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**POPPY ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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| <b>Members</b>                         | S Bowbrick<br>A Gardiner<br>I Connon<br>J Newton<br>The Diocese of St Albans Educational Trust   |
| <b>Trustees</b>                        | S Bowbrick<br>I Connon, (Chair until 23 September 2021)<br>A Harvell<br>N Mullett, (Chair from 23 September 2021)<br>J Williams<br>L Ashley<br>J Sharp<br>C Sauve (resigned 26 November 2021)<br>B O'Connor (appointed 6 October 2021)   |
| <b>Company registered number</b>       | 09434766   |
| <b>Company name</b>                    | Poppy Academy Trust  |
| <b>Principal and registered office</b> | Fair Field Junior School<br>Watford Road<br>Radlett<br>Hertfordshire<br>WD7 8LU  |
| <b>Senior management team</b>          | A Aharon, Executive Headteacher and Accounting Officer<br>C Goodwin, Head of School - Fair Field<br>D Leggett, Head of School - St John's<br>C Sauve, School Business Manager and Chief Financial Officer (appointed 29 November 2021)<br>A Barber, Finance Manager (resigned 17 December 2021)<br>L Gillam, Inclusion Leader<br>P Chotai, SENCo - Fair Field<br>L Barnes, SENCo - St John's |
| <b>Independent auditors</b>            | Hillier Hopkins LLP<br>Chartered Accountants<br>Statutory Auditor<br>Radius House<br>51 Clarendon Road<br>Watford<br>Hertfordshire<br>WD17 1HP   |

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Solicitors**

Stone King  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Trustees present their annual report together with the financial statements and independent auditor's reports of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**Structure, governance and management**

**a. 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.

**b. 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.

**c. 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 13 to the financial statements.

**d. 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.

**e. Policies 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**f. 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 an 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.

**g. 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.

**h. Related parties and other connected charities and organisations**

Each academy is supported by a Parent Teacher Association (PTA) with which the academies and Trust co-operate closely. The PTAs run events that support a sense of community belonging, are engaging for children and their families, and raise funds that are donated to the schools.

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 26 to the financial statements.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and activities**

**a. 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.

**b. 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/> .

**c. Public benefit**

The Trustees confirm that in carrying 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 our 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>.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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## **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 2022 St John's received an overall rating of 'Good'. Quality of education, leadership and management and early years provision were rated as Good whilst behaviour and attitudes and personal development were rated as 'Outstanding'.

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 principle achievement of the Trust and its two academies this year has been the opportunity to provide education and pastoral support for several children of refugee families living locally. The inclusion of these families into our community has been a positive experience for all our pupils, carers and staff.

#### **a. Key performance indicators**

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

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

The Trust income is driven by pupil numbers in 2020/21 for this financial year 2021/22. Therefore, it is important to note that pupil numbers were low (41/60 children) mostly due to a low birth rate year in the Year 3 cohort.

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.

#### **b. 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 2 to the financial statements.

## **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 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

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, 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 a restricted or unrestricted funds.

During the period ended 31 August 2022, total expenditure of £2,690,982 (2021: £2,360,079), excluding 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 £193,273 (2021: £116,722).

At 31 August 2022, the net book value of fixed assets was £2,640,399 (2021: £2,690,228). Movements in tangible fixed assets are shown in Note 14 to the financial statements.

**a. 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 2022, total reserves were £2,854,569 (2021: £2,133,842) of which £79,680 (2021: £23,503) was designated as unrestricted funds.

**b. 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**c. 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. The main risks are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans and controls:

- 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 – ensuring focus is put on maintaining ageing buildings, health and safety and security of school sites.
- Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

**d. 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**

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are 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 \_\_\_\_\_ and signed on its behalf by:

*NR Mullett*

.....  
**N Mullett**

Date: *19/12/2022*

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**POPPY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of 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 the 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.

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**POPPY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 2021 to August 31st 2022 the Trustees met formally 5 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:

| Trustee                                   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| S Bowbrick                                | 5                 | 5                 |
| I Connon, (Chair until 23 September 2021) | 4                 | 5                 |
| A Harvell                                 | 5                 | 5                 |
| N Mullett, (Chair from 23 September 2021) | 5                 | 5                 |
| J Williams                                | 5                 | 5                 |
| L Ashley                                  | 5                 | 5                 |
| J Sharp                                   | 5                 | 5                 |
| C Sauve                                   | 1                 | 1                 |
| B O'Connor                                | 4                 | 4                 |

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to ensure that Trust income an expenditure both current and projected is in line with the budget and meets statutory obligations (set out in the Academy Trust 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 |
|----------------|-------------------|-------------------|
| A Aharon (CEO) | 4                 | 4                 |
| L Ashley       | 1                 | 4                 |
| S Bowbrick     | 1                 | 4                 |
| I Caplan       | 4                 | 4                 |
| I Connon       | 4                 | 4                 |
| B Darby        | 1                 | 3                 |
| J Grace        | 1                 | 1                 |
| N Mullett      | 4                 | 4                 |
| C Sauve        | 1                 | 1                 |
| J Sharp        | 2                 | 4                 |

The Audit and Risk committee is a sub-committee of the main board of trustees. Its purpose is to maintain oversight of the Trust's governance, risk management and internal and external audit arrangements.

