

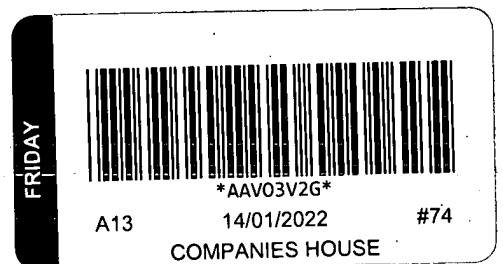
Company Registration Number: 08164849 (England & Wales)

GRASVENOR AVENUE INFANT SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditors' report on the financial statements	16 - 19
Independent reporting accountant's report on regularity	20 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24 - 25
Statement of cash flows	26
Notes to the financial statements	27 - 50

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P De Naeyer Mr N Ruckman Mrs J Zimaras
Trustees	Mr I Phillips, Chair of Trustees (appointed 6 July 2021) Mr S Dixon (appointed 6 July 2021) Ms K Devin (appointed 6 May 2021) Ms L Drew (appointed 10 November 2021) Ms J Porter (resigned 6 May 2021) Ms J Chakraborty, Co Headteacher & Accounting Officer (resigned 31 August 2021) Mrs J Zimaras, Chair (resigned 1 September 2020) Ms L Ridley, Chair of Governors (resigned 1 September 2020) Mr N Wolfe (resigned 14 September 2021) Mr P De Naeyer, Interim Chair (resigned 14 September 2021)
Company registered number	08164849
Company name	Grasvenor Avenue Infant School
Principal and registered office	Grasvenor Avenue Barnet Hertfordshire EN5 2BY
Senior management team	Ms E Watson, Headteacher (appointed 1 September 2021) Ms J Chakraborty, Co-Headteacher (Resigned 31 August 2021) Ms SJ Morton, Co-Headteacher (Resigned 31 August 2021)
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors 2 London Wall Place London EC2Y 5AU
Bankers	Lloyds Bank Plc 39 Threadneedle Street London EC2R 8AU

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year / period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 4 to 7 serving a catchment area in Barnet. It has a pupil capacity of 90 and had a roll of 66 in the school census in October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Grasvenor Avenue Infant School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Grasvenor Avenue Infant School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 3.

Members' Liability

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

Trustees' Indemnities

In line with normal commercial practice, Grasvenor Avenue Infant School insures its trustees against errors through the DfE Risk Protection Arrangement (RPA), negligent acts or omissions relating to their work for the Grasvenor Avenue Infant School for up to £10m on any single claim.

Method of Recruitment and Appointment or Election of Trustees

Over the period of these accounts, four new Trustees have been recruited to the Grasvenor Avenue Infant School Trust Board. These have been recruited either through the Local Governance, recommendation sought from the Local Authority or through organisations supporting the school during the year.

Policies and Procedures Adopted for the Induction and Training of Trustees

Due to the nature of the role, induction has included a tour of the school, meeting senior school leaders and working with more established Trustees, so they can be mentored in the role. All Trustees have changed this year, so induction has been carried out as a collective for the Board.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

Organisational Structure

The trustees set the strategic policy direction of the trust and approve the School Development Plan for the academic year that the Headteacher works to. The board also sets annual budgets and takes high-level decisions across the school, including senior staff appointments.

The board approved a Scheme of Delegation which sets out the responsibilities that are retained by the board, or delegated to the accounting officer (Headteacher) and Local Advisory Board.

Arrangements for setting pay and remuneration of key management personnel

Gravenor Avenue Infant School's Pay Policy is in line with the national pay and condition salary scales. School staff are performance managed against the Performance Management Policy. Pay awards are approved by Trustees at the time of setting the budget for the next academic year.

Trade union facility time

There were no employee trade union officials during the year. £155 was spent on union facility time through Barnet Traded Services.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Zero	29

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	29
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£155.01 (through Barnet Traded Services)
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
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GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

Related Parties and other Connected Charities and Organisations

There are no related party transactions to declare.

Engagement with employees (including disabled persons)

Grasvenor Avenue Infant School focuses on all employees being active players in the success of all schools, through engagement in the vision, ethos, strategic plan, and terms of employment, through:

- Staff consultations: directly on any proposed changes to their terms and conditions, along with any employment policy changes being proposed by the Board
- School Development Plan is an annual strategic document, where all staff are actively engaged in its development for the academic year. This is the plans for driving all schools forward
- Training: offered for safeguarding, five INSET days a year for staff
- Staff meetings: weekly meeting attended by all staff to update and share best practice
- Weekly Newsletter aimed at parents and staff that outlines the successes and future direction of the school

Engagement with suppliers, customers and others in a business relationship with a trust

Grasvenor Avenue Infant School meets regularly with all of its principal suppliers in the spirit of cooperation and mutual interest.

School work with suppliers on day to day delivery of services and has a contract register of high value contract suppliers.

As a small school, Grasvenor Avenue Infant School works very closely with parents and pupils, regularly gaining feedback on the education provision our schools are offering. This is often the most focussed and informative feedback from school. For Parents we:

- Schools conduct termly parents evenings that includes an opportunity to gain parental feedback;
- A comprehensive annual parent's surveys cover 36 questions with outcomes and actions feedback;
- Weekly newsletters from the school; and
- During the COVID-19 pandemic, we conducted additional surveys for the engagement of pupils during the lockdown and their feedback for the quality of educational provision.

