

Company Registration No. 09434766 (England and Wales)

POPPY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

POPPY ACADEMY TRUST

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POPPY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

A P Harvell
S Bowbrick
A Gardiner (Resigned 31 December 2020)
I Connon (Appointed as Chair 22 September 2020 and resigned as Chair 23 September 2021.)
N Mullett (Appointed as Chair 23 September 2021)
J Williams
L Ashley (Appointed 6 October 2020)
C Sauve (Appointed 25 February 2021 and resigned 26 November 2021)
J Sharp (Appointed 25 February 2021)
B O'Connor (Appointed 6 October 2021)

Members

S Bowbrick
A Gardiner
I Connon
J Newton
The Diocese of St Albans Educational Trust

Senior management team

- Executive Headteacher and Accounting Officer
- Head of School
- Finance Manager and Chief Financial Officer
- Head of School
- Inclusion Leader
- SENCo (Fair Field)
- SENCo (St John's)

A Aharon
C Goodwin
A Barber
D Leggett
L Gillam
R Chotali
L Barnes

Company registration number

09434766 (England and Wales)

Registered office

Watford Road
Radlett
Herts
WD7 8LU

Academies operated

Fair Field Junior School
St John's Church of England Infant and Nursery School

Location

Radlett
Radlett

Principal

A Aharon
A Aharon

Independent auditor

UHY Hacker Young (East) Limited
PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

POPPY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

POPPY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

Structure, governance and management

Constitution

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

The Trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy Trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its Trustees and/or Governors of the academies within the Trust. The Academy Trust has also granted indemnities to each of its Trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force in relation to certain losses and liabilities that the Trustees or other officers may incur to third parties in the course of acting as Trustees or officers of the Academy Trust. Details of the insurance cover are provided in note 10 to the financial statements.

Method of recruitment and appointment or election of Trustees

Under the terms of the Articles of Association:

- There shall be not less than five trustees
- At least three trustees shall be appointed by the members by ordinary resolution.
- The Diocesan Corporate Member shall appoint a number of trustees, not exceeding 25% of the total
- The total number of trustees who are employees of the academy trust shall not exceed one third of the total.

Trustees are appointed having regard to their particular knowledge, skills and experience.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new trustees depends on their previous experience. At induction, all trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. All trustees are encouraged to attend relevant training courses provided by Herts for Learning or other training providers.

POPPY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The board of trustees is responsible for ensuring that the Trust meets all statutory obligations. It is accountable for the overall performance of the Trust and for providing strategic direction and ensuring clarity of vision and ethos.

The board of trustees holds the executive to account for the educational performance of the academies and their pupils and the performance and management of staff and oversees the financial performance of the Trust to ensure that its money is well spent.

Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the trust board and has delegated responsibility for the operation of the Trust including the performance of the trust's academies.

The CEO is also the Accounting Officer and has overall responsibility for the Trust's financial responsibilities and for ensuring that the organisation is run with financial effectiveness and stability, avoiding waste and securing value for money.

The CEO leads the executive management team of the Trust and is accountable to the trust board for the performance of the executive management team.

Local Governing Bodies

Each academy within the Trust has its own Local Governing Body (LGB). Responsibilities of a LGB include:

- building an understanding of how the academy is led and managed
- monitoring whether the academy is working within agreed policies, meeting agreed targets and managing its finances well
- engaging with stakeholders
- reporting to the trust board.

The extent to which authority for decision making is delegated to the LGB is determined by the trust board.

Arrangements for setting pay and remuneration of key management personnel

Remuneration of the CEO is determined by the Trustees. An appraisal of the CEO's performance is conducted by the Appraisal Committee. The committee is supported by an independent advisor in setting and appraising annual targets. Pay scales for other staff are set by the Trustees taking into account nationally agreed arrangements and practices adopted by the local authority for comparable schools.

Related parties and other connected charities and organisations

The Trust also trades with Cherished Kids Ltd, a company which runs the after school club at one of the Trust's academies. R Chotai and D Smith, who are employees of the Trust, are directors and shareholders of Cherished Kids Ltd. Details of transactions can be found in note 21 to the financial statements.