Membership and attendance at meetings during the year was as follows:

|           | Meetings attended | Out of a possible |
|-----------|-------------------|-------------------|
| A Aharon  | 3                 | 3                 |
| L Ashley  | 1                 | 2                 |
| I Connon  | 3                 | 3                 |
| N Mullett | 3                 | 3                 |
| C Sauve   | 3                 | 3                 |
| J Sharp   | 3                 | 3                 |

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**POPPY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**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 2022 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.

**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 has decided to employ TSO Education as internal auditor.

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**POPPY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

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:

- Cash & Banking
- Procurement
- Monthly Management closedown
- Administration and Financial Systems
- Cyber Audit

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 2022 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 executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors.

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



.....  
**N Mullett**  
Chair of Trustees

Date: 19/12/2022



.....  
**A Aharon**  
Accounting Officer

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**POPPY ACADEMY TRUST**  
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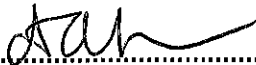
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Poppy Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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

Date: 19.12.22



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**POPPY ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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:



.....  
**N Mullett**  
Chair of Trustees

Date: 19/12/2022

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**POPPY ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of Poppy Academy Trust (the 'academy trust') for the year ended 31 August 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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 2021 to 2022 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 Trust 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**

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.

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY ACADEMY TRUST (CONTINUED)**

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**Other information**

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

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY ACADEMY TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust 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 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations;
- the matters among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY  
ACADEMY TRUST (CONTINUED)**

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material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the academy trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022 and relevant tax legislation.

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

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

#### **Use of our report**

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Alexander Bottom ACA (Senior Statutory Auditor)**

for and on behalf of

**Hillier Hopkins LLP**

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Hertfordshire

WD17 1HP

Date: *20th June 2022*

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 25 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Poppy Academy Trust during the year 1 September 2021 to 31 August 2022 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 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 26 October 2016 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime; and
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

**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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP

Date: *20th December 2022*

**POPPY ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

|   | Note | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Restricted<br>fixed asset<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>Income from:</b>   |      |                                    |                                  |   |                             |                             |
| Donations and capital grants  | 4    | 5,867                              | 6,273                            | 12,705  | 24,844                      | 27,244                      |
| Other trading activities  |      | 124,825                            | -                                | -   | 124,825                     | 86,707                      |
| Investments   | 7    | 54                                 | -                                | -   | 54                          | 47                          |
| Charitable activities   |      | 119,723                            | 2,228,262                        | -   | 2,347,986                   | 2,129,359                   |
| <b>Total income</b>   |      | <b>250,469</b>                     | <b>2,234,535</b>                 | <b>12,705</b>                                   | <b>2,497,709</b>            | <b>2,243,357</b>            |
| <b>Expenditure on:</b>  |      |                                    |                                  |   |                             |                             |
| Raising funds   |      | -                                  | -                                | -   | -                           | 37,535                      |
| Charitable activities   |      | 194,292                            | 2,439,382                        | 57,308  | 2,690,982                   | 2,322,544                   |
| <b>Total expenditure</b>  |      | <b>194,292</b>                     | <b>2,439,382</b>                 | <b>57,308</b>                                   | <b>2,690,982</b>            | <b>2,360,079</b>            |
| <b>Net income/(expenditure)</b>                                     |      | <b>56,177</b>                      | <b>(204,847)</b>                 | <b>(44,603)</b>                                 | <b>(193,273)</b>            | <b>(116,722)</b>            |
| Transfers between funds   | 17   | -                                  | 12,332                           | (12,332)  | -                           | -                           |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>56,177</b>                      | <b>(192,515)</b>                 | <b>(56,935)</b>                                 | <b>(193,273)</b>            | <b>(116,722)</b>            |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |   |                             |                             |
| Actuarial gains/(losses) on defined benefit pension schemes         | 23   | -                                  | 914,000                          | -   | 914,000                     | (214,000)                   |
| <b>Net movement in funds</b>  |      | <b>56,177</b>                      | <b>721,485</b>                   | <b>(56,935)</b>                                 | <b>720,727</b>              | <b>(330,722)</b>            |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |   |                             |                             |
| Total funds brought forward   |      | 23,503                             | (586,995)                        | 2,697,334                                       | 2,133,842                   | 2,464,564                   |
| Net movement in funds   |      | 56,177                             | 721,485                          | (56,935)  | 720,727                     | (330,722)                   |
| <b>Total funds carried forward</b>                                  |      | <b>79,680</b>                      | <b>134,490</b>                   | <b>2,640,399</b>                                | <b>2,854,569</b>            | <b>2,133,842</b>            |



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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

The notes on pages 27 to 52 form part of these financial statements.