Trustees know the parent community well and work with them, having their best interest at heart.

OBJECTIVES AND ACTIVITIES

To advance for the public benefit education in the United Kingdom by maintaining and managing the school by offering a broad and balanced curriculum. Grasvenor Avenue Infant School is focused to deliver high quality education provision.

Objects and Aims

To deliver a highly effective, inclusive and relevant curriculum to its community for pupils of all abilities between the ages of 4 to 7 years' old.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

Objectives, Strategies and Activities

The key areas of focus area across the trust in 2020/21 were:

- School Improvement Plan (SIP) 2020/21 – implement the SIP which builds on the strengths of the school and addresses areas of development, monitored through the school review cycle.
- To ensure every child receives the same high quality education in terms of resources, tuition and care equally.
- To comply with the appropriate statutory and curriculum requirements.
- Determine the long-term future of the school, preferably through joining a larger multi academy trust.

Public Benefit

The trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers of duty. They have referred to this guidance when reviewing Grasvenor's aims and objectives and in planning its future activities.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and Performance

The Trust continued to build on the educational successes across the school, especially in COVID times. The school maintained viable pupil numbers, which is important due to our comparatively low capacity.

With the school working well with pupils across the three classes, a focus on Trustees was to seek a multi academy trust for the school to join, ideally in September 2021. A Trust had agreed to work with Grasvenor in principle and worked with the school closely from January, particularly around financial and educational support.

In April 2021, the Trust Grasvenor was due to join withdrew from the conversion process. This put the school in a very challenging position and it was at this time too, the DfE issued the Trustees with a Financial Notice to Improve. This covered governance and work on bad debt that the school was struggling with.

With no Trust to join and budgets looking challenging, especially with the closure of the Grasvenor Project that had sustained the school for the past 8 years, Trustees took the difficult decision to explore the option to close the school and Trust. This application was made to the DfE in early May 2021 and was accepted by the DfE minister in July 2021.

The DfE has been working with the school since to support it through this challenging time and has appointed a strong multi academy trust to add support to the school and any closure process that may take place in 2021/22.

The application for closure is continuing, with a final decision expected in spring of 2022, following a listening period, before a final decision is made.

Trustees are supporting this process and working hard to ensure the leaders and staff at the school have everything they need to continue the work of the school and ensure pupils are safe and have a high level of education at this time.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

Since the announcement to consider the option for closure, confidence in the school has remained strong, with pupil numbers the best in Reception for many years and remaining stable in the other two classes.

COVID has had a significant impact on the work the school has previously done through the Grasvenor Project and work has now ceased in this area due to the pandemic. This has had a significant impact on the financial outlook of the school, with healthy reserves having been depleted during the pandemic.

Cash flow over the year became a challenge too, with a major debtor not paying, an application was made to the ESFA for a GAG Advance.

Key Performance Indicators

The Trust uses several key performance indicators to monitor the financial success of the Academy Trust and progress against targets.

COVID-19 Impact

The academic year began after the disruption of the previous few months of a lockdown and then phased return of schools. Grasvenor Avenue Infant School managed this transition well, all returning by June 2020 and by September, pupils had been in school for at least four weeks in the previous term.

The new academic year started strongly, though the COVID policy was that classes were kept in separate groups or bubbles, with a positive infection meaning that all pupils and staff in that class were sent home for 10 days of self-isolation. Like all schools, lockdown in January 2020 transitioned all learning on line with pupils returning on 8 March 2021. Since this time, while the COVID risk assessment focusses on keeping pupils safe, focus is also on pupils filling gaps in knowledge and skills.

Pupil Achievement

As all national assessments were cancelled during to the pandemic in 2020/21, Key Stage One SATs were not conducted. Pupils continued to engage well in line with teacher assessment of pupils' progress.

In Reception, 53% of pupils achieved a Good Level of Development, which has been impacted by COVID, otherwise would have been much stronger. 68% pupil in Reception had English as an Additional Language, so did not do well in terms of their writing and speaking development across the year, missing so much school.

75% of pupils did pass their phonics assessment, which was really positive with great support from parents, as encouraged by the school, to read at home.

Interventions such as the NELI programme were introduced to support Language development, but due to staffing issues they were not completed. The reception baseline data, showed the impact that Covid had on the outcomes for Personal, Social and Emotional development for the children.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

At the year end, the Trust has had a GAG advance of £50,000 from DfE and has had a Financial Notice to Improve in place since May 2021. The advance is expected to be repaid shortly, and an application to remove the Financial Notice to Improve is underway. However, the viability of a one form entry Infant School has continued to be challenged.

At the date of this report, a consultation is still in progress for the proposed closure of Grasvenor Avenue Infant School at 31 August 2022. The only alternative to closure would be the integration of Grasvenor Avenue Infants into another Multi Academy Trust, but there are no discussions being pursued. It is therefore the view of the Trustees that the going concern status of the Trust is not considered appropriate. Therefore, the financial statements have been prepared on a basis other than going concern. Further details regarding this can be found in the Statement of Accounting Policies at note 2.2 of the financial statements.

