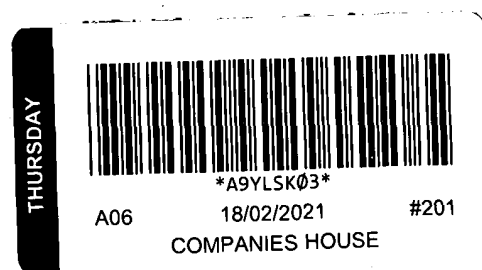


Company Registration Number: 08741704 (England & Wales)

MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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



**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bryonie Williams Jackie Harris Anita Richmond (appointed 3 March 2020) Gary Tomlinson (resigned 31 December 2019) Hayley Young Graeme Russell (resigned 12 May 2020) Bryonie Williams Jackie Harris Gemma McKenna (resigned 6 February 2020) Stephen Rowe (appointed 1 March 2020) Anita Richmond (appointed 1 February 2020) Anthony Headley (appointed 1 March 2020) Lisa Marriott (appointed 1 March 2020)
Company registered number	08741704
Company name	Matchborough First School Academy
Principal and registered office	Matchborough Way Matchborough East Redditch Worcestershire B98 0GD
Accounting Officer	Jackie Harris
Senior management team	Jackie Harris, Headteacher Anita Richmond, Bursar Jenni Halion, Deputy Headteacher Donna Farr, Assistant Headteacher Francesca Hughes, Access and Inclusion SEND
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank plc PO Box 1000 BX1 1LT
Solicitors	Mills & Reeve 78-84 Colmore Row Birmingham B3 2AB

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 3 to 9 in years old in education. It has a pupil capacity of 450 plus a 26fte nurse class and had a roll of 400 in the school census in January 2020. The Academy also operates an 11 place Speech and Language Class on behalf of the Worcestershire Local Authority

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was set up and opened as a stand-alone Academy on 1st November 2013 is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum a Matchborough First School Academy and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Matchborough First School Academy.

Details of the Trustees who served throughout the year and to the date the accounts are approved are included in the Reference and Administration Details on page 2.

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 £1, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £3,000,000.

Method of recruitment and appointment or election of Trustees

On 1st November 2013 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 2 Parent Trustees who are elected by Parents of registered pupils at the Academy (currently 1)
- up to 2 Staff Trustees appointed by Trust which includes the Headteacher (ex officio)
- up to 5 Community Trustees who are appointed by the Trustee board

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. However this is in normal circumstances, however under COVID-19 restriction's this has not been possible this year for all Governors. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the needs of the individual. Advantage is taken of specific courses offered by the Local Authority and other associated bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- **Resources Committee** - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. This committee also deals with premises and staffing.
- **Curriculum and Ethos Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. It also deals with matters regarding admissions and pupil welfare.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Strategic School Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteacher, School Bursar and the SENDco. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

The Trustees benchmark against pay levels in other Academies of a similar size.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	- %

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) x 100

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 for calculation details.

Related Parties and other Connected Charities and Organisations

The Academy is commissioned by the LA to run an 11 place Speech and Language provision for children aged 4 -9.

The Academy has strong collaborative links with 2 other First Schools – Moons Moat and Tenacres which form part of the strong MTM Alliance.

There are no related parties which either control or significantly influence the decisions and operations of MFSA. The school has no sponsors, it does however have a newly formed Parent Teacher Association.

OBJECTIVES AND ACTIVITIES

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on Inclusion.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

The aims of the Academy during the year ended 31 August 2020 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop pupils as more effective learners.
- to develop the Academy site so that it enables pupils to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Matchborough First School Academy we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Strategic School Improvement Plan which is available from the Academy Office. Improvement focuses identified for this year include:

Assessment - To ensure assessment is used effectively to inform planning and teaching and improve standards.
English - To improve standards in reading, spelling and writing across the school.
Early Years - To enhance reading and writing opportunities through a well planned curriculum.
Curriculum - To deliver a full, rich and varied curriculum that builds character, teaches transferable skills and instils memorable knowledge.
SENDco - To further develop the inclusive learning environment at MFSA so that pupils with SEND are able to access and enjoy their learning, access tasks with increasing independence and make expected levels of progress.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Matchborough and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of Inclusion.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community if required.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Academy is in its sixth year of operation and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2016 was 386 but this has now increased to 400 for 2020 due to the school being 3 form entry in all year groups. The capacity for the Specialist provision is now commissioned for 11 full time places which is an increase of 1 place.