**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 09434766**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

|  | Note | 2022<br>£               | 2021<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                            |      |                         |                         |
| Tangible assets                                | 14   | 2,640,399               | 2,690,228               |
|  |      | <u>2,640,399</u>        | <u>2,690,228</u>        |
| <b>Current assets</b>                          |      |                         |                         |
| Debtors  | 15   | 180,251                 | 125,988                 |
| Cash at bank and in hand                       |      | 450,627                 | 423,022                 |
|  |      | <u>630,878</u>          | <u>549,010</u>          |
| Creditors: amounts falling due within one year | 16   | (215,708)               | (160,396)               |
| <b>Net current assets</b>                      |      | <u>415,170</u>          | <u>388,614</u>          |
| <b>Net assets excluding pension liability</b>  |      | <u>3,055,569</u>        | <u>3,078,842</u>        |
| Defined benefit pension scheme liability       | 23   | (201,000)               | (945,000)               |
| <b>Total net assets</b>                        |      | <u><u>2,854,569</u></u> | <u><u>2,133,842</u></u> |
| <b>Funds of the Academy Trust</b>              |      |                         |                         |
| <b>Restricted funds:</b>                       |      |                         |                         |
| Fixed asset funds                              | 17   | 2,640,399               | 2,697,334               |
| Restricted income funds                        | 17   | 335,490                 | 358,005                 |
| Pension reserve                                | 17   | (201,000)               | (945,000)               |
| <b>Total restricted funds</b>                  | 17   | <u>2,774,889</u>        | <u>2,110,339</u>        |
| <b>Unrestricted income funds</b>               | 17   | 79,680                  | 23,503                  |
| <b>Total funds</b>                             |      | <u><u>2,854,569</u></u> | <u><u>2,133,842</u></u> |

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 09434766**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

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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 22 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

*NR Mullett*

.....  
**N Mullett**

Chair of Trustees

Date: *19/12/2022*

The notes on pages 27 to 52 form part of these financial statements.

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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|   | <b>Note</b> | <b>2022</b><br>£      | <i>2021</i><br>£ |
|---|-------------|-----------------------|------------------|
| <b>Cash flows from operating activities</b>             |             |                       |                  |
| Net cash provided by operating activities               | 19          | <b>22,325</b>         | 60,078           |
| <b>Cash flows from investing activities</b>             | 20          | <b>5,280</b>          | 2,546            |
| <b>Change in cash and cash equivalents in the year</b>  |             | <b>27,605</b>         | 62,624           |
| Cash and cash equivalents at the beginning of the year  |             | <b>423,022</b>        | 360,398          |
| <b>Cash and cash equivalents at the end of the year</b> | 21, 22      | <u><b>450,627</b></u> | <u>423,022</u>   |

The notes on pages 27 to 52 form part of these financial statements

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. General information**

Poppy Trust is a charitable company limited by guarantee and an exempt charity. The multi academy trust is incorporated in England and Wales. Its registered office is Fair Field Junior School, Watford Road, Radlett, Hertfordshire, WD7 8LU.

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, 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 2021 to 2022 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.

**2.2 Going concern**

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

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.3 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 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 Trust 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.

• **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.

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.7 Tangible fixed assets**

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

|                         |                          |
|-------------------------|--------------------------|
| Freehold property       | - 42 years straight line |
| Furniture and equipment | - 5 years straight line  |
| Computer equipment      | - 3 years straight line  |

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

**2.8 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.

**2.9 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.

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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.10 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.

**2.11 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 bases are as follows:

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

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

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

**2.12 Operating leases**

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



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**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated 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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**2.14 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 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.

**POPPY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Academy 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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**

|                     | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|---------------------|--|--|--|---------------------------------------|---------------------------------------|
| Donations           | 5,867  | 6,273                                      | -  | <b>12,140</b>                         | 3,999                                 |
| Capital grants      | -  | -  | 12,705   | <b>12,705</b>                         | 12,566                                |
| Private sponsorship | -  | -  | -  | -                                     | 10,679                                |
|                     | <u>5,867</u>                                 | <u>6,273</u>                               | <u>12,705</u>  | <u><b>24,845</b></u>                  | <u>27,244</u>                         |