Promoting the success of the company

We are committed to effective engagement with all our parents, staff, pupils and the local community for the area our school serve. The Grasvenor Board is mindful that its success depends on its ability to engage effectively, work together constructively, and to take views into account constructively.

The school leader undertook an assessment during the year to map the current engagement activities between the Board of Trustees and its key stakeholders, the ways the Directors meet their obligations under the 2018 Code and their new reporting obligations under the Companies Act 2006.

The assessment demonstrated that the Board engages with key stakeholders by various means and addresses matters which concern them. This has been further adapted, reviewed and continued where possible, in line with COVID restrictions (i.e. parental and staff surveys are all on-line).

The Board also considered proposed enhancements intended to ensure that the voice and interests of key stakeholders are brought to the fore during Board discussions. These included:

- Board papers including the interests of our key stakeholders in the topic under discussion;
- clearly demonstrating how recommendations for decisions put forward to the Board have taken stakeholder interests;
- adding success criteria for decisions which the Board is required to make and providing sufficient time for appropriate check points for review; and
- Re-establishing trustees visits, to meet first hand, key stakeholders on a regular basis.

Parents & pupils

- Regular school newsletters from the school updating on progress and performance of the school;
- Pupil reports and parents' evenings, along with information regular contact with parents outlining pupil progress and next steps in their educational development; and
- Annual parents' surveys with 40 questions that comprehensively covers the school life, giving ample opportunity to feedback to all aspects of school life.

Staff

- Weekly staff meetings, with briefing and training opportunities by the Headteacher; and
- Annual staff survey giving staff opportunity to comment and suggest areas for improvement across the school.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

Trustees and Local Advisers

- Governance meetings, held at least four times a year to discuss high level decision and strategy direction;
- Feedback on meetings held with the DfE's Regional Schools Commissioner and their team; and
- Visits to schools on a regular basis, seeing first-hand the successes and plans for development.

Local community

- Summer and winter events, with community engagement always sought; and
- Trustees are 50% made up of local community representatives.

The Board takes a variety of views when assessing the strength of the organisation and strives to be a reflective and open organisation, for the success of the children we serve.

FINANCIAL REVIEW

The majority of the income came from the Department for Education (DfE) as recurrent grants for educational purposes. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

This has been a challenging financial year and while the provision of education continues, financial viability is the utmost concern of trustees for the long term future of the school.

As mentioned, COVID has had a significant impact in the reserves for the Grasvenor Project that has financially supported the school for a number of years now.

With these reserves dissipated, trustees have taken the decision to consider the future viability of the school. This application has been made to the DfE, with their approval processes now underway. If this proposal for closure does go ahead, it is expected the school will close at the end of the 2021/22 academic year.

Reserves Policy

Reserves have been significantly impacted due to the COVID pandemic and a GAG advance from the ESFA was successfully applied for in spring 2021.

At 31 August 2021 the total funds of £2,058,847 comprised:

Reserves carried forward include £2,580,665 relating to the restricted fixed asset fund, a deficit of £578,000 in relation to the pension fund and a surplus of £2,465 in the general restricted fund. Unrestricted funds have reserves to carry forward of £53,717.

Reserves are intended to ensure that the school is equipped and can meet its aims.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent 16 days of Academy annual expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements to at least 30 days.

Unrestricted		£53,717
Restricted:	Fixed asset funds	£2,580,665
	Pension reserve	£(578,000)
	Other	£2,465
		<u>£2,058,847</u>

Investment Policy

The Investment Policy sets out agreed areas of low risk investments to be considered in order to potentially generate a small income for the trust. This policy is annually reviews and remains unchanged.

This policy for investment will cover all of the following criteria:

1. We are risk averse to preserve the principal sum.
2. We forecast cash on a short and long term basis to identify level of funds available for investment.
3. We ensure that sufficient funds are available to deal with day to day requirements and that a contingency of £500K is built in before funds are placed for more than one month.
4. We identify a range of instruments which can be invested in.
5. We restrict investment to sterling based products and allow no foreign exchange risks.

The responsibility for the identification and placement within the policy lies with the Chief Finance Officer, who in turn, must gain approval from trustees before any investment can be made.

No investments have been made in this financial year and any investment proposals will be reported to the board ahead of being made.

Principal Risks and Uncertainties

The principal risk for Grasvenor Avenue Infant School is its financial viability to operate beyond 2021/22 academic year.

Consideration is being given to the viability of the of school and therefore the academy trust. This is reported in the Strategic Report (page 8).

FUNDRAISING

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the senior leaders, on behalf of trustees.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

PLANS FOR FUTURE PERIODS

The trustees continue to monitor the School Development Plan, which sets out their ambitions and plans for the academic year. This sets out priorities for development, to ensure the support is provided to teachers and support staff and sets overarching targets in areas like attainment and pupil attendance within a realistic delivery programme. This strategic plan is reviewed annually.

The potential closure at 31 August 2022 is addressed in note 2.2 of the financial statements.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No assets of funds are held as custodian on behalf of others.

