

REGISTERED COMPANY NUMBER: 08337745 (England and Wales)

Governors' Report and
Financial Statements
for the Year Ended 31 August 2021
for
Canon Pyon CE Academy

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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for the Year Ended 31 August 2021

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Canon Pyon CE Academy

Reference and Administrative Details
for the Year Ended 31 August 2021

MEMBERS:	Mrs A Garland (appointed 12.11.20) Mr C Kent Preb Rev J Davies Diocese of Hereford Educational
GOVERNORS	Mrs P A C Patterson (resigned 1.6.21) Mrs P L Kostorz Mr C Kent Mr D G Barnard Mrs K Western Mrs K Carpenter Mrs A Garland Miss J Kent (appointed 12.11.20)
SENIOR MANAGEMENT TEAM	Mr P Box Executive Head (resigned 31.08.2021) Mr A Davies Executive Head (appointed 01.09.2021) Mrs S Williams Chief Financial Officer Mrs G Simpson School Business Manager (resigned 30.04.2021)
ACCOUNTING OFFICER	Mr P Box (Executive Head Teacher) (resigned 31.08.2021) Mr A Davies (Executive Head Teacher) (appointed 01.09.2021)
COMPANY NAME	Canon Pyon CE Academy
COMPANY SECRETARY	Miss V Turner
REGISTERED OFFICE	Canon Pyon Hereford Herefordshire HR4 8PF
REGISTERED COMPANY NUMBER	08337745 (England and Wales)
SENIOR STATUTORY AUDITOR	Mr Kevin M Tong FCCA, ACA
INDEPENDENT AUDITORS	Thorne Widgey Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS
SOLICITORS	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
BANKERS	Lloyds Bank 6-8 High Street Hereford HR1 2AE

Canon Pyon CE Academy

Governors' Report

for the Year Ended 31 August 2021

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2021. The governors have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

The aims of the Academy during the period ended 31 August 2021 are summarised below:

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

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy continues to maintain and manage a school with a designated Church of England religions character, arranging for religious education and daily acts of worship. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in the school's Strategic Development Plan which is available from each member of the Senior Leadership Team.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

FUNDRAISING

No significant fundraising activities carried out during the year.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Due to COVID 19, Canon Pyon CE Academy have been restricted from taking part in, any of the Federation and cluster activities up to 31st August 2021.

Due to COVID 19 pandemic, there were no assessments carried out during 2020/21.

Key financial performance indicators

These are covered throughout the Governors' Report.

FINANCIAL REVIEW

Financial Review

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2021, total expenditure of £374,946 (2020: £357,499) was covered by recurrent grant funding from the DfE. The net resources expended before transfers and revaluations for the period was a surplus of £5,616 (2020: £6,301 surplus).

At 31 August 2021, the net book value of fixed assets was £984,854 (2020: £987,343) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy

The school will invest any surplus funds on deposit to ensure it maximises its return, however Canon Pyon , only have a small surplus, after recovering from being in a deficit position.

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of unrestricted reserves is £12,130 (2020: £6,119), all of which is free reserves (total funds less the amount held in fixed assets and restricted funds). The level of general restricted reserves (less amount held in fixed assets and pension fund) is a surplus of £57,411 (2020: £36,316).

The governors confirm that the current level of reserves are appropriate, however we continue to work towards building these to protect for future unexpected expenditure

Going concern

The Governing Body is cautious in adopting the going concern basis as although appropriate action is being taken and tight budgetary controls in place to ensure reserves remain in surplus these are not considered a sufficient contingency should unforeseen expenditure arise.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Impact on the School Due to COVID-19

Due to the COVID-19 outbreak Canon Pyon CE Academy closed for all year groups on 1 January 2021, resulting in an unprecedented disruption to the education of the pupils. Staff were unable to carry out their normal activities to support children's learning, wellbeing. The school resorted to using high quality remote education with the use of Microsoft Teams, ensuring and allowing all children to receive as high an education as possible.