At Key Stage 1, a particularly challenging year group and they were on target in March when lockdown ensured to be on track to be broadly in line with local and national outcomes.

The Academy on the whole has managed to maintain small class sizes, within each year group having its own class. All classes have a teaching assistant for some part of the day depending on the needs of the classes, which is a valuable addition to the classroom.

Due to COVID-19 KS1 and Y1 phonics checks were suspended as children have not been in school since March 2020. However data at the time showed that 95% of children were on track to reach their individual targets as of March 2020. This data was collated via the relevant check points that were expected at the time of the national lockdown

Key Performance Indicators

The following KPI's were set at the start of the year

	Target	Actual as at March 2020
Student attendance %	96%	95.6%
Ofsted	When we are re inspected to be Good or better	Good
Data	To be broadly in line with national statistics. To maintain good progress in outcomes from baseline in EYFS This is based on the results of 2019. No national data to compare due to National lockdown	Currently in line with National in Phonics and KS1 EYFS – strong progress from baseline. This was based on 2019 data

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2020, the Academy received total income of £2,005,340 and incurred total expenditure of £2,068,067. The excess expenditure over income for the year was £(62,727).

At 31 August 2020 the net book value of fixed assets was £3,060,428 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £10,000 towards the refurbishment of the Nursery toilets – summer 2020 – this was delayed due to COVID-restrictions and lack of access to school for Health and Safety reasons. We are still unable to get a variety of contractors out to design them
- Boiler replacement – obtaining the correct advice has been difficult and due to COVID – restrictions this has become even more difficult

The Trustees have determined that the appropriate level of free reserves should be approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or a fall in pupil numbers. Total reserves of the Academy Trust amount to £2,999,463, although £3,060,428 of this is invested in fixed assets. The remaining (£60,965) (representing both restricted and unrestricted funds, including the pension scheme deficit of £973,000) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

Investment Policy

Due to the current economic climate the Trustees have not been able to identify suitable investment opportunities that will maximise any surplus without tying the funds up for a long period. We have however invested in a higher interest account. However the intention is to increase the investment opportunity

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Finance Director within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 94% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resource Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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

FUNDRAISING

- Jeans for Genes
- Children in Need
- NSPCC
- MacMillan
- Help for the Heroes

PLANS FOR FUTURE PERIODS

We are also planning to address the attainment gap caused by the National Lockdown which greatly impacted upon children's education

In so far as the Trustees are aware:

- The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

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**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Matchborough First School Academy 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 10 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Governor/Trustee Name	Meetings attended	Out of a possible
B Williams Chair - Community	10	10
H Young - Community	7	10
J Harris - Head	10	10
G McKenna - Staff	1	1
G Tomlinson - Parent	0	0
G Russel - Community	2	3
Anita Richmond	9	10
Anthony Headley	6	7
Lisa Marriott	4	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by ensuring funding is used effectively to provide additional support directed to those with the greatest need, defined by progress against targets and attendance.

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 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.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Resources 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 considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

On a quarterly basis, the external auditors report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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:

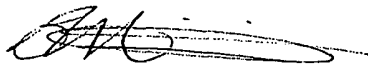
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the school bursar within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the executive managers within the Academy 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 Resourcesaudit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

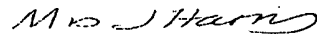
**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 13th January 2021 and signed on their behalf by:



Bryonie Williams
Chair of Trustees



Jackie Harris
Accounting Officer

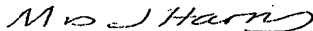
**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Matchborough First School Academy I have considered my responsibility to notify the Academy board of Trustees and the Education & 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 2019.

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 2019.

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



Jackie Harris
Accounting Officer
Date: 13th January 2021

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

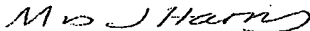
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:



Jackie Harris
Accounting Officer
Date: 13th January 2021

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MATCHBOROUGH FIRST SCHOOL ACADEMY**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MATCHBOROUGH FIRST SCHOOL ACADEMY (CONTINUED)**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy 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.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MATCHBOROUGH FIRST SCHOOL ACADEMY (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.