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, and signed on the board's behalf by:



.....
Ian Phillips
Chair of Trustees

Date: 20 December 2021

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF RESPONSIBILITY

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

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

The board of trustees has delegated the day-to-day responsibility to the Eve Watson 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 Grasvenor Avenue Infant School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ian Phillips (Chair) (appointed 6 July 2021)	2	2
Stuart Dixon (appointed 6 July 2021)	2	2
Karen Devin (appointed 6 May 2021)	3	3
Peter De Naeyer (resigned on 14 September 2021)	4	4
Joanne Porter (resigned on 6 May 2021)	0	1
Nicholas Wolfe (resigned on 14 September 2021)	4	4
Mr L Drew (appointed on 10 November 2021)	0	0
Ms J Porter (resigned on 6 May 2021)	0	1
Ms J Chakraborty (resigned on 31 December 2021)	4	4

There were not six Board meetings in the year, as is recommended in the Academies Financial Handbook. The Trustees have planned to meet for at least 6 times across the academic year 2021/22 and to regularly review the monthly management accounts.

Governance review

Trustees reviewed the governance structure at the first meeting of the year in September 2021 and decided to maintain the current structure after a number of changes of trustees and developments in previous years.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

REVIEW OF VALUE FOR MONEY

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

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

- Clear procurement policies are in place to ensure that all purchases are subject to value for money tests, estimates or if above £50,000, full tender.
- The admin team continues to look at spend across the school and identified where good practice is occurring and reducing area of high spend which is not consistent.
- Pupil Premium funding has been allocated to optimum effect, that was a focus for the SIP Review, ensuring plans for the school were robust, supported pupil premium children to close the gap, stretched the most-able pupil premium children and was published on the school's web site.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Grasvenor Avenue Infant School for the period 1 September 2021 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has decided:

- not to appoint an internal auditor in 2021/22, but to continue to utilise the volunteer services of an independent reviewer. It is noted that the Financial Notice to Improve includes a requirement for a governance review from an independent reviewer and it is anticipated that further reviews will be required.

No checks were carried out in the year to 31 August 2021.

REVIEW OF EFFECTIVENESS

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

- the work of the outsourced SBL provider and quality assurance from another Academy Trust
- 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees and signed on its behalf by:



Ian Phillips
Chair of Trustees

Date: 20 December 2021



Eve Watson
Accounting Officer

Date: 20 December 2021

GRASVENOR AVENUE INFANT SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Grasvenor Avenue Infant School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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

Matter One - Delivering Internal Scrutiny

During the year, the Academy Trust failed to comply with section 3.17 of the Academies Financial Handbook in respect of internal scrutiny, as there was no internal scrutiny undertaken within the year. Sections 3.22 and 3.23 relating to reporting and transparency were also breached, as there were no reports to be considered by the trustees.

Matter Two - Provision of information and Register of interests - Business and pecuniary interest

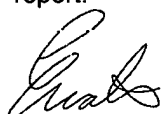
During the year the Academy Trust failed to comply with section 5.44 and 5.45 of the Academies Financial Handbook in respect of obtaining up to date information and maintaining the register of interests of members, trustees and employees. The Academy Trust did not comply with section 2.50 of the Academies Financial Handbook as the dates of appointment of certain members and their business and relevant pecuniary interests were not disclosed on the Trust website, and trustees' information was not up to date. The Academy Trust did not comply with Section 2.54 in relation to notification to ESFA of changes to governance information.

Matter Three - Board meetings

During the year the Academy Trust failed to comply with section 2.3 of the Academies Financial Handbook in respect of Board meetings in that there were no meetings between October 2020 and March 2021 and no record of how the academy had maintained oversight of funds with fewer meetings.

Matter Four - Monitoring the budget – Management Accounts

During the year the Academy Trust failed to comply with sections 2.18-2.21 of the Academies Financial Handbook in respect of management accounts and their distribution. Monthly management accounts were prepared but were not distributed to trustees during the year ended 31 August 2021. The monthly management accounts did not include the required components of an income and expenditure account or variation to budget report.



Ms E Watson
Accounting Officer

Date: 20 December 2021

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

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

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

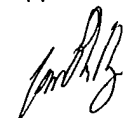
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr I Phillips
Chair of Trustees

Date: 20 December 2021

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GRASVENOR AVENUE INFANT SCHOOL**

Opinion

We have audited the financial statements of Grasvenor Avenue Infant School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 2.2 in the financial statements, which explains that the Trustees intend to liquidate the company in due course, following the possible closure of the Academy on 31 August 2022. The Trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.2. Our opinion is not modified in respect of this matter.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GRASVENOR AVENUE INFANT SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GRASVENOR AVENUE INFANT SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

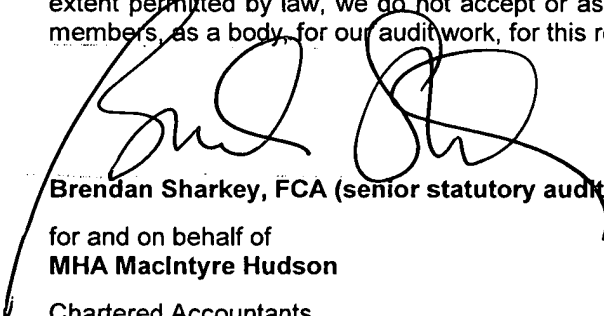
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GRASVENOR AVENUE INFANT SCHOOL (CONTINUED)**

Use of our report

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



Brendan Sharkey, FCA (senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

London

Date: 22 December 2021

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRASVENOR AVENUE INFANT SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Grasvenor Avenue Infant School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Grasvenor Avenue Infant School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Grasvenor Avenue Infant School's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRASVENOR AVENUE INFANT SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRASVENOR AVENUE INFANT SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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

Matter One - Delivering Internal Scrutiny

During the year, the Academy Trust failed to comply with section 3.17 of the Academies Financial Handbook in respect of internal scrutiny, as there was no internal scrutiny undertaken within the year. Sections 3.22 and 3.23 relating to reporting and transparency were also breached, as there were no reports to be considered by the trustees.