POPPY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The Trust's object, as set out in its Articles of Association, is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and developing academies which shall offer a broad and balanced curriculum and which:

- i. shall include Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and
- ii. may include other academies whether with or without a designated religious character;

but in relation to other academies to recognise and support their individual ethos whether or not designated Church of England.

Activities

The Trust operates two academies in Radlett, Hertfordshire; Fair Field Junior School (an academy for 7-11 year olds) and St John's Infant and Nursery School. St John's is designated as a Church of England Academy and serves as the principal feeder academy for Fair Field.

The Trust has no activities that are not directly connected with the operation of the two academies.

Further information on the activities of the academies can be found on their websites:

<https://www.ffjs.org.uk/> and <https://www.sjins.org.uk/>.

Objectives, strategies and activities

Public benefit

The Trustees confirm that in setting objectives and planning the activities of the Trust they have had regard to the Charity Commission's guidance on public benefit.

The Trust operates two out of three publicly funded primary schools in the Radlett area and provides an extensive programme of educational and recreational activity designed to contribute to the overall education of its students in areas such as academic distinction, music, the arts and sport.

Wherever possible the Trust aims to contribute to the benefit of the wider public by making school premises available to third parties for the provision of educational and other opportunities.

The Trust's academies also use opportunities throughout the year to raise money for other charities.

The Charity Commission guidance can be found at:

<https://www.gov.uk/government/organisations/charity-commission>.

POPPY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Trust is committed to nurturing every individual's potential and thirst for learning through offering a safe, happy and stimulating environment in the heart of community.

Following an Ofsted inspection in 2008 St John's was rated as 'Outstanding'. An interim assessment in 2011 confirmed that performance had been maintained. Ofsted has continued to monitor performance on an annual basis with no concerns being raised.

Following its latest inspection in 2017 Fair Field received an overall rating of 'Good'. Effectiveness of leadership and management, quality of teaching, teaching and assessment and outcomes for pupils were also rated 'Good', with personal development, behaviour and welfare rated as 'Outstanding'.

Ofsted reports can be found at: <https://reports.ofsted.gov.uk/>

A principal achievement of the Trust and its two academies this year was the continued provision of educational services and welfare support to children and their families during the ongoing Covid-19 pandemic, including lockdown periods. This included development and implementation of programmes for remote/home learning as well as providing additional support to other schools. The achievements of the trust and its academies in this respect were acknowledged by a Silver Award in the 'Lockdown Hero Award for Learner and Community Support' category of the 2021 Pearson National Teaching Awards <https://www.teachingawards.com/award-winner/the-poppy-academy-trust/>.

Key performance indicators

The Trustees consider that the following are key performance indicators for the Academy Trust:

- Ofsted inspection results
- Pupil numbers
- Staff costs (as a percentage of total expenditure)
- Financial stability, i.e. level of expenditure compared with income

Pupil numbers remain acceptable with 36 spaces currently available across all year groups except nursery and year 1.

The Trust operates within a carefully managed budget designed to ensure appropriate staffing levels, maintain the quality of educational provision and acquire and maintain infrastructure assets including IT equipment to ensure that they remain in good condition and fit for purpose. Staff costs are monitored carefully and consideration given to maintaining an appropriate staff profile to ensure that the academy can continue to deliver the expected high quality of teaching and range of curricular activities.

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis of accounting in the preparation of the financial statements. Further details can be found in the statement of accounting policies in Note 1 to the financial statements.

POPPY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Most of the Trust's recurrent income is obtained from the Educational and Skills Funding Agency ('ESFA') in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

St John's also operates a nursery for which early years funding is received via Hertfordshire County Council.

Non-governmental income is received largely from the provision of extra-curricular facilities (breakfast and after school clubs), payments for school meals and extra nursery sessions, contributions to school outings and residential trips, hire of school facilities by approved organisations and donations. Depending on its nature and source such income may be classified as restricted or unrestricted funds.

During the period ended 31 August 2021, total expenditure of £2,360,079 (2020: £1,607,805), excluding depreciation and actuarial adjustments to pension scheme liabilities was largely covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year was £78,856 (2020: £53,234).