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**5. Funding for the Academy Trust's charitable activities**

|   | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Educational activities</b>                                       |                                    |                                  |                             |                             |
| <b>DfE/ESFA grants</b>  |                                    |                                  |                             |                             |
| General annual grant (GAG)  | -                                  | 1,756,447                        | <b>1,756,447</b>            | 1,580,477                   |
| Other DfE/ESFA grants   |                                    |                                  |                             |                             |
| Pupil Premium   | -                                  | 80,945                           | <b>80,945</b>               | 75,400                      |
| UIFSM   | -                                  | 63,246                           | <b>63,246</b>               | 102,778                     |
| PE & Sport Grant  | -                                  | 35,280                           | <b>35,280</b>               | 35,280                      |
| Other grants  | -                                  | 45,662                           | <b>45,662</b>               | 87,658                      |
|   | -                                  | 1,981,580                        | <b>1,981,580</b>            | 1,881,593                   |
| <b>Other Government grants</b>                                      |                                    |                                  |                             |                             |
| Local authority grants  | -                                  | 237,345                          | <b>237,345</b>              | 180,210                     |
|   | -                                  | 237,345                          | <b>237,345</b>              | 180,210                     |
| <b>Other income from the Academy Trust's educational activities</b> | 119,723                            | 1,000                            | <b>120,723</b>              | 65,813                      |
| <b>COVID-19 additional funding (DfE/ESFA)</b>                       |                                    |                                  |                             |                             |
| Catch-up Premium  | -                                  | 8,337                            | <b>8,337</b>                | -                           |
|   | -                                  | 8,337                            | <b>8,337</b>                | -                           |
| <b>COVID-19 additional funding (non-DfE/ESFA)</b>                   |                                    |                                  |                             |                             |
| Coronavirus Job Retention Scheme grant                              | -                                  | -                                | -                           | 1,743                       |
|   | -                                  | -                                | -                           | 1,743                       |
|   | 119,723                            | 2,228,262                        | <b>2,347,985</b>            | 2,129,359                   |
|   | 119,723                            | 2,228,262                        | <b>2,347,985</b>            | 2,129,359                   |
| <i>Total 2021</i>   | 42,793                             | 2,086,566                        | 2,129,359                   |                             |

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**6. Income from other trading activities**

|                                 | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|---------------------------------|--|--|---------------------------------------|---------------------------------------|
| Other trading income            | 32,856                                       | -  | <b>32,856</b>                         | 86,847                                |
| Music tuition                   | -  | -  | -                                     | (140)                                 |
| Hire of facilities              | 15,689                                       | -  | <b>15,689</b>                         | -                                     |
| Income from clubs               | 63,378                                       | -  | <b>63,378</b>                         | -                                     |
| Supply teacher insurance claims | 12,902                                       | -  | <b>12,902</b>                         | -                                     |
|                                 | <u>124,825</u>                               | <u>-</u>                                   | <u><b>124,825</b></u>                 | <u>86,707</u>                         |
| <i>Total 2021</i>               | <u>50,433</u>                                | <u>36,274</u>                              | <u>86,707</u>                         |                                       |

**7. Investment income**

|                     | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|---------------------|--|---------------------------------------|---------------------------------------|
| Short term deposits | 54   | <b>54</b>                             | 47                                    |
|                     | <u>54</u>                                    | <u>54</u>                             | <u>47</u>                             |
| <i>Total 2021</i>   | <u>47</u>                                    | <u>47</u>                             |                                       |

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**8. Expenditure**

|  | <b>Staff Costs<br/>2022<br/>£</b> | <b>Premises<br/>2022<br/>£</b> | <b>Other<br/>2022<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <i>Total<br/>2021<br/>£</i> |
|--|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Expenditure on fundraising trading activities: |                                   |                                |                             |                             |                             |
| Direct costs                                   | -                                 | -                              | -                           | -                           | 37,535                      |
| Educational activities:                        |                                   |                                |                             |                             |                             |
| Direct costs                                   | 1,564,570                         | -                              | 272,018                     | <b>1,836,588</b>            | 1,621,412                   |
| Allocated support costs                        | 420,211                           | 134,578                        | 299,605                     | <b>854,394</b>              | 701,132                     |
|  | <u>1,984,781</u>                  | <u>134,578</u>                 | <u>571,623</u>              | <u><b>2,690,982</b></u>     | <u>2,360,079</u>            |
| <i>Total 2021</i>                              | <u>1,800,247</u>                  | <u>179,596</u>                 | <u>380,236</u>              | <u>2,360,079</u>            |                             |

**9. Analysis of expenditure by activities**

|                        | <b>Activities<br/>undertaken<br/>directly<br/>2022<br/>£</b> | <b>Support<br/>costs<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|------------------------|--|---|---------------------------------------|---------------------------------------|
| Educational activities | 1,836,588  | 854,394                                 | <b>2,690,982</b>                      | 2,322,544                             |
|                        | <u>1,836,588</u>   | <u>854,394</u>                          | <u><b>2,690,982</b></u>               | <u>2,322,544</u>                      |
| <i>Total 2021</i>      | <u>1,621,412</u>   | <u>701,132</u>                          | <u>2,322,544</u>                      |                                       |