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

USE OF OUR REPORT

This report is made solely to the Academy'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.



Andrew Wood FCCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 18th January 2021

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
MATCHBOROUGH FIRST SCHOOL ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Matchborough First School Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Matchborough First School Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Matchborough First School Academy 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 Matchborough First School Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MATCHBOROUGH FIRST SCHOOL ACADEMY'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Matchborough First School Academy's funding agreement with the Secretary of State for Education dated 1 November 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
MATCHBOROUGH FIRST SCHOOL ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

CONCLUSION

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



Andrew Wood FCCA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 18th January 2021

MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	4	-	544	8,512	9,056	23,951
Charitable activities	5	112,021	1,882,904	-	1,994,925	2,014,853
Other trading activities		974	-	-	974	36,229
Investments	8	385	-	-	385	947
TOTAL INCOME		113,380	1,883,448	8,512	2,005,340	2,075,980
EXPENDITURE ON:						
Charitable activities		149,260	1,820,569	98,238	2,068,067	2,004,527
TOTAL EXPENDITURE		149,260	1,820,569	98,238	2,068,067	2,004,527
Net income/ (expenditure)		(35,880)	62,879	(89,726)	(62,727)	71,453
Transfers between funds	20	-	(19,411)	19,411	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)						
		(35,880)	43,468	(70,315)	(62,727)	71,453
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	32,000	-	32,000	(273,000)
NET MOVEMENT IN FUNDS		(35,880)	75,468	(70,315)	(30,727)	(201,547)
RECONCILIATION OF FUNDS:						
Total funds brought forward		634,096	(734,649)	3,130,743	3,030,190	3,231,737
Net movement in funds		(35,880)	75,468	(70,315)	(30,727)	(201,547)
TOTAL FUNDS CARRIED FORWARD		598,216	(659,181)	3,060,428	2,999,463	3,030,190

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 24 to 49 form part of these financial statements.

MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08741704

BALANCE SHEET
AS AT 31 AUGUST 2020

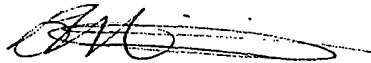
	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	3,060,428	3,151,272
CURRENT ASSETS			
Debtors	16	108,118	123,066
Cash at bank and in hand		922,980	845,357
		<u>1,031,098</u>	<u>968,423</u>
Creditors: amounts falling due within one year	17	(112,220)	(147,819)
NET CURRENT ASSETS		<u>918,878</u>	<u>820,604</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,979,306</u>	<u>3,971,876</u>
Creditors: amounts falling due after more than one year	18	(6,843)	(13,686)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>3,972,463</u>	<u>3,958,190</u>
Defined benefit pension scheme liability	27	(973,000)	(928,000)
TOTAL NET ASSETS		<u><u>2,999,463</u></u>	<u><u>3,030,190</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	20	3,060,428	3,130,743
Restricted income funds	20	313,819	193,351
		<u>3,374,247</u>	<u>3,324,094</u>
Restricted funds excluding pension asset	20	3,374,247	3,324,094
Pension reserve	20	(973,000)	(928,000)
Total restricted funds	20	<u>2,401,247</u>	<u>2,396,094</u>
Unrestricted income funds	20	598,216	634,096
TOTAL FUNDS		<u><u>2,999,463</u></u>	<u><u>3,030,190</u></u>

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08741704**

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 49 were approved by the Trustees, and authorised for issue on 13th January 2021 and are signed on their behalf, by:



Bryonie Williams
Chair of Trustees

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	85,094	223,581
CASH FLOWS FROM INVESTING ACTIVITIES	24	(628)	(32,332)
CASH FLOWS FROM FINANCING ACTIVITIES	23	(6,843)	(12,940)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		77,623	178,309
Cash and cash equivalents at the beginning of the year		845,357	667,048
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25, 26	922,980	845,357

The notes on pages 24 to 49 form part of these financial statements

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. GENERAL INFORMATION

Matchborough First School is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Matchborough Way, Matchborough East, Redditch, Worcestershire, B98 0GD.

2. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted, judgements 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Matchborough First School Academy meets the definition of a public benefit entity under FRS 102.

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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

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.

• **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.