At 31 August 2021, the net book value of fixed assets was £2,690,228 (2020: £2,750,906). Movements in tangible fixed assets are shown in note 11 to the financial statements.

Covid-19 has had a limited impact on the Trust's financial position but additional funding has been received from government to support the Trust through this period. Details are given in note 4. to the financial statements.

Reserves policy

The Trustees review the reserve levels of the Trust throughout the year. Future funding is largely a matter of government policy and is subject to a number of variable elements such as pupil numbers. In addition there is a need to manage cash resources over a period longer than the academic year to allow for periodic maintenance of school premises and replacement of capital assets. In order to provide security against future funding shortfalls and unforeseen events and to implement the capital asset management plan the Trustees aim to maintain a prudent level of cash reserves, based on projections of income and expenditure over a five year period.

At 31 August 2021, total reserves were £2,133,842 (2020: £2,464,564) of which £23,503 (2020: £8,132) was designated as unrestricted funds.

Investment policy

The Trust's primary aim when considering investments is financial security. The Trust currently holds no investments. All cash is held in accounts with UK banks.

POPPY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances.

The Trust maintains a risk register that evaluates and scores risks and ensures intervention where appropriate. During the year, the trustees created a new risk register to ensure that the risk register reflected the risk of both schools within the Academy Trust. The main risks are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action, management plans and controls.

- The impact of Covid 19 – this covers the impact on teaching and learning, the mental health impact on both our pupils and staff and how we spend catch up funding in the most effective manner.
- Teaching, Learning and Safeguarding of pupils - ensuring the best outcomes are achieved for every pupil and the gap between advantaged and disadvantaged is closed and closely monitored.
- Premises management and Health and Safety ensuing focus is put on maintaining aging buildings, health and safety and security of the school sites.
- Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

Financial and risk management objectives and policies

The Trust does not use complex financial instruments. It manages its activities using cash and various items such as debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk.

Liquidity risk - the Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Fundraising

The Trust does not generally carry out fundraising activities. Certain activities such as swimming lessons, day trips and residential trips are supported by voluntary parental contributions and the academy is also generously supported by donations from academy PTAs, which organise fundraising activities as separate registered charities independent of the Trust. No professional or commercial fundraisers are involved. The Trustees are satisfied that the Trust's fundraising activities and those of the PTAs conform to recognised standards.

Plans for future periods

In 2021/22 a major focus for the trust will be on catch-up activity where appropriate to minimize the impact on pupils learning imposed by Covid.

The Trust plans to grow and incorporate more schools. Already, it has strong relationships and works collaboratively with other local schools. It is the Trust's vision to grow in strength and capability as more schools join.

The Trust will ensure that member schools maintain their own identity but work together in key areas to accelerate school improvement.

POPPY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17/12/2021 and signed on its behalf by:



.....
N Mullett

Chair of Trustees

POPPY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Responsibility

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

The board of trustees has delegated to the Accounting Officer the day-to-day responsibility for ensuring financial controls conform with the requirements of both propriety and good financial management and operate in accordance with the requirements and responsibilities assigned to the Academy Trust in the funding agreement between Poppy Academy Trust and the Secretary of State for Education. The Accounting Officer is 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 contained in the Trustees' Report and in the Statement of Trustees' Responsibilities.

During the period 1st September 2020 to August 31st 2021 the Trustees met formally 6 times. Oversight of funds was maintained through reports from the Resources Committee and attendance at board meetings by the CEO and Finance Manager where appropriate.

Attendance at meetings was as follows:

Trustees	Meetings attended	Out of a possible
I Connon (chair)	6	6
N Mullett	6	6
L Ashley	5	6
A Gardiner	2	2
A Harvell	6	6
S Bowbrick	4	6
C Sauve	2	2
J Williams	5	6
J Sharp	2	2

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to ensure that Trust income and expenditure both current and projected is in line with the budget and meets statutory obligations (laid out in the Academies Financial Handbook) and to ensure that the premises are in a good state of repair. Membership and attendance at meetings during the year was as follows:

	Meetings attended	Out of a possible
C Sauve (chair)	4	4
AAharon (CEO)	4	4
I Connon	4	4
N Mullett	4	4
L Ashley	4	4
S Bowbrick	2	4
B Darby	4	4
J Sharp	3	4
I Caplan	4	4