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|                       | <b>Educational<br/>activities<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-----------------------|--|---------------------------------------|---------------------------------------|
| Pension finance costs | 17,000   | <b>17,000</b>                         | 12,000                                |
| Staff costs           | 415,208  | <b>415,208</b>                        | 309,300                               |
| Depreciation          | -  | -                                     | 10,612                                |
| Technology costs      | 36,752   | <b>36,752</b>                         | 5,089                                 |
| Premises costs        | 134,578  | <b>134,578</b>                        | 119,643                               |
| Other support costs   | 191,319  | <b>191,319</b>                        | 213,557                               |
| Governance costs      | 59,537   | <b>59,537</b>                         | 30,931                                |
|                       | <u>854,394</u>                                   | <u><b>854,394</b></u>                 | <u>701,132</u>                        |
| <i>Total 2021</i>     | <u>701,132</u>                                   | <u>701,132</u>                        |                                       |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

|   | <b>2022</b>         | <i>2021</i>         |
|---|---------------------|---------------------|
|   | £                   | £                   |
| Depreciation of tangible fixed assets             | <b>57,308</b>       | <i>70,745</i>       |
| Net interest on defined benefit pension liability | <b>17,000</b>       | <i>12,000</i>       |
| Fees paid to auditors for:                        |                     |                     |
| - audit   | <b>9,500</b>        | <i>10,000</i>       |
| - other services                                  | <b>4,500</b>        | <i>1,000</i>        |
|   | <u><b>9,500</b></u> | <u><i>1,000</i></u> |

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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

|   | <b>2022</b>      | <i>2021</i>      |
|---|------------------|------------------|
|   | £                | £                |
| Wages and salaries                      | <b>1,354,379</b> | <i>1,251,246</i> |
| Social security costs                   | <b>114,184</b>   | <i>102,346</i>   |
| Pension costs                           | <b>468,797</b>   | <i>389,037</i>   |
|   | <b>1,937,360</b> | <i>1,742,629</i> |
| Agency staff costs                      | <b>38,319</b>    | <i>49,487</i>    |
| Staff development and other staff costs | <b>9,102</b>     | <i>8,131</i>     |
|   | <b>1,984,781</b> | <i>1,800,247</i> |

**b. Staff numbers**

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

|                            | <b>2022</b> | <i>2021</i> |
|----------------------------|-------------|-------------|
|                            | No.         | No.         |
| Teachers                   | <b>21</b>   | <i>20</i>   |
| Administration and support | <b>40</b>   | <i>40</i>   |
| Management                 | <b>7</b>    | <i>7</i>    |
|                            | <b>68</b>   | <i>67</i>   |

**c. Higher paid staff**

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

|                               | <b>2022</b> | <i>2021</i> |
|-------------------------------|-------------|-------------|
|                               | No.         | No.         |
| In the band £70,001 - £80,000 | <b>1</b>    | <i>1</i>    |



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Staff (continued)**

**d. 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £419,171 (2021 - £360,508).

**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

**13. Trustees' and Officers' insurance**

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

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**14. Tangible fixed assets**

|                          | Freehold<br>property<br>£ | Furniture<br>and<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£       |
|--------------------------|---------------------------|------------------------------------|----------------------------|------------------|
| <b>Cost or valuation</b> |                           |                                    |                            |                  |
| At 1 September 2021      | 2,831,160                 | 117,868                            | 108,990                    | 3,058,018        |
| Additions                | -                         | 3,039                              | 4,440                      | 7,479            |
| At 31 August 2022        | <u>2,831,160</u>          | <u>120,907</u>                     | <u>113,430</u>             | <u>3,065,497</u> |
| <b>Depreciation</b>      |                           |                                    |                            |                  |
| At 1 September 2021      | 195,116                   | 77,020                             | 95,654                     | 367,790          |
| Charge for the year      | 30,513                    | 15,746                             | 11,049                     | 57,308           |
| At 31 August 2022        | <u>225,629</u>            | <u>92,766</u>                      | <u>106,703</u>             | <u>425,098</u>   |
| <b>Net book value</b>    |                           |                                    |                            |                  |
| At 31 August 2022        | <u>2,605,531</u>          | <u>28,141</u>                      | <u>6,727</u>               | <u>2,640,399</u> |
| At 31 August 2021        | <u>2,636,044</u>          | <u>40,848</u>                      | <u>13,336</u>              | <u>2,690,228</u> |

**15. Debtors**

|                                | 2022<br>£      | 2021<br>£      |
|--------------------------------|----------------|----------------|
| <b>Due within one year</b>     |                |                |
| Other debtors                  | 94,321         | 76,016         |
| Prepayments and accrued income | 85,930         | 49,972         |
|                                | <u>180,251</u> | <u>125,988</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Creditors: Amounts falling due within one year**

|  | <b>2022</b>     | <i>2021</i>     |
|--|-----------------|-----------------|
|  | <b>£</b>        | <b>£</b>        |
| Trade creditors                        | <b>53,528</b>   | <i>20,434</i>   |
| Other taxation and social security     | <b>33,855</b>   | <i>57,629</i>   |
| Other creditors                        | <b>37,571</b>   | <i>34,463</i>   |
| Accruals and deferred income           | <b>90,754</b>   | <i>47,870</i>   |
|  | <b>215,708</b>  | <i>160,396</i>  |
|  | <b>2022</b>     | <i>2021</i>     |
|  | <b>£</b>        | <b>£</b>        |
| Deferred income at 1 September 2021    | <b>47,870</b>   | <i>47,326</i>   |
| Resources deferred during the year     | <b>50,191</b>   | <i>47,870</i>   |
| Amounts released from previous periods | <b>(47,870)</b> | <i>(47,326)</i> |
|  | <b>50,191</b>   | <i>47,870</i>   |

Included in deferred income are balances related to school trips, donations, UIFSM and rates relief.