Formal assessment, including national assessments, were cancelled during the school year 2020/21. Primary school performance measures will therefore not be published for the 2020/21 academic year.

Canon Pyon CE Academy Catch up Funding 2020-2021

Covid-19 Catch-up premium has been invaluable in supporting the academic needs of the children in school. The majority of the money spent at Canon Pyon CE Academy was used to fund an additional teaching assistant to run catch up sessions and intervention groups.

For further information regarding the spend on Covid catch up premium, please view the document published on the academy website.

FUTURE PLANS

The Academy will be moving from the HMFA Federation at the end 2020/21 academic year and working towards joining two other local primary academy schools being: Stretton Sugwas and Burghill Academy. However, under the new partnership the Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels, and the Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Ensuring high quality teaching and learning

- Ensure that all teachers are using Basic Skills English and Maths, Talk4Writing, Talk4Reading and Developing Reasoning in Maths and Maths Mastery.
- Ensure that assessment is a dialogue between teacher and child which moves learning forward.
- Provide high quality intervention in the Early Years to address speech and language issues; particularly the deficit in vocabulary for disadvantaged children.
- To provide intervention and support for older children to minimise the vocabulary gap.

Developing the creative curriculum

- Ensure that every opportunity to further enhance the already very creative curriculum is taken.
- Review the current curriculum and ensure that there is progression of skills and knowledge through the school.

Strengthen leadership

- Ensure that all Senior Leaders have a good understanding of financial systems and are engaged in the setting of balanced budgets.
- Develop strategic awareness for the Head of School.
- Develop the work scrutiny cycle for Governors and Directors.
- Ensure clear accountability and highly effective communication.
- Ensure that Head of School contributes to the Heads Report as the key accountability document for Governors and Directors.
- Ensure that progress data is available each term for all groups of children.
- Ensure that Senior Leaders meet regularly and that communication is effective between the leadership team and with all stakeholders.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Company was incorporated on the 20th December 2012 and converted from a Local Authority School to an Academy Trust on the 1st February 2013.

The governors act as the trustees for the charitable activities of Canon Pyon CE Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Canon Pyon CE Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report.

Governors' Indemnities

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

The liability insurance is provided by Arthur J Gallagher Insurance Brokers Ltd

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities

This is defined in the Articles of Association.

Recruitment and appointment of new trustees

This is defined in the Articles of Association:

The Members may appoint up to 4 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Executive Head) who are employees of the Academy Trust does not exceed one-third of the total number of Governors.

The Foundation Governors shall be two persons appointed by the Diocesan Board of Education after consultation with Canon Pyon Parochial Church Council plus the principal officiating minister for the time being in the parish of Canon Pyon or in the event of there not being such an officiating minister then such person as may be appointed by the Archdeacon of Hereford. Further, the Foundation Members may appoint further additional Foundation Governors provided that the total number of Foundation Governors would not thereby exceed 25% of the total number of Governors.

The Exec Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

Organisational structure

The Academy together with its close links to HMFA has a leadership structure which consists of the governors, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Exec Headteacher is the Accounting Officer.

The HMFA wider federation has a collaboration agreement between nine schools which formalises the Associate Membership of the MAT. However, the Academy will be working towards moving from the HMFA Federation at the end 2020/21 academic year, to join two other local primary academy schools being: Stretton Sugwas and Burghill Academy

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

The Senior Management Team consists of the Executive Head Teacher, Head of School, School Business Manager and Chief Financial Officer. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Executive Head Teacher must countersign. This will continue with the new partnership of schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The training and induction provided for new Directors will depend upon their existing experience but would always include an invitation to tour the Academy and a chance to meet staff and pupils. All Directors are provided with an induction pack dependent upon their role.

Governor Quality Assurance days are held for Directors and Governors where they visit the schools and involves work scrutiny, talking to pupils, learning walks and observations. However due to COVID19, this has not been done since March 2020.

Governors and Directors, during year ending 31st August 2021, were encouraged to register with Activate Central Ltd. and enrol on relevant training courses to support them in their role, this is provided free of charge.