POPPY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Audit and Risk committee is a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the Academy Trust's governance, risk management, internal and external audit requirements. Membership and attendance at meetings during the year was as follows:

C Sauve (chair)	3	3
A Aharon (CEO)	3	3
I Connon	2	3
N Mullett	3	3
J Sharp	3	3
L Ashley	3	3

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The 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 the Trust's 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.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is an on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by Trustees. A separate Audit and Risk Committee has been appointed as a sub-committee of the board of trustees and meets regularly to review and consider the Risk Register and report to the board.

POPPY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing guidelines; and
- identification and management of risks.

The board of trustees created a separate Audit & Risk Committee this year to ensure adequate focus was given to this area. In addition, the board of trustees decided to buy-in an internal audit service from an external provider - TSO Education. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. Three internal audit inspections were carried out in the year and included:

- Internal scrutiny of key baseline areas payroll, cash & bank, purchasing & creditors, income and fixed assets
- Review of the budgeting process
- Review of the Admin & Finance Systems
- Governance Review

Reports and recommendations of the internal auditor are considered by the Audit and Risk Committee which in turn reports key findings and conclusions to the board of trustees. In the year ended 31 August 2021 no major issues were identified by the internal auditor.

Review of effectiveness

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

- the work of the internal audit reviewer
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of trustees on 17/12/2021 and signed on its behalf by:



A Aharon
Executive Headteacher and Accounting
Officer



N Mullett
Chair of Trustees

POPPY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Poppy Academy Trust I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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.

A Aharon
Accounting Officer



POPPY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Poppy Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17/12/2021 and signed on its behalf by:



N Mullett

Chair of Trustees

POPPY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPPY ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Poppy Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

POPPY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPPY ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts 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.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

POPPY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPPY ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the academy trust and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements which include, but are not limited to, the Companies Act 2006 and the Academies Account Direction 2020 to 2021.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud; and
- Enquiring of management as to actual and potential litigation and claims.

Our audit procedures in relation to fraud included but were not limited to:

- Discussing amongst the engagement team the risks of fraud;
- Making enquiries of management on whether they had knowledge of any actual, suspected or alleged fraud; and
- Gaining an understanding of the internal controls established to mitigate risks related to fraud; and
- Reviewing the results of the internal scrutiny visits; and
- Corroborating the basis for material accounting estimates; and
- Addressing the risks of fraud through management override of controls by performing substantive and analytical journal testing; and
- Obtaining support and reasonable explanation for any manual journal postings.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

POPPY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPPY ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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



Shona Munday FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young (East) Limited

21 December 2021

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Chartered Accountants
Statutory Auditor

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

POPPY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POPPY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 26 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Poppy Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Poppy Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Poppy Academy Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

POPPY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POPPY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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



Reporting Accountant

UHY Hacker Young (East) Limited

Dated: 21 December 2021
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POPPY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	3,999	10,679	12,566	27,244
Donations - transfer from local authority on conversion		-	-	-	180,904
Charitable activities:					
- Funding for educational operations	4	42,793	2,086,566	-	2,129,359
Other trading activities	5	50,433	36,274	-	86,707
Investments	6	47	-	-	47
Total		<u>97,272</u>	<u>2,133,519</u>	<u>12,566</u>	<u>2,243,357</u>
Expenditure on:					
Raising funds	7	37,535	-	-	37,535
Charitable activities:					
- Educational operations	8	44,366	2,207,433	70,745	2,322,544
Charitable expenditure - transfer from local authority on conversion		-	-	-	154,000
Total	7	<u>81,901</u>	<u>2,207,433</u>	<u>70,745</u>	<u>2,360,079</u>
Net income/(expenditure)		15,371	(73,914)	(58,179)	(116,722)
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(214,000)	-	(214,000)
Net movement in funds		15,371	(287,914)	(58,179)	(330,722)
Reconciliation of funds					
Total funds brought forward		8,132	(299,081)	2,755,513	2,464,564
Total funds carried forward		<u>23,503</u>	<u>(586,995)</u>	<u>2,697,334</u>	<u>2,133,842</u>