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**17. Statement of funds**

|                                     | Balance at 1<br>September<br>2021<br>£ | Income<br>£             | Expenditure<br>£          | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2022<br>£ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                         |                           |                          |                         |                                      |
| General funds                       | 23,503                                 | 250,469                 | (194,292)                 | -                        | -                       | 79,680                               |
| <b>Restricted general funds</b>     |  |                         |                           |                          |                         |                                      |
| General Annual Grant (GAG)          | -                                      | 1,756,447               | (1,433,289)               | 12,332                   | -                       | 335,490                              |
| Other DfE/ESFA grants               | -                                      | 233,470                 | (233,470)                 | -                        | -                       | -                                    |
| Other government grants             | -                                      | 237,345                 | (237,345)                 | -                        | -                       | -                                    |
| Other restricted funds              | 358,005                                | 7,273                   | (365,278)                 | -                        | -                       | -                                    |
| Pension reserve                     | (945,000)                              | -                       | (170,000)                 | -                        | 914,000                 | (201,000)                            |
|                                     | <u>(586,995)</u>                       | <u>2,234,535</u>        | <u>(2,439,382)</u>        | <u>12,332</u>            | <u>914,000</u>          | <u>134,490</u>                       |
| <b>Restricted fixed asset funds</b> |  |                         |                           |                          |                         |                                      |
| Restricted fixed asset fund         | 2,697,334                              | 12,705                  | (57,308)                  | (12,332)                 | -                       | 2,640,399                            |
| <b>Total Restricted funds</b>       | <u>2,110,339</u>                       | <u>2,247,240</u>        | <u>(2,496,690)</u>        | <u>-</u>                 | <u>914,000</u>          | <u>2,774,889</u>                     |
| <b>Total funds</b>                  | <u><u>2,133,842</u></u>                | <u><u>2,497,709</u></u> | <u><u>(2,690,982)</u></u> | <u><u>-</u></u>          | <u><u>914,000</u></u>   | <u><u>2,854,569</u></u>              |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of 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 2022.

**Other DfE/ESFA grants**

This represents other funding for various projects 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.

**Pension Reserve**

The defined benefit pension scheme related 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.

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

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

|                                     | <i>Balance at<br/>1 September<br/>2020<br/>£</i> | <i>Income<br/>£</i>     | <i>Expenditure<br/>£</i>  | <i>Gains/<br/>(Losses)<br/>£</i> | <i>Balance at<br/>31 August<br/>2021<br/>£</i> |
|-------------------------------------|--|-------------------------|---------------------------|----------------------------------|--|
| <b>Unrestricted funds</b>           |  |                         |                           |                                  |  |
| General funds                       | 8,132  | 97,272                  | (81,901)                  | -                                | 23,503   |
| <b>Restricted general funds</b>     |  |                         |                           |                                  |  |
| 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>                               |
| <b>Restricted fixed asset funds</b> |  |                         |                           |                                  |  |
| Restricted fixed asset fund         | 2,755,513  | 12,566                  | (70,745)                  | -                                | 2,697,334                                      |
| <b>Total Restricted funds</b>       | <u>2,456,432</u>                                 | <u>2,146,085</u>        | <u>(2,278,178)</u>        | <u>(214,000)</u>                 | <u>2,110,339</u>                               |
| <b>Total funds</b>                  | <u><u>2,464,564</u></u>                          | <u><u>2,243,357</u></u> | <u><u>(2,360,079)</u></u> | <u><u>(214,000)</u></u>          | <u><u>2,133,842</u></u>                        |