Matter Two - Provision of information and Register of interests - Business and pecuniary interest

During the year the Academy Trust failed to comply with section 5.44 and 5.45 of the Academies Financial Handbook in respect of obtaining up to date information and maintaining the register of interests of members, trustees and employees. The Academy Trust did not comply with section 2.50 of the Academies Financial Handbook as the dates of appointment of certain members and their business and relevant pecuniary interests were not disclosed on the Trust website, and trustees' information was not up to date. The Academy Trust did not comply with Section 2.54 in relation to notification to ESFA of changes to governance information.

Matter Three - Board meetings

During the year the Academy Trust failed to comply with section 2.3 of the Academies Financial Handbook in respect of Board meetings in that there were no meetings between October 2020 and March 2021 and no record of how the academy had maintained oversight of funds with fewer meetings.

Matter Four - Monitoring the budget – Management Accounts

During the year the Academy Trust failed to comply with sections 2.18-2.21 of the Academies Financial Handbook in respect of management accounts and their distribution. Monthly management accounts were prepared but were not distributed to trustees during the year ended 31 August 2021. The monthly management accounts did not include the required components of an income and expenditure account or variation to budget report.



Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

London

Date: 22 December 2021

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	947	-	4,900	5,847	8,640
Charitable activities	5	-	564,706	-	564,706	788,870
Other trading activities	6	1,776	8,402	-	10,178	37,717
Investments	7	7	-	-	7	39
Total income		2,730	573,108	4,900	580,738	835,266
Expenditure on:						
Charitable activities	8	904	739,173	20,434	760,511	945,180
Total expenditure		904	739,173	20,434	760,511	945,180
Net movement in funds before other recognised gains/(losses)		1,826	(166,065)	(15,534)	(179,773)	(109,914)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(107,000)	-	(107,000)	167,000
Net movement in funds		1,826	(273,065)	(15,534)	(286,773)	57,086
Reconciliation of funds:						
Total funds brought forward		51,891	(302,470)	2,596,199	2,345,620	2,288,534
Net movement in funds		1,826	(273,065)	(15,534)	(286,773)	57,086
Total funds carried forward		53,717	(575,535)	2,580,665	2,058,847	2,345,620

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 50 form part of these financial statements.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08164849

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,560,066	2,580,500
		<u>2,560,066</u>	<u>2,580,500</u>
Current assets			
Debtors	15	140,178	223,347
Cash at bank and in hand	21	38,434	26,549
		<u>178,612</u>	<u>249,896</u>
Creditors: amounts falling due within one year	16	(101,831)	(65,776)
Net current assets		<u>76,781</u>	<u>184,120</u>
Total assets less current liabilities		<u>2,636,847</u>	<u>2,764,620</u>
Net assets excluding pension liability		<u>2,636,847</u>	<u>2,764,620</u>
Defined benefit pension scheme liability	24	(578,000)	(419,000)
Total net assets		<u><u>2,058,847</u></u>	<u><u>2,345,620</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	2,580,665	2,596,199
Restricted income funds	17	2,465	116,530
		<u>2,583,130</u>	<u>2,712,729</u>
Restricted funds excluding pension asset	17	2,583,130	2,712,729
Pension reserve	17	(578,000)	(419,000)
Total restricted funds	17	<u>2,005,130</u>	<u>2,293,729</u>
Unrestricted income funds	17	<u>53,717</u>	<u>51,891</u>
Total funds		<u><u>2,058,847</u></u>	<u><u>2,345,620</u></u>

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08164849

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 23 to 50 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr I Phillips
Chair of Trustees



Ms E Watson
Accounting Officer

Date: 20 December 2021

The notes on pages 27 to 50 form part of these financial statements.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	6,978	(63,025)
Cash flows from investing activities	20	4,907	5,052
Change in cash and cash equivalents in the year		11,885	(57,973)
Cash and cash equivalents at the beginning of the year		26,549	84,522
Cash and cash equivalents at the end of the year	21, 22	<u>38,434</u>	<u>26,549</u>

The notes on pages 27 to 50 form part of these financial statements

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

1. General information

Grasvenor Avenue Infant School is a charitable company limited by guarantee. The Academy is incorporated in England and Wales. Its registered office is Grasvenor Avenue, Barnet, Hertfordshire, EN5 2BY.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Grasvenor Avenue Infant School meets the definition of a public benefit entity under FRS 102.