Key management remuneration

The academy runs and will continue to run under the new partnership, a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

Connected Organisations, including Related Party Relationships

Up to year ending 31st August 2021, the Academy has strong collaborative links with eight other primary schools; Llangrove CE Academy, St Weonard's CE Primary School, Pencombe CE Primary School, Marden Academy, Clehonger Primary School, Lord Scudamore Academy, Kings Caple Academy and Sutton Primary Academy. The last three named are a MAT. Peter Box is Executive Headteacher at Llangrove CE Academy and Clehonger Primary and CEO of the MAT.

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting.

Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system of assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

STRUCTURE, GOVERNANCE AND MANAGEMENT

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas through the Risk Register. The governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

It is important to be aware that the freeze on Government's overall education budget (a reduction per pupil in real terms), changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Board of Directors' and Resource Committee meetings.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.
- Reputational - the continuing success of the Academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Relevant staff receive safer recruitment training and all staff receive relevant safeguarding training, including Prevent, and are issued with relevant documents.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The Academy follows the STPCD and local policy guidelines. Any significant government legislative changes to teachers pay and conditions will therefore have an impact.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

AUDITORS


Insofar as the governors are aware:

- * there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- * the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...17th December 2021... and signed on its behalf by::

Canon Pyon CE Academy

Governors' Report
for the Year Ended 31 August 2021


.....
Mr C Kent - Governor

Governance Statement
for the Year Ended 31 August 2021

Scope of Responsibility

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

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

The board of the governors has delegated the day-to-day responsibility to the Executive Head, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Canon Pyon CE Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Effective financial oversight is maintained as the Resource & Finance Committee also meet 3 times during the year and Pay Review Committee meet annually, this is in addition to any un-scheduled meetings which may arise such as extra-ordinary board meetings or disciplinary/sub-committee meetings. The trust acknowledges that it's Directors are volunteers and any further meetings would be an unreasonable expectation.

Governor		Meetings Attended	Out of a possible
Mr C Kent	Chair of Directors	3	3
Rev. J Davies		3	3
Mrs P Patterson		3	3
Mrs P Kostorz		3	3
Mr D Barnard		2	3
Mrs K Western		3	3
Ms K Carpenter		3	3
Ms A Garland		3	3
Miss J Kent		3	3

Governance Review

The Academy annually reviews the skills set of the Governors to ensure a broad range of knowledge/expertise is represented.

The Resource & Finance Committee is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy.

Governor

Mr P Box	Principal Accounting Officer
Mr C Kent	Chair
Mrs S Williams	Chief Financial Officers
Mrs G Simpson	School Business Manager
Mrs K Carpenter	Head of School
Mrs K Western	Vice Chair

Canon Pyon CE Academy

Governance Statement for the Year Ended 31 August 2021

Review of Value for Money

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

The accounting officer considers how the 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 available.

The chief financial officer for the academy trust has delivered improved value for money during the year by regularly reviewing all aspects of spending and cash flow. The academy trust cash flow position has maintained a stable position through agreement with suppliers of payment instalment plans for annual charges.

The Head of School & Chief Financial Officer undertook an annual review of Educational Support Staff hours taking into consideration flexibility within existing staff contracts and terms of employment and also pupils' needs in order to ascertain whether current staffing levels were suitable and affordable. SEN needs had increased which meant a new appointment however it was identified that experienced support staff could be deployed more effectively to help cover short term absences, non-contact & PPA time. The long standing School Business Manger also resigned, Easter 2021, which allowed the school to re-evaluate the job role and hours, resulting in a new role of Office Manager being introduced, to streamline the administration support to the school.

Up to year end 31st August 2021, Canon Pyon CE Academy is a member of the Herefordshire Marches Federation of Academies and has strong links with the eight other members; Lord Scudamore Academy, Kings Capter Primary Academy, Sutton Primary Academy, Llangrove CE Academy, Marden Academy, St Weonard's Primary School, Pencombe CE Primary School and Clehonger CofE Primary. Costs can be reduced by sharing resources, specialist staff, vehicles and combining pupil extra-curricular activities. Examples of this include; professional services, advertising, marketing, IT licences and software. Where possible, we negotiate and purchase services as a group to obtain discount and best rate.