POPPY ACADEMY TRUST

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

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	9,296	11,183	20,479
Donations - transfer from local authority on conversion		-	145,277	35,627	180,904
Charitable activities:					
- Funding for educational operations	4	69,700	1,247,311	-	1,317,011
Other trading activities	5	27,707	8,365	-	36,072
Investments	6	105	-	-	105
Total		<u>97,512</u>	<u>1,410,249</u>	<u>46,810</u>	<u>1,554,571</u>
Expenditure on:					
Raising funds	7	21,758	1,173	-	22,931
Charitable activities:					
- Educational operations	8	78,333	1,286,666	65,875	1,430,874
Charitable expenditure - transfer from local authority on conversion		-	154,000	-	154,000
Total	7	<u>100,091</u>	<u>1,441,839</u>	<u>65,875</u>	<u>1,607,805</u>
Net expenditure		(2,579)	(31,590)	(19,065)	(53,234)
Transfers between funds	16	-	(5,132)	5,132	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(50,000)	-	(50,000)
Net movement in funds		(2,579)	(86,722)	(13,933)	(103,234)
Reconciliation of funds					
Total funds brought forward		10,711	(212,359)	2,769,446	2,567,798
Total funds carried forward		<u>8,132</u>	<u>(299,081)</u>	<u>2,755,513</u>	<u>2,464,564</u>

POPPY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		2,690,228		2,750,906
Current assets					
Debtors	13	125,988		146,516	
Cash at bank and in hand		423,022		360,398	
		<u>549,010</u>		<u>506,914</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(160,396)		(168,256)	
Net current assets			388,614		338,658
Net assets excluding pension liability			3,078,842		3,089,564
Defined benefit pension scheme liability	18		(945,000)		(625,000)
Net assets			<u>2,133,842</u>		<u>2,464,564</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			2,697,334		2,755,513
- Restricted income funds			358,005		325,919
- Pension reserve			(945,000)		(625,000)
Total restricted funds			<u>2,110,339</u>		<u>2,456,432</u>
Unrestricted income funds	16		23,503		8,132
Total funds			<u>2,133,842</u>		<u>2,464,564</u>

The accounts on pages 21 to 44 were approved by the Trustees and authorised for issue on 17/12/2021 and are signed on their behalf by:



N Mullett
Chair of Trustees

Company Number 09434766

POPPY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		60,078		74,483
Cash funds transferred on conversion			-		127,924
			<u>60,078</u>		<u>202,407</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		47		105	
Capital funding received from sponsors and others		12,566		11,183	
Purchase of tangible fixed assets		(10,067)		(11,707)	
		<u></u>		<u></u>	
Net cash provided by/(used in) investing activities			<u>2,546</u>		<u>(419)</u>
Net increase in cash and cash equivalents in the reporting period			<u>62,624</u>		<u>201,988</u>
Cash and cash equivalents at beginning of the year			<u>360,398</u>		<u>158,410</u>
Cash and cash equivalents at end of the year			<u><u>423,022</u></u>		<u><u>360,398</u></u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

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

Poppy Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Other income

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	42 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The 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 are recognised in the period to which they relate.

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

2 Critical accounting estimates and areas of judgement

Accounting 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 depreciation charged on tangible fixed assets other than freehold land is carried out over the expected useful life of the asset as estimated by the trustees of the academy. The useful life of freehold buildings of 42 years is based on the expected life estimation from the valuation of land and buildings on conversion.

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

(Continued)

Critical assumptions for LGPS

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

For 2020-21 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 21. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

Critical areas of judgement

The Trustees do not believe there are any areas of judgement that have a significant effect on amounts recognised in the financial statements, apart from those involving estimation and assumptions as disclosed above in Critical accounting estimates and assumptions.