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

The financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees note that the charitable company is likely to cease activity as at 31 August 2022 and the assets will be transferred back to the local authority, with the liquidation of the company in due course. The financial statements have therefore been prepared on a basis other than going concern. With an orderly transfer of the assets and the meeting of the liabilities of the Academy Trust, it is anticipated that liabilities will be settled in full and debtors recovered as they fall due. Accordingly, no restatement of assets and liabilities is expected to be required at 31 August 2022.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Taxation

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

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

2.6 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, as follows:

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold property	- 2% straight line basis
Furniture and fixtures	- 20% straight line basis
Computer equipment	- 33.33% straight line basis
Leasehold land	- Not depreciated

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.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

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

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.11 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

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

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

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

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

2.13 Fund accounting

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

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

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

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values for the assets. The useful economics lives and residual values are reassessed annually. See note 14 for the carrying amount of the tangible fixed assets and note 2.6 for the useful economic life of each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	947	-	947	3,627
Capital Grants	-	4,900	4,900	5,013
Total 2021	947	4,900	5,847	8,640
Total 2020	3,627	5,013	8,640	

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

5. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	451,920	451,920	448,022
Other DfE/ESFA grants:			
Pupil premium	32,577	32,577	28,709
Other DfE/ESFA grants	26,270	26,270	17,690
Teachers' Pay grant	5,175	5,175	5,175
Teachers' Pension grant	14,621	14,621	14,621
UFSM	16,228	16,228	21,195
	<hr/> 546,791	<hr/> 546,791	<hr/> 535,412
Other government grants			
Local authority grants	5,880	5,880	-
SEN allocation	6,315	6,315	30,649
	<hr/> 12,195	<hr/> 12,195	<hr/> 30,649
Other funding	200	200	215,962
COVID-19 additional funding (DfE/ESFA)			
Catch-Up Premium	5,520	5,520	-
	<hr/> 5,520	<hr/> 5,520	<hr/> -
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	-	6,847
	<hr/> -	<hr/> -	<hr/> 6,847
Total 2021	<hr/> <hr/> 564,706	<hr/> <hr/> 564,706	<hr/> <hr/> 788,870
<i>Total 2020</i>	<hr/> <hr/> 788,870	<hr/> <hr/> 788,870	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy's funding for Universal Infant Free School Meals and Teachers' Pay/Pension Grant is no longer reported under the Other DfE/ESFA Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy received £5,520 of funding for Catch-Up Premium and costs incurred in respect of this funding totalled £5,520. All of this funding was utilised in the current year with no amount remaining to be spent in 2021/22.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

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

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received for coronavirus exceptional support covers £Nil (2020 - £6,847) of reclaimed costs, shown above under "COVID-19 additional funding (non-DfE/ESFA)". These costs are included in notes 7 and 8 below as appropriate.

The Grasvenor project is an external outreach service which Grasvenor provide to children who are at risk of underachieving at school.

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

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School clubs	-	5,107	5,107	11,675
Other income	1,776	3,295	5,071	24,886
Professional services to other schools	-	-	-	1,156
Total 2021	1,776	8,402	10,178	37,717
Total 2020	6,004	31,713	37,717	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	7	7	39
Total 2020	39	39	

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Academy's Educational operations					
Direct costs	434,197	20,434	8,560	463,191	572,774
Support costs	157,770	10,202	129,348	297,320	372,406
	<u>591,967</u>	<u>30,636</u>	<u>137,908</u>	<u>760,511</u>	<u>945,180</u>
<i>Total 2020</i>	<u>699,911</u>	<u>32,400</u>	<u>212,869</u>	<u>945,180</u>	

Of the total expenditure of £760,511 (2020 - £945,180), £904 (2020 - £1,318) was from unrestricted funds, £739,173 (2020 - £923,832) was from restricted funds and £20,434 (2020 - £20,030) was from restricted fixed asset funds.

9. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	463,191	297,320	760,511	945,180
<i>Total 2020</i>	<u>572,774</u>	<u>372,406</u>	<u>945,180</u>	

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	157,770	157,770	197,618
Maintenance of premises and equipment	10,202	10,202	12,370
Cleaning	2,432	2,432	2,652
Bank charges	117	117	110
Energy	5,584	5,584	5,410
Insurance	1,947	1,947	3,324
Catering	24,480	24,480	30,389
Other occupancy costs	36,582	36,582	46,390
Other support costs	40,456	40,456	64,193
Governance costs	17,750	17,750	9,950
Total 2021	<u>297,320</u>	<u>297,320</u>	<u>372,406</u>
<i>Total 2020</i>	<u>372,406</u>	<u>372,406</u>	

Grasvenor Avenue Infant School is a MAT. Grasvenor Avenue Infant School is the only academy in the MAT and there are no central service charges to disclose.

10. Net expenditure

Net expenditure for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	-	140
Depreciation of tangible fixed assets	20,434	20,030
Fees paid to auditors for:		
- audit	10,250	5,700
- other services	7,500	4,250

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	401,799	387,164
Social security costs	35,508	36,728
Pension costs	141,684	149,814
	<u>578,991</u>	<u>573,706</u>
Agency staff	6,558	39,547
Project staff	6,418	86,658
	<u>591,967</u>	<u>699,911</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	4	4
Administration and support	12	17
Management	2	1
	<u>18</u>	<u>22</u>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. Key management personnel

The key management personnel of the Academy 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 was £148,116 (2020 £136,141).

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

12. Trustees' remuneration and expenses

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

		2021 £	2020 £
Ms J Chakraborty, Co Headteacher & Accounting Officer (resigned 31 August 2021)	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2021, 4 Trustees (2020 - 3) received reimbursed travel and other expenses totalling £338 (2020 - £814).