As members of Activate Central Ltd up to year end 31st August 2021; a network of local primary schools within the county which focuses on professional development and training, the academy trust can access professional development opportunities and specialist educational training courses free of charge.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Canon Pyon CE Academy for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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 charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Canon Pyon CE Academy for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The board of governors has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, a peer review will be undertaken by Rachael Lovell, Academy Business Manager for Stretton Sugwas Academy.

Review of Effectiveness

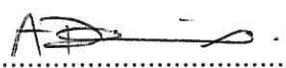
As Accounting Officer, the Executive Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 17th December 2021.... and signed on its behalf by:


.....
Mr C Kent - Governor


.....
Alex Davies - Accounting Officer

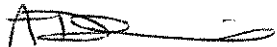
Canon Pyon CE Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2021

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

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

I confirm that 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 governors and ESFA.



.....
Alex Davies - Accounting Officer

Date: 17th December 2021.....

Canon Pyon CE Academy

Statement of Governors' Responsibilities
for the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors 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.

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Approved by order of the members of the board of governors on 17th December 2021 and signed on its behalf by:


.....
Mr C Kent - Governor

Report of the Independent Auditors to the Members of
Canon Pyon CE Academy

Opinion

We have audited the financial statements of Canon Pyon CE Academy (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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'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 governors with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Trustees' Report and the Accounting Policies.

Other information

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Canon Pyon CE Academy

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the governors' Report.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company 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 governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditors to the Members of
Canon Pyon CE Academy

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Financial Handbook 2020, the Academies Accounts Direction 2021, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

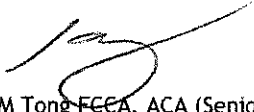
Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

Report of the Independent Auditors to the Members of
Canon Pyon CE Academy

Use of our report

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



Mr Kevin M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: ...2021 December 2021...

Independent Reporting Accountant's Assurance Report on Regularity to
Canon Pyon CE Academy and the Education and Skills Funding Agency

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

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

Respective responsibilities of Canon Pyon CE Academy's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the 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 charitable company's income and expenditure.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended.
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters.

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

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

Independent Reporting Accountant's Assurance Report on Regularity to
Canon Pyon CE Academy and the Education and Skills Funding Agency

Thorne Wiggery Accountancy Ltd
Chartered Accountants
Reporting Accountant
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS



Date: 20th December 2021

Canon Pyon CE Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2021

					31.8.21	31.8.20
	Notes	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	6,881	10,257	17,138	18,199
Charitable activities						
Funding for the academy's educational operations	3	-	-	479,509	479,509	455,391
Other trading activities	4	6,000	2,327	377	8,704	15,998
Investment income	5	11	-	-	11	25
Total		6,011	9,208	490,143	505,362	489,613
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	3	-	22,403	477,343	499,746	483,312
Total	6	-	22,403	477,343	499,746	483,312
NET INCOME/(EXPENDITURE)		6,011	(13,195)	12,800	5,616	6,301
Transfers between funds	17	-	10,707	(10,707)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(34,000)	(34,000)	17,000
Net movement in funds		6,011	(2,488)	(31,907)	(28,384)	23,301
RECONCILIATION OF FUNDS						
Total funds brought forward		6,119	987,341	(294,682)	698,778	675,477
TOTAL FUNDS CARRIED FORWARD		12,130	984,853	(326,589)	670,394	698,778