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

|   | <b>2022<br/>£</b>              | <b>2021<br/>£</b>       |
|---|--------------------------------|-------------------------|
| Fair Field Junior School                              | <b>177,973</b>                 | 190,254                 |
| St John's Church of England Infant and Nursery School | <b>237,197</b>                 | 191,254                 |
| Total before fixed asset funds and pension reserve    | <b>415,170</b>                 | 381,508                 |
| Restricted fixed asset fund                           | <b>2,640,399</b>               | 2,697,334               |
| Pension reserve                                       | <b>(201,000)</b>               | (945,000)               |
| <b>Total</b>  | <u><u><b>2,854,569</b></u></u> | <u><u>2,133,842</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of funds (continued)**

|  |   | <b>2022</b>                      |                             | <i>2021</i>                               |                         |                         |
|--|---|----------------------------------|-----------------------------|---|-------------------------|-------------------------|
|  |   | £                                |                             | £   |                         |                         |
| <b>Total cost analysis by academy</b>                                |   |                                  |                             |   |                         |                         |
| Expenditure incurred by each academy during the year was as follows: |   |                                  |                             |   |                         |                         |
|  | <b>Teaching and educational support staff costs</b> | <b>Other support staff costs</b> | <b>Educational supplies</b> | <b>Other costs excluding depreciation</b> | <b>Total 2022</b>       | <i>Total 2021</i>       |
|  | £   | £                                | £                           | £   | £                       | £                       |
| Fair Field Junior School   | 771,638   | 151,920                          | 128,122                     | 223,856                                   | <b>1,275,536</b>        | <i>1,125,091</i>        |
| St John's Church of England Infant and Nursery School                | 804,625   | 126,064                          | 57,239                      | 200,207                                   | <b>1,188,135</b>        | <i>1,058,241</i>        |
| <b>Academy Trust</b>   | <u>1,576,263</u>                                    | <u>277,984</u>                   | <u>185,361</u>              | <u>424,063</u>                            | <u><b>2,463,671</b></u> | <u><i>2,183,332</i></u> |

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|                                | <b>Unrestricted funds</b> | <b>Restricted funds</b> | <b>Restricted fixed asset funds</b> | <b>Total funds</b>      |
|--------------------------------|---------------------------|-------------------------|-------------------------------------|-------------------------|
|                                | <b>2022</b>               | <b>2022</b>             | <b>2022</b>                         | <b>2022</b>             |
|                                | £                         | £                       | £                                   | £                       |
| Tangible fixed assets          | -                         | -                       | 2,640,399                           | <b>2,640,399</b>        |
| Current assets                 | 79,680                    | 551,198                 | -                                   | <b>630,878</b>          |
| Creditors due within one year  | -                         | (215,708)               | -                                   | <b>(215,708)</b>        |
| Defined benefit pension scheme | -                         | (201,000)               | -                                   | <b>(201,000)</b>        |
| <b>Total</b>                   | <u>79,680</u>             | <u>134,490</u>          | <u>2,640,399</u>                    | <u><b>2,854,569</b></u> |

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

|                                | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>fixed asset<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|--------------------------------|--|--|--|---------------------------------------|
| Tangible fixed assets          | -  | -  | 2,690,228  | 2,690,228                             |
| Current assets                 | 23,503                                       | 518,401                                    | 7,106  | 549,010                               |
| Creditors due within one year  | -  | (160,396)                                  | -  | (160,396)                             |
| Defined benefit pension scheme | -  | (945,000)                                  | -  | (945,000)                             |
| <b>Total</b>                   | <b>23,503</b>                                | <b>(586,995)</b>                           | <b>2,697,334</b>   | <b>2,133,842</b>                      |

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

|   | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|---|-------------------|-------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | <b>(193,273)</b>  | <b>(116,722)</b>  |
| <b>Adjustments for:</b>   |                   |                   |
| Depreciation  | <b>57,308</b>     | 70,745            |
| Capital grants from DfE and other capital income                        | <b>(12,705)</b>   | (12,566)          |
| Interest receivable   | <b>(54)</b>       | (47)              |
| Defined benefit pension scheme cost less contributions payable          | <b>153,000</b>    | 94,000            |
| Defined benefit pension scheme finance cost                             | <b>17,000</b>     | 12,000            |
| (Increase)/decrease in debtors  | <b>(54,266)</b>   | 20,528            |
| Increase/(decrease) in creditors  | <b>55,315</b>     | (7,860)           |
| <b>Net cash provided by operating activities</b>                        | <b>22,325</b>     | <b>60,078</b>     |



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**20. Cash flows from investing activities**

|   | 2022         | 2021         |
|---|--------------|--------------|
|   | £            | £            |
| Dividends, interest and rents from investments    | 54           | 47           |
| Purchase of tangible fixed assets                 | (7,479)      | (10,067)     |
| Capital funding received from sponsors and others | 12,705       | 12,566       |
| <b>Net cash provided by investing activities</b>  | <b>5,280</b> | <b>2,546</b> |

**21. Analysis of cash and cash equivalents**

|                          | 2022           | 2021           |
|--------------------------|----------------|----------------|
|                          | £              | £              |
| Cash in hand and at bank | <b>450,627</b> | <b>423,022</b> |

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

|                          | At 1<br>September<br>2021<br>£ | Cash flows<br>£ | At 31<br>August 2022<br>£ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 423,022                        | 27,605          | 450,627                   |
|                          | <b>423,022</b>                 | <b>27,605</b>   | <b>450,627</b>            |

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**23. Pension commitments**

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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £35,837 were payable to the schemes at 31 August 2022 (2021 - £32,554) 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.