13. Trustees' and Officers' insurance

The Academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000 (2020 - £10,000,000). It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

14. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	2,719,738	12,729	17,876	2,750,343
At 31 August 2021	2,719,738	12,729	17,876	2,750,343
Depreciation				
At 1 September 2020	142,145	9,822	17,876	169,843
Charge for the year	18,435	1,999	-	20,434
At 31 August 2021	160,580	11,821	17,876	190,277
Net book value				
At 31 August 2021	2,559,158	908	-	2,560,066
At 31 August 2020	2,577,593	2,907	-	2,580,500

Included in leasehold property is land at a valuation of £1,798,000 (2020 - £1,798,000) which is not depreciated. The leasehold property was valued on conversion to academy status in 2012 by chartered surveyors using the depreciated replacement cost method. The trustees consider that this valuation remains appropriate at 31 August 2021.

The leasehold land and buildings are owned by London Borough of Barnet. Grasvenor Avenue Infant School has a 125 year leasehold from 1 September 2012 with no rent payable.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	117,808	161,864
VAT recoverable	3,990	2,796
Prepayments and accrued income	18,380	58,687
	<u>140,178</u>	<u>223,347</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	7,084	11,595
Other taxation and social security	8,062	7,996
Accruals and deferred income	86,685	46,185
	<u>101,831</u>	<u>65,776</u>

	2021 £	2020 £
Deferred income at 1 September 2020	12,579	15,116
Resources deferred during the year	59,467	12,579
Amounts released from previous periods	(12,579)	(15,116)
	<u>59,467</u>	<u>12,579</u>

At the balance sheet date the Academy Trust was holding funds received in advance from free infant school meals of £9,467 (2020 - £12,579) and Advanced GAG Funding of £50,000 (2020 - £Nil).

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	51,891	2,730	(904)	-	-	53,717
Restricted general funds						
General Annual Grant (GAG)	-	451,920	(562,027)	110,107	-	-
Other DfE/ESFA grants	12,267	58,847	(36,915)	(31,734)	-	2,465
Other restricted funds	104,263	20,797	(46,687)	(78,373)	-	-
Teachers' Pay Grant	-	5,175	(5,175)	-	-	-
Teachers' Pension Grant	-	14,621	(14,621)	-	-	-
UFSM	-	16,228	(16,228)	-	-	-
Catch-Up Premium	-	5,520	(5,520)	-	-	-
Pension reserve	(419,000)	-	(52,000)	-	(107,000)	(578,000)
	(302,470)	573,108	(739,173)	-	(107,000)	(575,535)

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

17. Statement of funds (continued)

Restricted fixed asset funds						
Fixed asset fund	2,580,500	-	(20,434)	-	-	2,560,066
Unspent capital	15,699	4,900	-	-	-	20,599
	<u>2,596,199</u>	<u>4,900</u>	<u>(20,434)</u>	<u>-</u>	<u>-</u>	<u>2,580,665</u>
Total Restricted funds	<u>2,293,729</u>	<u>578,008</u>	<u>(759,607)</u>	<u>-</u>	<u>(107,000)</u>	<u>2,005,130</u>
Total funds	<u><u>2,345,620</u></u>	<u><u>580,738</u></u>	<u><u>(760,511)</u></u>	<u><u>-</u></u>	<u><u>(107,000)</u></u>	<u><u>2,058,847</u></u>

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

Unrestricted funds are used towards meeting the charitable objectives of the academy at the discretion of the trustees.

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021. Transfers of £110,107 to GAG from other restricted funds are in respect of expenditure from GAG funds met through relevant restricted funds.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes restricted PTA donations, after school club, holiday club, breakfast club and catering.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit but given the nature of the liability this is not payable immediately and plans are in place to meet the deficit to ensure the deficit is not a constraint on the free reserves of the academy.

The restricted fixed asset fund recognises the tangible assets held by the Academy Trust and is equivalent to the net book value of fixed assets and unspent capital grants. Depreciation of fixed assets is allocated to these funds.

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
General funds	43,539	9,670	(1,318)	-	51,891
Restricted general funds					
General Annual Grant (GAG)	26,480	448,022	(474,502)	-	-
Other DfE/ESFA grants	7,627	87,390	(82,750)	-	12,267
Other restricted funds	125,672	285,171	(306,580)	-	104,263
Pension reserve	(526,000)	-	(60,000)	167,000	(419,000)
	(366,221)	820,583	(923,832)	167,000	(302,470)
Restricted fixed asset funds					
Fixed asset fund	2,600,530	-	(20,030)	-	2,580,500
Unspent capital	10,686	5,013	-	-	15,699
	2,611,216	5,013	(20,030)	-	2,596,199
Total Restricted funds	2,244,995	825,596	(943,862)	167,000	2,293,729
Total funds	2,288,534	835,266	(945,180)	167,000	2,345,620

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,560,066	2,560,066
Current assets	53,717	104,296	20,599	178,612
Creditors due within one year	-	(101,831)	-	(101,831)
Pension liability	-	(578,000)	-	(578,000)
Total	53,717	(575,535)	2,580,665	2,058,847