The notes form part of these financial statements

Balance Sheet
31 August 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	12	984,854	987,343
CURRENT ASSETS			
Debtors	13	7,950	6,450
Cash at bank and in hand		95,068	82,854
		<u>103,018</u>	<u>89,304</u>
CREDITORS			
Amounts falling due within one year	14	(33,478)	(46,869)
		<u>69,540</u>	<u>42,435</u>
NET CURRENT ASSETS			
		<u>1,054,394</u>	<u>1,029,778</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	18	(384,000)	(331,000)
		<u>670,394</u>	<u>698,778</u>
NET ASSETS			
FUNDS	17		
Restricted funds:			
Restricted Fixed Asset Funds		965,122	981,865
Restricted Pension Fund		(384,000)	(331,000)
General Annual Grant		41,420	29,552
Other Restricted		15,991	6,764
ESFA capital		6,521	5,478
Capital Expenditure from GAG		9,363	-
Other Restricted Fund Assets		3,847	-
		<u>658,264</u>	<u>692,659</u>
Unrestricted income fund		<u>12,130</u>	<u>6,119</u>
TOTAL FUNDS		<u>670,394</u>	<u>698,778</u>

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

The financial statements were approved and authorised for issue by the Board of Governors and authorised for issue on 17th December 2021 and were signed on its behalf by:


.....
Mr C Kent - Governor

Canon Pyon CE Academy

Cash Flow Statement
for the Year Ended 31 August 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	27,127	60,398
Net cash provided by operating activities		27,127	60,398
Cash flows from investing activities			
Purchase of tangible fixed assets		(19,779)	-
Capital grants from DfE/EFA		4,855	4,934
Interest received		11	25
Net cash (used in)/provided by investing activities		(14,913)	4,959
Change in cash and cash equivalents in the reporting period		12,214	65,357
Cash and cash equivalents at the beginning of the reporting period		82,854	17,497
Cash and cash equivalents at the end of the reporting period		95,068	82,854

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	31.8.21	31.8.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	5,616	6,301
Adjustments for:		
Depreciation charges	22,268	20,307
Capital grants from DfE/ESFA	(4,855)	(4,934)
Interest received	(11)	(25)
(Increase)/decrease in debtors	(1,500)	6,851
(Decrease)/increase in creditors	(13,391)	17,898
Difference between pension charge and cash contributions	19,000	14,000
Net cash provided by operations	<u>27,127</u>	<u>60,398</u>

2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	82,854	12,214	95,068
	<u>82,854</u>	<u>12,214</u>	<u>95,068</u>
Total	<u>82,854</u>	<u>12,214</u>	<u>95,068</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Canon Pyon CE Academy meets the definition of a public benefit entity under FRS 102.

Going concern

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

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £12,130 (2020: £6,119), all of which is free reserves. The level of general restricted reserves is £57,411 (2020: 36,318).

The Governors have prepared forecasts that indicate that income in the coming year is anticipated to exceed expenditure.

The Governors assessment that is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding, during this period; and
- c) income is received in line with the forecast

The effects of Covid-19 have been considered within the Governors assessment.

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 period is deducted from income and recognised as a liability.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Costs of charitable activities are 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.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold buildings	2% Straight Line	per annum
Property Improvements	2% Straight Line	per annum
Fixtures, fittings and equipment	20% Straight Line	per annum
ICT equipment	33% Straight Line	per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Land and buildings are not revalued.

Included within long leasehold is land and buildings that the academy occupies site under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

Leased Assets

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

Investments

Any surplus funds will be invested to ensure maximum deposit.

Liabilities

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

Provisions

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

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

Taxation

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

Pension costs and other post-retirement benefits

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Grants and donations	-	3,588	3,588	473
Grants	-	4,855	4,855	4,934
School Trips	-	8,695	8,695	12,792
	-	17,138	17,138	18,199

All of the figures included in the comparatives related to restricted funds.

Grants received, included in the above, are as follows:

	31.8.21 £	31.8.20 £
Capital Grant	4,855	4,934

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	397,518	397,518	388,355
Other DfE/EFSA grants				
Universal infant free school meal	-	11,224	11,224	14,557
Pupil premium	-	12,419	12,419	8,892
Teachers' pay	-	4,702	4,702	4,702
Teachers' pension	-	13,286	13,286	13,286
PE and sports	-	16,660	16,660	16,680
Other	-	-	-	1,015
Other DfE/EFSA grants	-	1,024	1,024	-
	-	456,833	456,833	447,487
Other Government grant				
Local authority grant	-	16,436	16,436	7,904
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	6,240	6,240	-
	-	479,509	479,509	455,391

All of the figures included in the comparatives related to restricted funds.