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Private sponsorship	-	10,679	10,679	9,296
Capital grants	-	12,566	12,566	11,183
Other donations	3,999	-	3,999	-
	<u>3,999</u>	<u>23,245</u>	<u>27,244</u>	<u>20,479</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,580,477	1,580,477	997,149
Other DfE / ESFA grants	-	301,116	301,116	187,212
	<u>-</u>	<u>1,881,593</u>	<u>1,881,593</u>	<u>1,184,361</u>
Other government grants				
Local authority grants	-	180,210	180,210	-
Other government income	-	-	-	25,004
	<u>-</u>	<u>180,210</u>	<u>180,210</u>	<u>25,004</u>
Other funds				
Other incoming resources	42,793	23,020	65,813	100,035
	<u>42,793</u>	<u>23,020</u>	<u>65,813</u>	<u>100,035</u>
Exceptional Government Funding				
Coronavirus Job Retention Scheme grant	-	1,743	1,743	2,882
Other Coronavirus funding	-	-	-	4,729
	<u>-</u>	<u>1,743</u>	<u>1,743</u>	<u>7,611</u>
Total funding	<u>42,793</u>	<u>2,086,566</u>	<u>2,129,359</u>	<u>1,317,011</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak.

- The academy furloughed some of its breakfast club and catering staff under the government's CJRS. The funding received of £1,743 relates to staff costs in respect of 3 staff which are included within note 9 below as appropriate.

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Music tuition	(140)	-	(140)	14,385
Other income	50,573	36,274	86,847	21,687
	<u>50,433</u>	<u>36,274</u>	<u>86,707</u>	<u>36,072</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	47	-	47	105

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	24,595	-	12,940	37,535	22,931
Academy's educational operations					
- Direct costs	1,466,352	60,133	94,927	1,621,412	994,012
- Allocated support costs	309,300	119,463	272,369	701,132	436,862
	<u>1,800,247</u>	<u>179,596</u>	<u>380,236</u>	<u>2,360,079</u>	<u>1,453,805</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	10,000	10,000
- Other services	1,000	1,000
Depreciation of tangible fixed assets	70,745	65,875
Net interest on defined benefit pension liability	12,000	7,000

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	1,422	1,619,990	1,621,412	994,012
Support costs				
Educational operations	42,944	658,188	701,132	436,862
	<u>44,366</u>	<u>2,278,178</u>	<u>2,322,544</u>	<u>1,430,874</u>
			2021 £	2020 £
Analysis of support costs				
Support staff costs			309,300	193,633
Depreciation			10,612	9,881
Technology costs			5,089	3,302
Premises costs			119,643	77,728
Other support costs			225,557	101,802
Governance costs			30,931	50,516
			<u>701,132</u>	<u>436,862</u>

Governance costs are expenses relating to the strategic management and administration of the academy. These include audit and accountancy fees, clerking, legal fees, governor and trustee training and other professional services.

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	1,251,246	653,427
Social security costs	102,346	44,051
Pension costs	389,037	210,794
Staff costs	<u>1,742,629</u>	<u>908,272</u>
Agency staff costs	49,487	146,938
Staff development and other staff costs	8,131	5,743
Total staff expenditure	<u>1,800,247</u>	<u>1,060,953</u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	20	13
Administration and support	40	25
Management	7	6
	<u>67</u>	<u>44</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	15	9
Administration and support	19	11
Management	5	5
	<u>39</u>	<u>25</u>

Higher paid staff

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

	2021 Number	2020 Number
£70,001 - £80,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £360,508 (2020: £113,528).

No Trustee has received any remuneration or benefits from the Trust.

10 Trustees' remuneration and expenses

In the previous year, one or more of the Trustees was paid remuneration or received other benefits from an employment with the academy trust.

AAharon (Executive Head and Trustee - resigned as Trustee on 14 July 2020)

The value of remuneration and other benefits in respect of their duties as a trustee was £nil (2020: £2,858) and £nil (2020: £677) for salary and pension contributions respectively.

During the period ended 31 August 2021, no expenses were reimbursed in respect of their duties as a trustee (2020: £167).