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	2,580,500	2,580,500
Current assets	51,891	182,306	15,699	249,896
Creditors due within one year	-	(65,776)	-	(65,776)
Pension liability	-	(419,000)	-	(419,000)
Total	51,891	(302,470)	2,596,199	2,345,620

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

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

	2021 £	2020 £
Net expenditure for the year (as per statement of financial activities)	(179,773)	(109,914)
Adjustments for:		
Depreciation charges	20,434	20,030
Interest receivable	(7)	(39)
Decrease/(increase) in debtors	83,169	(7,079)
Increase/(decrease) in creditors	36,055	(21,010)
Capital grants	(4,900)	(5,013)
Pension adjustment	52,000	60,000
Net cash provided by/(used in) operating activities	6,978	(63,025)

20. Cash flows from investing activities

	2021 £	2020 £
Capital grants	4,900	5,013
Interest received	7	39
Net cash provided by investing activities	4,907	5,052

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	38,434	26,549
Total cash and cash equivalents	38,434	26,549

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	26,549	11,885	38,434
	<u>26,549</u>	<u>11,885</u>	<u>38,434</u>

23. Contingent liabilities

The Trustees have been made aware of claims relating to potential miscalculations of holiday pay to support staff employees. These claims cannot be quantified and any potential date of redundancies has not been confirmed. The Trustees consider that any payments required by the Academy will be reimbursed by other third parties.

As noted in 2.2, the Academy Trust is likely to cease activity as at 31st August 2022. With an orderly transfer of the assets and meeting of the liabilities of the Academy Trust, it is anticipated that liabilities will be settled in full and debtors recovered as they fall due. Potential redundancy payments have not been provided in the Trusts financial statements. Any such costs related to closure remain as a contingent liability, until any decision is finalised. Any such costs cannot be quantified at the date of this report. However, in the event of closure, the Trustees consider that it is very unlikely that there will not be full reimbursement of any Academy funds required to meet the liability.

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £44,000 (2020 - £42,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £59,000 (2020 - £60,000), of which employer's contributions totalled £47,000 (2020 - £48,000) and employees' contributions totalled £12,000 (2020 - £12,000). The agreed contribution rates for future years are 23.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.60	2.90
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.7
Females	24.4	24.0
<i>Retiring in 20 years</i>		
Males	23.3	22.9
Females	26.4	25.7

Sensitivity analysis

	2021	2020
	£000	£000
Salary increase rate +0.5%	10	9
Discount rate -0.5%	200	155
Pension Increase Rate +0.5%	185	143

Share of scheme assets

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

	2021	2020
	£	£
Equities	650,000	440,000
Gilts	270,000	235,000
Property	40,000	39,000
Cash and other liquid assets	40,000	71,000
Total market value of assets	1,000,000	785,000

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

24. Pension commitments (continued)

The actual return on scheme assets from 1 October 2020 to 30 June 2021 was 17.3% (2020 - -ve 0.1%).

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

	2021 £	2020 £
Current and past service cost	(92,000)	(98,000)
Interest income	14,000	14,000
Interest cost	(21,000)	(24,000)
Total amount recognised in the Statement of financial activities	(99,000)	(108,000)

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

	2021 £	2020 £
At 1 September	1,204,000	1,274,000
Current and past service cost	92,000	98,000
Interest cost	21,000	24,000
Employee contributions	12,000	12,000
Actuarial losses/(gains)	265,000	(188,000)
Benefits paid	(16,000)	(16,000)
At 31 August	1,578,000	1,204,000

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

	2021 £	2020 £
At 1 September	785,000	748,000
Interest income	14,000	14,000
Actuarial gains/(losses)	158,000	(21,000)
Employer contributions	47,000	48,000
Employee contributions	12,000	12,000
Benefits paid	(16,000)	(16,000)
At 31 August	1,000,000	785,000

GRASVENOR AVENUE INFANT SCHOOL
(A company limited by guarantee)

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

25. Members' liability

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

26. Related party transactions

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

Expenditure related party transactions

During the year ended 31 August 2021, transactions totalling £7,923 (2020 - £19,981) were invoiced by Underhill School and Children's Centre for staff utilised and governor clerking services.

The balance owed by Grasvenor Avenue Infant School to Underhill School and Children's Centre at 31 August 2021 was £1,548 (2020 - £Nil). Mrs J Zimaras, Mr P De Naeyer and Mr N Ruckman, Trustees at Grasvenor Avenue Infant School, are also Trustees of Underhill School and Children's Centre.

Income related party transactions

Underhill School and Children's Centre were charged £Nil (2020 - £1,156) in relation to staff utilised from Grasvenor Avenue Infant School. The balance owed by Underhill School and Children's Centre to Grasvenor Avenue Infant School at 31 August 2021 was £Nil (2020 - £Nil). Mrs J Zimarasm, Mr P De Naeyer and Mr N Ruckman, trustees at Grasvenor Avenue Infant School, are also trustees of Underhill School and Children's Centre.

A related charity, Friends of Grasvenor Association, charity number 1188985 provided donations of £922 (2020 - £3,627) during the year. Grasvenor Avenue Infant School is not the parent company of the charity as it does not have the power to control the appointment of the trustees and the ability to direct the benefit of any of the funds raised.

No further related part transactions took place in the year other than certain trustees remuneration and expenses disclosed in note 12.