In 2020/21 the academy received £6k of funding for catch-up premium and costs incurred in respect of this funding totalled £6k.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.21 Total funds	31.8.20 Total funds
	£	£	£	£
Lettings income	6,000	-	6,000	4,000
Other income	-	2,704	2,704	11,998
	<u>6,000</u>	<u>2,704</u>	<u>8,704</u>	<u>15,998</u>

The comparatives include unrestricted funds of £6,094 and restricted funds of £9,904 giving a total of £15,998.

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.8.21 Total funds	31.8.20 Total funds
	£	£	£	£
Deposit account interest	11	-	11	25
	<u>11</u>	<u>-</u>	<u>11</u>	<u>25</u>

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academy's educational operations					
Direct costs	266,876	16,260	60,978	344,114	321,703
Allocated support costs	55,235	37,952	62,445	155,632	161,609
	<u>322,111</u>	<u>54,212</u>	<u>123,423</u>	<u>499,746</u>	<u>483,312</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21	31.8.20
	£	£
Auditors' remuneration	6,710	6,515
Auditors' remuneration for non audit work	870	1,333
Depreciation - owned assets	<u>22,268</u>	<u>20,306</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	-	344,114	344,114	321,703
Support costs	-	155,632	155,632	161,609
	-	499,746	499,746	483,312
Analysis of support costs				
Support staff costs			55,235	52,052
Administration costs			14,886	8,603
Premises costs			37,952	52,608
Other support costs			39,979	40,498
Governance costs			7,580	7,848
Total support costs			155,632	161,609

All of the figures included in the comparatives related to restricted funds.

8. GOVERNORS' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment.

P Kostorz (staff governor)		
Remuneration	£35,000 - £40,000	(2020: £35,000 - £40,000)
Employers Pension Contribution	£5,000 - £10,000	(2020: £5,000 - £10,000)
K Carpenter (staff governor)		
Remuneration	£40,000 - £45,000	(2020 : £40,000 - £45,000)
Employers Pension Contribution	£0 - £5,000	(2020 : £0 - £5,000)

Other related party transactions involving the trustees are set out in the notes to the financial statements.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

9. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	253,378	227,011
Social security costs	15,998	15,186
Operating costs of defined benefit pension schemes	52,735	50,341
	<u>322,111</u>	<u>292,538</u>
Supply teacher costs	-	4,077
	<u>322,111</u>	<u>296,615</u>

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	31.8.21	31.8.20
Teachers	5	6
Administration and support	6	4
Management	1	2
	<u>12</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £76,745 (2020: £82,335).

From 1 April 2018 Canon Pyon CE Academy entered a service level agreement with HMFA for executive head services. During the year £20,000 (2020: £20,000) was paid in relation to the executive head services.

In addition to this, Canon Pyon CE Academy also entered into a service level agreement with Accordia Academies Trust for the provision of finance services provided by Mrs S Williams, who is included within the senior management team on Page 1. During the year £10,000 (2020: £10,000) was paid in relation to the finance services.