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.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

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 £1,000 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 these assets, less their estimated residual value, over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold buildings	- 2% straight line
Long-term leasehold land	- over length of lease - 125 years
Furniture and equipment	- 20% straight line
Computer equipment	- 33% straight line

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

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

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.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

2. ACCOUNTING POLICIES (continued)

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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 notes 17 and 18. 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.

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. ACCOUNTING POLICIES (continued)

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.

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	544	-	544	-
Capital Grants	-	8,512	8,512	23,951
	<u>544</u>	<u>8,512</u>	<u>9,056</u>	<u>23,951</u>
TOTAL 2019	<u>-</u>	<u>23,951</u>	<u>23,951</u>	

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	10,113	1,882,904	1,893,017	1,836,726
Nursery	101,908	-	101,908	178,127
TOTAL 2020	112,021	1,882,904	1,994,925	2,014,853
TOTAL 2019	190,808	1,824,045	2,014,853	

**MATCHBOROUGH FIRST SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

6. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA GRANTS				
General Annual Grant	-	1,477,369	1,477,369	1,377,523
UIFSM	-	186,036	186,036	80,884
Pupil Premium	-	110,540	110,540	113,426
	-	1,773,945	1,773,945	1,571,833
Other income				
High Needs	-	65,467	65,467	70,000
Other Government grants	-	41,992	41,992	177,892
	-	107,459	107,459	247,892
Other Government grants				
Internal catering income	8,447	-	8,447	-
High Needs	-	1,500	1,500	4,521
Other Government Grants	1,666	-	1,666	12,480
	10,113	1,500	11,613	17,001
	10,113	1,882,904	1,893,017	1,836,726
TOTAL 2019	12,681	1,824,045	1,836,726	

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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7. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	974	974	18,727
Other	-	-	17,502
	<u>974</u>	<u>974</u>	<u>36,229</u>
TOTAL 2019	<u>36,229</u>	<u>36,229</u>	

8. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	385	385	947
	<u>385</u>	<u>385</u>	
TOTAL 2019	<u>947</u>	<u>947</u>	

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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9. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
EDUCATION:					
Direct costs	907,870	86,425	104,036	1,098,331	1,004,634
Allocated support costs	499,823	152,198	129,570	781,591	809,017
NURSERY:					
Direct costs	103,105	9,832	2,007	114,944	110,565
Allocated support costs	50,039	12,119	11,043	73,201	80,311
	<u>1,560,837</u>	<u>260,574</u>	<u>246,656</u>	<u>2,068,067</u>	<u>2,004,527</u>
TOTAL 2019	<u>1,492,662</u>	<u>148,248</u>	<u>363,617</u>	<u>2,004,527</u>	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	1,098,331	781,591	1,879,922	1,813,651
Nursery	114,944	73,201	188,145	190,876
	<u>1,213,275</u>	<u>854,792</u>	<u>2,068,067</u>	<u>2,004,527</u>
TOTAL 2019	<u>1,115,199</u>	<u>889,328</u>	<u>2,004,527</u>	

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	12,000	-	12,000	11,000
Staff costs	878,169	99,726	977,895	944,793
Depreciation	76,269	8,677	84,946	95,337
Educational supplies	83,479	2,007	85,486	33,731
Staff development	1,787	-	1,787	7,253
Other costs	6,770	-	6,770	6,521
Supply teachers	29,701	3,379	33,080	15,015
Technology costs	10,156	1,155	11,311	1,549
	<u>1,098,331</u>	<u>114,944</u>	<u>1,213,275</u>	<u>1,115,199</u>
TOTAL 2019	<u>1,004,634</u>	<u>110,565</u>	<u>1,115,199</u>	

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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	5,000	-	5,000	5,000
Staff costs	499,823	50,039	549,862	532,854
Depreciation	11,934	1,358	13,292	13,771
Other costs	14,397	950	15,347	10,630
Maintenance of premises and equipment	16,769	1,908	18,677	9,779
Cleaning	19,614	2,232	21,846	28,387
Rent and rates	11,565	1,316	12,881	13,653
Energy costs	9,375	1,067	10,442	18,090
Insurance	18,523	1,303	19,826	19,600
Security and transport	14,617	-	14,617	14,361
Catering	97,481	8,409	105,890	111,386
Technology costs	29	1,684	1,713	1,752
Office overheads	49,802	2,935	52,737	74,412
Professional fees	549	-	549	23,320
Bank interest and charges	914	-	914	64
Governance	10,781	-	10,781	12,269
Legal fees	418	-	418	-
	<u>781,591</u>	<u>73,201</u>	<u>854,792</u>	<u>889,328</u>
TOTAL 2019	<u>809,017</u>	<u>80,311</u>	<u>889,328</u>	

11. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	6,449	8,093
Depreciation of tangible fixed assets	98,238	109,108
Fees paid to auditors for:		
- audit	7,150	6,950
- other services	3,175	3,515
	<u>7,150</u>	<u>3,515</u>

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

12. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,123,655	1,126,462
Social security costs	81,678	84,216
Pension costs	322,424	266,969
	<u>1,527,757</u>	<u>1,477,647</u>
Agency staff costs	33,080	15,015
	<u>1,560,837</u>	<u>1,492,662</u>

b. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	22	23
Administration and support	37	38
Management	1	1
	<u>60</u>	<u>62</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	20	21
Administration and support	17	15
Management	1	1
	<u>38</u>	<u>37</u>

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12. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1

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 £350,028 (2019 £253,337).

13. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their roles as trustees. The value of Trustees' remuneration and other benefits are as follows: J Harris: Remuneration £70,000 - £75,000 (2019: £70,000 - £75,000), Employer's pension contributions £10,000 - £15,000 (2019: £10,000 - £15,000). G McKenna: Remuneration £5,000 - £10,000 (2019: £20,000 - £25,000), Employer's pension contributions £NIL - £5,000 (2019: £NIL - £5,000). A Richmond: Remuneration £5,000 - £10,000 (2019: £NIL), Employer's pension contributions £NIL - £5,000 (2019: £NIL).

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed or paid directly to no Trustee (2019 - £128 to 2 Trustees). Expenses reimbursed relate to travel costs.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £298 (2019 - £298). The cost of this insurance is included in the total insurance cost.

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

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2019	3,442,839	108,615	123,453	3,674,907
Additions	3,145	2,820	1,429	7,394
At 31 August 2020	3,445,984	111,435	124,882	3,682,301
DEPRECIATION				
At 1 September 2019	356,301	80,736	86,598	523,635
Charge for the year	66,460	8,030	23,748	98,238
At 31 August 2020	422,761	88,766	110,346	621,873
NET BOOK VALUE				
At 31 August 2020	3,023,223	22,669	14,536	3,060,428
At 31 August 2019	3,086,538	27,879	36,855	3,151,272

16. DEBTORS

	2020 £	2019 £
Trade debtors	723	449
Other debtors	29	-
Prepayments and accrued income	51,933	47,113
Tax recoverable	55,433	75,504
	108,118	123,066

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
ESFA loans	6,843	6,843
Trade creditors	812	510
Other taxation and social security	21,882	23,158
Other creditors	27,454	23,132
Accruals and deferred income	55,229	94,176
	<u>112,220</u>	<u>147,819</u>
	2020 £	2019 £
Deferred income at 1 September 2019	50,601	50,621
Resources deferred during the year	39,681	50,601
Amounts released from previous periods	(50,601)	(50,621)
	<u>39,681</u>	<u>50,601</u>

At the Balance Sheet date the Academy was holding funds received in advance for income from the ESFA in respect of Free School Meals.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
ESFA loans	6,843	13,686

Included within creditors due in more than one year is a Spend to Save Solar Scheme loan balance of £6,843. The full value of the loan outstanding is £13,686, £6,843 of which is shown as due within one year (note 17). The loan is repayable in annual instalments over the remaining 2 years of the loan with an applicable annual interest rate of NIL%.

19. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>922,980</u>	<u>845,357</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	634,096	113,380	(149,260)	-	-	598,216
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	193,351	1,477,369	(1,337,490)	(19,411)	-	313,819
Universal infant free school meals	-	73,867	(73,867)	-	-	-
High needs funding	-	107,459	(107,459)	-	-	-
Pupil premium	-	110,540	(110,540)	-	-	-
Other government grants	-	114,213	(114,213)	-	-	-
Pension reserve	(928,000)	-	(77,000)	-	32,000	(973,000)
	<u>(734,649)</u>	<u>1,883,448</u>	<u>(1,820,569)</u>	<u>(19,411)</u>	<u>32,000</u>	<u>(659,181)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed asset transferred on conversion	2,548,712	-	(52,619)	-	-	2,496,093
Fixed assets purchased from GAG	389,729	-	(34,849)	19,411	-	374,291
DfE/EFA capital grants	46,962	8,512	(6,840)	-	-	48,634
Donations from the LA	145,340	-	(3,930)	-	-	141,410
	<u>3,130,743</u>	<u>8,512</u>	<u>(98,238)</u>	<u>19,411</u>	<u>-</u>	<u>3,060,428</u>
TOTAL RESTRICTED FUNDS	<u>2,396,094</u>	<u>1,891,960</u>	<u>(1,918,807)</u>	<u>-</u>	<u>32,000</u>	<u>2,401,247</u>
TOTAL FUNDS	<u>3,030,190</u>	<u>2,005,340</u>	<u>(2,068,067)</u>	<u>-</u>	<u>32,000</u>	<u>2,999,463</u>

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUND

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Universal Infant Free School Meals (UIFSM) - Funding for pupils in reception, year 1 and year 2 to be offered a free school meal.

High Needs Funding - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other government grants - Income which has been received for specific purposes.

Other income - Income which has been received for specific purposes.

Pension reserve - this represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

FIXED ASSET FUND

Fixed assets transferred on conversion - this represents the buildings and equipments donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - this represents fixed assets which were funded from general GAG funding.

DfE/ESFA grants - these funds were received for direct expenditure on fixed asset projects. The balance at the period end represents the NBV of assets and any unspent grant amounts.

Donation from the LA - this represents funding received from the local authority for the purchase of fixed assets.

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 2020.

MATCHBOROUGH FIRST SCHOOL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	577,228	227,984	(171,116)	-	-	634,096
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	76,209	1,377,523	(1,198,781)	(61,600)	-	193,351
Universal infant free school meals	-	80,884	(80,884)	-	-	-
High needs funding	-	70,000	(70,000)	-	-	-
Pupil premium	-	113,426	(113,426)	-	-	-
Other government grants	-	177,892	(177,892)	-	-	-
Other income	-	4,320	(4,320)	-	-	-
Pension reserve	(576,000)	-	(79,000)	-	(273,000)	(928,000)
	(499,791)	1,824,045	(1,724,303)	(61,600)	(273,000)	(734,649)
RESTRICTED FIXED ASSET FUNDS						
Fixed asset transferred on conversion	2,607,153	-	(58,441)	-	-	2,548,712
Fixed assets purchased from GAG	366,834	-	(38,705)	61,600	-	389,729
DfE/EFA capital grants	30,608	23,951	(7,597)	-	-	46,962
Donations from the LA	149,705	-	(4,365)	-	-	145,340
	3,154,300	23,951	(109,108)	61,600	-	3,130,743
TOTAL RESTRICTED FUNDS	2,654,509	1,847,996	(1,833,411)	-	(273,000)	2,396,094
TOTAL FUNDS	3,231,737	2,075,980	(2,004,527)	-	(273,000)	3,030,190

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,060,428	3,060,428
Current assets	598,216	432,882	-	1,031,098
Creditors due within one year	-	(112,220)	-	(112,220)
Creditors due in more than one year	-	(6,843)	-	(6,843)
Pension scheme liability	-	(973,000)	-	(973,000)
TOTAL	598,216	(659,181)	3,060,428	2,999,463

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,151,272	3,151,272
Current assets	634,096	334,327	-	968,423
Creditors due within one year	-	(140,976)	(6,843)	(147,819)
Creditors due in more than one year	-	-	(13,686)	(13,686)
Pension scheme liability	-	(928,000)	-	(928,000)
TOTAL	634,096	(734,649)	3,130,743	3,030,190

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22. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(62,727)	71,453
ADJUSTMENTS FOR:		
Depreciation	98,238	109,108
Capital grants from DfE and other capital income	(6,598)	(23,951)
Interest receivable	(168)	(947)
Defined benefit pension scheme cost less contributions payable	60,000	63,000
Defined benefit pension scheme finance cost	17,000	16,000
Decrease in debtors	14,948	24,749
Decrease in creditors	(35,599)	(35,831)
NET CASH PROVIDED BY OPERATING ACTIVITIES	85,094	223,581

23. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayments of borrowing	(6,843)	(12,940)
NET CASH USED IN FINANCING ACTIVITIES	(6,843)	(12,940)

24. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest receivable	168	947
Purchase of tangible assets	(7,394)	(57,230)
Capital grants from DfE Group	6,598	23,951
NET CASH USED IN INVESTING ACTIVITIES	(628)	(32,332)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	922,980	845,357
TOTAL CASH AND CASH EQUIVALENTS	922,980	845,357

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	Other movements £	At 31 August 2020 £
Cash at bank and in hand	845,357	77,623	-	922,980
Debt due within 1 year	(6,843)	6,843	(6,843)	(6,843)
Debt due after 1 year	(13,686)	-	6,843	(6,843)
	824,828	84,466	-	909,294

27. 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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £27,101 were payable to the schemes at 31 August 2020 (2019 - £22,675) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

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27. 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 £175,196 (2019 - £116,077).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £108,000 (2019 - £101,000), of which employer's contributions totalled £87,000 (2019 - £82,000) and employees' contributions totalled £ 21,000 (2019 - £19,000). The agreed contribution rates for future years are 16 per cent for employers and 5.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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27. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2020 %	2019 %
RATE OF INCREASE IN SALARIES	3.8	3.5
RATE OF INCREASE FOR PENSIONS IN PAYMENT/INFLATION	2.4	2.1
DISCOUNT RATE FOR SCHEME LIABILITIES	1.8	1.8
INFLATION ASSUMPTION (CPI)	2.3	2.0

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

	2020 Years	2019 Years
<i>RETIRING TODAY</i>		
MALES	22.6	22.8
FEMALES	25.0	25.8
<i>RETIRING IN 20 YEARS</i>		
MALES	24.2	25.1
FEMALES	27.0	28.2

Sensitivity analysis

	2020 £000	2019 £000
DISCOUNT RATE +0.1%	(37)	(35)
MORTALITY ASSUMPTION - 1 YEAR INCREASE	48	27
CPI RATE +0.1%	38	36

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

	2020 £	2019 £
EQUITIES	464,000	431,000
Other bonds	37,000	30,000
Government bonds	47,000	46,000
PROPERTY	38,000	37,000
CASH AND OTHER LIQUID ASSETS	30,000	18,000
OTHER	88,000	47,000
TOTAL MARKET VALUE OF ASSETS	704,000	609,000

The actual return on scheme assets was £11,000 (2019 - £24,000).

**MATCHBOROUGH FIRST SCHOOL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
CURRENT SERVICE COST	(147,000)	(110,000)
PAST SERVICE COST	-	(35,000)
INTEREST INCOME	11,000	14,000
INTEREST COST	(28,000)	(30,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(164,000)	(161,000)

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

	2020 £	2019 £
AT 1 SEPTEMBER	1,537,000	1,086,000
CURRENT SERVICE COST	147,000	110,000
INTEREST COST	28,000	30,000
EMPLOYEE CONTRIBUTIONS	21,000	19,000
ACTUARIAL (GAINS)/LOSSES	(52,000)	282,000
BENEFITS PAID	(4,000)	(25,000)
PAST SERVICE COSTS	-	35,000
AT 31 AUGUST	1,677,000	1,537,000

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

	2020 £	2019 £
AT 1 SEPTEMBER	609,000	510,000
INTEREST INCOME	12,000	15,000
ACTUARIAL (LOSSES)/GAINS	(20,000)	9,000
EMPLOYER CONTRIBUTIONS	87,000	82,000
EMPLOYEE CONTRIBUTIONS	21,000	19,000
BENEFITS PAID	(4,000)	(25,000)
Administration expenses	(1,000)	(1,000)
AT 31 AUGUST	704,000	609,000

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

28. OPERATING LEASE COMMITMENTS

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

	2020 £	2019 £
Not later than 1 year	6,644	6,614
Later than 1 year and not later than 5 years	4,508	7,564
	<u>11,152</u>	<u>14,178</u>

29. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

30. 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.

No related party transactions took place in the period, other than certain trustee' remuneration and expenses already disclosed in note 13 (2019: £NIL).