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Freehold buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2020	2,831,160	101,368	115,423	3,047,951
Additions	-	7,622	2,445	10,067
At 31 August 2021	2,831,160	108,990	117,868	3,058,018
Depreciation				
At 1 September 2020	164,603	75,297	57,145	297,045
Charge for the year	30,513	20,357	19,875	70,745
At 31 August 2021	195,116	95,654	77,020	367,790
Net book value				
At 31 August 2021	2,636,044	13,336	40,848	2,690,228
At 31 August 2020	2,666,557	26,071	58,278	2,750,906

13 Debtors

	2021 £	2020 £
VAT recoverable	33,456	15,533
Other debtors	42,560	72,283
Prepayments and accrued income	49,972	58,700
	<u>125,988</u>	<u>146,516</u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	20,434	43,364
Other taxation and social security	57,629	47,851
Other creditors	34,463	29,715
Deferred income	47,870	47,326
	<u>160,396</u>	<u>168,256</u>
15 Deferred income	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	<u>47,870</u>	<u>47,326</u>
Deferred income at 1 September 2020	47,326	18,163
Released from previous years	(47,326)	(18,163)
Resources deferred in the year	<u>47,870</u>	<u>47,326</u>
Deferred income at 31 August 2021	<u><u>47,870</u></u>	<u><u>47,326</u></u>

Included in deferred income are balances related to pupil dinner money, donations and rates relief.

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	1,580,477	(1,580,477)	-	-
Other DfE / ESFA grants	-	302,859	(302,859)	-	-
Other government grants	-	180,210	(180,210)	-	-
Other restricted funds	325,919	69,973	(37,887)	-	358,005
Pension reserve	(625,000)	-	(106,000)	(214,000)	(945,000)
	<u>(299,081)</u>	<u>2,133,519</u>	<u>(2,207,433)</u>	<u>(214,000)</u>	<u>(586,995)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>2,755,513</u>	<u>12,566</u>	<u>(70,745)</u>	<u>-</u>	<u>2,697,334</u>
Total restricted funds	<u>2,456,432</u>	<u>2,146,085</u>	<u>(2,278,178)</u>	<u>(214,000)</u>	<u>2,110,339</u>
Unrestricted funds					
General funds	8,132	97,272	(81,425)	-	23,979
Gratuities	-	-	(476)	-	(476)
	<u>8,132</u>	<u>97,272</u>	<u>(81,901)</u>	<u>-</u>	<u>23,503</u>
Total funds	<u>2,464,564</u>	<u>2,243,357</u>	<u>(2,360,079)</u>	<u>(214,000)</u>	<u>2,133,842</u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE / EFA grants

This represents other funding for various purposes including pupil premium, sports funding, training and other pupil related activities.

Other government grants

This represents funding received from local government for various specific purposes including special educational needs children and education other than at school.

Other restricted funds

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

Pensions Reserve

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme.

Restricted fixed asset fund

The restricted fund asset fund was funded predominantly by the funds inherited on conversion to an academy from the local authority following the transfer of the land and buildings.

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	997,149	(996,900)	-	249
Other DfE / ESFA grants	-	190,094	(190,094)	-	-
Other government grants	-	29,733	(29,733)	-	-
Other restricted funds	147,641	193,273	(10,112)	(5,132)	325,670
Pension reserve	(360,000)	(154,000)	(61,000)	(50,000)	(625,000)
	<u>(212,359)</u>	<u>1,256,249</u>	<u>(1,287,839)</u>	<u>(55,132)</u>	<u>(299,081)</u>
Restricted fixed asset funds					
Transfer on conversion	-	35,627	-	-	35,627
DfE group capital grants	2,769,446	11,183	(65,875)	5,132	2,719,886
	<u>2,769,446</u>	<u>46,810</u>	<u>(65,875)</u>	<u>5,132</u>	<u>2,755,513</u>
Total restricted funds	<u>2,557,087</u>	<u>1,303,059</u>	<u>(1,353,714)</u>	<u>(50,000)</u>	<u>2,456,432</u>
Unrestricted funds					
General funds	10,711	97,512	(99,393)	-	8,830
Gratuities	-	-	(698)	-	(698)
	<u>10,711</u>	<u>97,512</u>	<u>(100,091)</u>	<u>-</u>	<u>8,132</u>
Total funds	<u>2,567,798</u>	<u>1,400,571</u>	<u>(1,453,805)</u>	<u>(50,000)</u>	<u>2,464,564</u>

