>25.40</u>
<b>Sensitivity analysis</b>		
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Discount rate +0.1%	2,554.00	2,128.00
Discount rate -0.1%	2,675.00	2,229.00
Mortality assumption – 1 year increase	2,713.00	2,094.00
Mortality assumption – 1 year decrease	2,519.00	2,265.00
CPI rate +0.1%	2,621.00	2,184.00
CPI rate -0.1%	<u>2,607.00</u>	<u>2,172.00</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Equities	719,000	601,000
Gilts	50,000	52,000
Corporate bonds	65,000	54,000
Property	90,000	76,000
Cash and other liquid assets	32,000	28,000
Asset backed securities	135,000	93,000
Other	<u>70,000</u>	<u>49,000</u>
Total market value of assets	<u>1,161,000</u>	<u>953,000</u>

The actual return on scheme assets was £27,000 (2019 - £70,000).

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 23 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Current service cost	(183,000)	(162,000)
Past service cost	-	(26,000)
Interest income	19,000	22,000
Interest cost	(40,000)	(46,000)
Admin expenses	(1,000)	-
	<u>(205,000)</u>	<u>(212,000)</u>

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

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
At start of period	2,178,000	1,729,000
Current service cost	183,000	162,000
Interest cost	40,000	46,000
Employee contributions	23,000	24,000
Actuarial (gain)/loss	204,000	222,000
Benefits paid	(14,000)	(31,000)
Past service cost	-	26,000
	<u>2,614,000</u>	<u>2,178,000</u>

##### Changes in the fair value of academy's share of scheme assets:

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
At start of period	953,000	795,000
Interest income	19,000	22,000
Actuarial gain/(loss)	84,000	48,000
Employer contributions	96,000	95,000
Employee contributions	23,000	24,000
Benefits paid	(14,000)	(31,000)
	<u>1,161,000</u>	<u>953,000</u>

## Buttsbury Junior School

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 24 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 the trustees have 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.

During the year, income of £375 (2019: £1,687) was received from and expenses of £2,228 (2019: £1,895) were paid to Billericay Community Trust, a charity of which Mr S Kew is the Chair of trustees and Mr A Mears is a trustee. Expenses related to an annual subscription fee and t-shirts purchased.

During the year, donations of £22,673 (2019: £22,490) were received from the Buttsbury Junior School Friends Association, a charity of which Mrs A Robinson is a trustee.

#### 25 Agency arrangements

The Academy holds funds on behalf of the Billericay Community Trust, a third party. In the accounting period ending 31 August 2020 the academy trust received £15,714 (2019: £92,688) and disbursed £14,089 (2019: £88,038) from the fund. An amount of £38,160 (2019: £36,535) is included in other creditors relating to undistributed funds that is repayable to Billericay community Trust.