**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 2024.

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**23. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £211,770 (2021 - £200,529).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £126,000 (2021 - £117,000), of which employer's contributions totalled £101,000 (2021 - £94,000) and employees' contributions totalled £25,000 (2021 - £23,000). The agreed contribution rates for future years are 20.6% for employers and 5.5% to 12.5% for employees.

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

**Principal actuarial assumptions**

|  | <b>2022</b> | 2021 |
|--|-------------|------|
|  | %           | %    |
| Rate of increase in salaries                       | <b>3.45</b> | 3.30 |
| Rate of increase for pensions in payment/inflation | <b>3.05</b> | 2.90 |
| Discount rate for scheme liabilities               | <b>4.25</b> | 1.65 |

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

|                             | <b>2022</b> | 2021  |
|-----------------------------|-------------|-------|
|                             | Years       | Years |
| <i>Retiring today</i>       |             |       |
| Males                       | <b>21.9</b> | 22.1  |
| Females                     | <b>24.4</b> | 24.5  |
| <i>Retiring in 20 years</i> |             |       |
| Males                       | <b>22.9</b> | 23.2  |
| Females                     | <b>26.0</b> | 26.2  |

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**23. Pension commitments (continued)**

**Share of scheme assets**

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

|                                     | <b>At 31<br/>August 2022</b> | <i>At 31 August<br/>2021</i> |
|-------------------------------------|------------------------------|------------------------------|
|                                     | £                            | £                            |
| Equities                            | <b>533,000</b>               | 537,950                      |
| Corporate bonds                     | <b>245,180</b>               | 294,350                      |
| Property                            | <b>159,900</b>               | 111,650                      |
| Cash and other liquid assets        | <b>127,920</b>               | 71,050                       |
| <b>Total market value of assets</b> | <b>1,066,000</b>             | <i>1,015,000</i>             |

The actual return on scheme assets was £(69,000) (2021 - £112,000).

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

|   | <b>2022</b>      | <i>2021</i>      |
|---|------------------|------------------|
|   | £                | £                |
| Current service cost  | <b>(254,000)</b> | <i>(188,000)</i> |
| Interest income   | <b>18,000</b>    | <i>14,000</i>    |
| Interest cost   | <b>(35,000)</b>  | <i>(26,000)</i>  |
| <b>Total amount recognised in the Statement of Financial Activities</b> | <b>(271,000)</b> | <i>(200,000)</i> |

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

|                          | <b>2022</b>        | <i>2021</i>      |
|--------------------------|--------------------|------------------|
|                          | £                  | £                |
| <b>At 1 September</b>    | <b>1,960,000</b>   | <i>1,415,000</i> |
| Current service cost     | <b>254,000</b>     | <i>188,000</i>   |
| Interest cost            | <b>35,000</b>      | <i>26,000</i>    |
| Employee contributions   | <b>25,000</b>      | <i>23,000</i>    |
| Actuarial (gains)/losses | <b>(1,001,000)</b> | <i>312,000</i>   |
| Benefits paid            | <b>(6,000)</b>     | <i>(4,000)</i>   |
| <b>At 31 August</b>      | <b>1,267,000</b>   | <i>1,960,000</i> |

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**23. Pension commitments (continued)**

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

|                          | <b>2022</b>      | <i>2021</i>      |
|--------------------------|------------------|------------------|
|                          | £                | £                |
| <b>At 1 September</b>    | <b>1,015,000</b> | <i>790,000</i>   |
| Interest income          | <b>18,000</b>    | <i>14,000</i>    |
| Actuarial (losses)/gains | <b>(87,000)</b>  | <i>98,000</i>    |
| Employer contributions   | <b>101,000</b>   | <i>94,000</i>    |
| Employee contributions   | <b>25,000</b>    | <i>23,000</i>    |
| Benefits paid            | <b>(6,000)</b>   | <i>(4,000)</i>   |
| <b>At 31 August</b>      | <b>1,066,000</b> | <i>1,015,000</i> |

**24. Operating lease commitments**

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>2022</b>  | <i>2021</i>  |
|--|--------------|--------------|
|  | £            | £            |
| Not later than 1 year                        | <b>1,203</b> | <i>893</i>   |
| Later than 1 year and not later than 5 years | <b>2,851</b> | <i>3,272</i> |
|  | <b>4,054</b> | <i>4,165</i> |

**25. Members' liability**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. Related party transactions**

Owing to the nature of the Academy Trust 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 Academy Trust 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Multi Academy Trust received hiring income of £2,235 (2021: £2,064) from Cherished Kids Ltd, a company related by virtue of R Chotai, an employee of the Multi Academy Trust, being a director and shareholder. During the year the Multi Academy Trust funded sessions at Cherished Kids for a small number of PPG pupils at a cost of £300 (2021: £215).

In entering into these transactions, the Trust has complied with the requirements of the Academies Financial Handbook 2021.