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Fair Field Junior School	190,254	158,455
St John's Church of England Infant and Nursery School	191,254	175,596
Total before fixed assets fund and pension reserve	<u>381,508</u>	<u>334,051</u>
Restricted fixed asset fund	2,697,334	2,755,513
Pension reserve	(945,000)	(625,000)
Total funds	<u>2,133,842</u>	<u>2,464,564</u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Fair Field Junior School	745,424	123,023	95,251	161,393	1,125,091
St John's Church of England Infant and Nursery School	720,927	116,872	41,821	178,621	1,058,241
	<u>1,466,351</u>	<u>239,895</u>	<u>137,072</u>	<u>340,014</u>	<u>2,183,332</u>

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	2,690,228	2,690,228
Current assets	23,503	518,401	7,106	549,010
Creditors falling due within one year	-	(160,396)	-	(160,396)
Defined benefit pension liability	-	(945,000)	-	(945,000)
Total net assets	<u>23,503</u>	<u>(586,995)</u>	<u>2,697,334</u>	<u>2,133,842</u>

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,750,906	2,750,906
Current assets	8,132	494,175	4,607	506,914
Creditors falling due within one year	-	(168,256)	-	(168,256)
Defined benefit pension liability	-	(625,000)	-	(625,000)
Total net assets	<u>8,132</u>	<u>(299,081)</u>	<u>2,755,513</u>	<u>2,464,564</u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Pensions Partnership. 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 to the period ended 31 March 2019.

Contributions amounting to £32,554 (2020: £29,942) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- 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 pension costs paid to the TPS in the period amounted to £200,529 (2020: £100,233).

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

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

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5-12.5% for employees and 22.65% for employers.

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.

Total contributions made	2021 £	2020 £
Employer's contributions	94,000	51,000
Employees' contributions	23,000	12,000
Total contributions	117,000	63,000

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	22.1	21.9
- Females	24.5	24.1
Retiring in 20 years		
- Males	23.2	22.8
- Females	26.2	25.5

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

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

	2021 Fair value £	2020 Fair value £
Equities	537,950	418,700
Bonds	294,350	276,500
Property	111,650	71,100
Other assets	71,050	23,700
Total market value of assets	<u>1,015,000</u>	<u>790,000</u>

The actual return on scheme assets was £112,000 (2020: £29,000).

Amount recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost	188,000	105,000
Interest income	(14,000)	(10,000)
Interest cost	26,000	17,000
Total operating charge	<u>200,000</u>	<u>112,000</u>

Changes in the present value of defined benefit obligations

	2021 £
At 1 September 2020	1,415,000
Current service cost	188,000
Interest cost	26,000
Employee contributions	23,000
Actuarial loss	312,000
Benefits paid	(4,000)
At 31 August 2021	<u>1,960,000</u>

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

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

	2021 £
At 1 September 2020	790,000
Interest income	14,000
Actuarial gain	98,000
Employer contributions	94,000
Employee contributions	23,000
Benefits paid	(4,000)
At 31 August 2021	1,015,000

19 Reconciliation of net expenditure to net cash flows from operating activities

	2021 £	2020 £
Net expenditure for the reporting period	(116,722)	(53,234)
Adjusted for:		
Net surplus on conversion to academy	-	(26,904)
Capital grants from DfE/ESFA and other capital income	(12,566)	(11,183)
Investment income receivable	(47)	(105)
Defined benefit pension costs less contributions payable	94,000	54,000
Defined benefit pension net finance cost	12,000	7,000
Depreciation of tangible fixed assets	70,745	65,875
Decrease/(increase) in debtors	20,528	(68,904)
(Decrease)/increase in creditors	(7,860)	90,585
Stocks, debtors and creditors transferred on conversion	-	17,353
Net cash (used in) / generated by operating activities	60,078	74,483

20 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	360,398	62,624	423,022

POPPY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	893	1,067
Amounts due in two to five years	3,272	-
	<u>4,165</u>	<u>1,067</u>

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees or members of the academy trust have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the trust received hiring income of £2,064 (2020: £1,401) from Cherished Kids Ltd, a company related by virtue of R Chotal, an employee of the Trust, being a director and shareholder. During the year the trust funded sessions at Cherished Kids for a small number of PPG pupils at a cost of £215 (2020: £400).

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.