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to one million on any one claim. The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	4,935	13,264	18,199
Charitable activities				
Funding for the academy's educational operations	-	-	455,391	455,391
Other trading activities	6,094	-	9,904	15,998
Investment income	25	-	-	25
Total	6,119	4,935	478,559	489,613
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	25,241	458,071	483,312
Total	-	25,241	458,071	483,312
NET INCOME/(EXPENDITURE)	6,119	(20,306)	20,488	6,301
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	17,000	17,000
Net movement in funds	6,119	(20,306)	37,488	23,301
RECONCILIATION OF FUNDS				
Total funds brought forward	-	1,007,649	(332,172)	675,477
TOTAL FUNDS CARRIED FORWARD	6,119	987,343	(294,684)	698,778

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2020	1,092,000	14,700	2,000	12,504	1,121,204
Additions	-	-	6,778	13,001	19,779
At 31 August 2021	1,092,000	14,700	8,778	25,505	1,140,983
DEPRECIATION					
At 1 September 2020	123,260	1,764	2,000	6,837	133,861
Charge for year	16,260	294	915	4,799	22,268
At 31 August 2021	139,520	2,058	2,915	11,636	156,129
NET BOOK VALUE					
At 31 August 2021	952,480	12,642	5,863	13,869	984,854
At 31 August 2020	968,740	12,936	-	5,667	987,343

Included within long leasehold is land and buildings that the academy occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

Included within long leasehold is non-depreciated land with a value of £279,000.

Land and buildings are not revalued.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade debtors	206	28
VAT	1,055	2,212
Prepayments and accrued income	6,689	4,210
	<u>7,950</u>	<u>6,450</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	4,591	5,554
Social security and other taxes	9,604	9,437
Other creditors	19,283	31,878
	<u>33,478</u>	<u>46,869</u>

Income has been deferred based on the period to which it relates:

£5,577	(2020: £8,423)	relating to Universal Free School Meal Income
£nil	(2020: £597)	relating to Rates Relief Income

15. MEMBERS' LIABILITY

Each member of the academy undertakes to contribute to the assets of the 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 cease to be a member.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Fund £	31.8.21 Total funds £
Fixed assets	-	984,854	-	984,854
Current assets	12,130	6,505	84,383	103,018
Current liabilities	-	(6,506)	(26,972)	(33,478)
Pension liability	-	-	(384,000)	(384,000)
	<u>12,130</u>	<u>984,853</u>	<u>(326,589)</u>	<u>670,394</u>

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

	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Fund £	31.8.20 Total funds £
Fixed assets	-	987,343	-	987,343
Current assets	6,119	-	83,185	89,304
Current liabilities	-	-	(46,869)	(46,869)
Pension liability	-	-	(331,000)	(331,000)
	<u>6,119</u>	<u>987,343</u>	<u>(294,684)</u>	<u>698,778</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

17. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Restricted general funds				
Restricted Fixed Asset Funds	981,865	(16,743)	-	965,122
Restricted Pension Fund	(331,000)	(53,000)	-	(384,000)
General Annual Grant	29,553	22,574	(10,707)	41,420
Other Restricted	6,765	9,226	-	15,991
ESFA capital	5,476	1,045	-	6,521
Capital Expenditure from GAG	-	(1,310)	10,673	9,363
Other Restricted Fund Assets	-	3,813	34	3,847
	<u>692,659</u>	<u>(34,395)</u>	<u>-</u>	<u>658,264</u>
Unrestricted fund				
Unrestricted General fund	6,119	6,011	-	12,130
	<u>698,778</u>	<u>(28,384)</u>	<u>-</u>	<u>670,394</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted Fixed Asset Funds	1	(16,744)	-	(16,743)
Restricted Pension Fund	-	(19,000)	(34,000)	(53,000)
General Annual Grant	397,520	(374,946)	-	22,574
Other Restricted	27,068	(17,842)	-	9,226
Other DfE/ESFA Grants	1,024	(1,024)	-	-
ESFA capital	4,855	(3,810)	-	1,045
ESFA Universal infant free school meal	11,224	(11,224)	-	-
ESFA Pupil premium	12,419	(12,419)	-	-
ESFA Teachers' pay	4,702	(4,702)	-	-
ESFA Teachers' pension	13,286	(13,286)	-	-
ESFA PE and sports	16,660	(16,660)	-	-
ESFA Catch-up premium	6,240	(6,240)	-	-
Capital Expenditure from GAG	-	(1,310)	-	(1,310)
Other Restricted Fund Assets	4,352	(539)	-	3,813
	<u>499,351</u>	<u>(499,746)</u>	<u>(34,000)</u>	<u>(34,395)</u>
Unrestricted fund				
Unrestricted General fund	6,011	-	-	6,011
	<u>505,362</u>	<u>(499,746)</u>	<u>(34,000)</u>	<u>(28,384)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Restricted general funds			
Restricted Fixed Asset Funds	998,873	(17,008)	981,865
Restricted Pension Fund	(334,000)	3,000	(331,000)
General Annual Grant	(1,304)	30,856	29,552
Other Restricted	3,132	3,632	6,764
ESFA capital	8,776	(3,298)	5,478
	<u>675,477</u>	<u>17,182</u>	<u>692,659</u>
Unrestricted fund			
Unrestricted General fund	-	6,119	6,119
	<u>-</u>	<u>6,119</u>	<u>6,119</u>
TOTAL FUNDS	<u>675,477</u>	<u>23,301</u>	<u>698,778</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Restricted Fixed Asset Funds	-	(17,008)	-	(17,008)
Restricted Pension Fund	-	(14,000)	17,000	3,000
General Annual Grant	388,355	(357,499)	-	30,856
Other Restricted	31,072	(27,440)	-	3,632
Other DfE/ESFA Grants	1,015	(1,015)	-	-
ESFA capital	4,935	(8,233)	-	(3,298)
ESFA Universal infant free school meal	14,557	(14,557)	-	-
ESFA Pupil premium	8,892	(8,892)	-	-
ESFA Teachers' pay	4,702	(4,702)	-	-
ESFA Teachers' pension	13,286	(13,286)	-	-
ESFA PE and sports	16,680	(16,680)	-	-
	<u>483,494</u>	<u>(483,312)</u>	<u>17,000</u>	<u>17,182</u>
Unrestricted fund				
Unrestricted General fund	6,119	-	-	6,119
	<u>6,119</u>	<u>-</u>	<u>-</u>	<u>6,119</u>
TOTAL FUNDS	<u>489,613</u>	<u>(483,312)</u>	<u>17,000</u>	<u>23,301</u>

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

* General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.

* Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.

* Other Restricted General Funds: include payments made towards Academy trips.

* The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.

* Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.

17. MOVEMENT IN FUNDS - continued

* Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds relate to re-allocation of unrestricted funds to General Annual Grant fund, and expenditure of fixed assets.

18. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £4,842 were payable to the schemes at 31 August 2021 (2020 - £5,167) 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 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £25,990 (2020 - £29,070).

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

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

18. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £21,766 (2020: £15,947), of which employer's contributions totalled £16,471 (2020: £11,804) and employees' contributions totalled £5,295 (2020: £4,143). The agreed contribution rates for future years are 15.3% for employers and between 5.5% and 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As the scheme is in deficit, the academy has entered into an agreement with the governors to make additional contributions in addition to normal funding levels.

The rates payable over a three year period will be the Future Service Rate of 15.3% of payroll plus phased lump sum deficit contributions starting at £8,400 for the year to 31 March 2020, increasing by approximately 3.5% per annum. The rate payable from 1 April 2023 will be further revised following the next valuation of the Pension Fund on the 31 March 2022.

The current estimated recovery period is 22 years.

The annual valuation at 31 August 2021 has taken into account the effects of the McCloud judgement.

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	39,000	29,000
Net interest from net defined benefit asset/liability	6,000	6,000
Past service cost	-	-
	<u>45,000</u>	<u>35,000</u>
Actual return on plan assets	<u>30,000</u>	<u>(8,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	478,000	465,000
Current service cost	39,000	29,000
Contributions by scheme participants	5,000	4,000
Interest cost	9,000	9,000
Actuarial losses/(gains)	61,000	(28,000)
Benefits paid	(1,000)	(1,000)
	<u>591,000</u>	<u>478,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

18. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	147,000	131,000
Contributions by employer	26,000	21,000
Contributions by scheme participants	5,000	4,000
Expected return	3,000	3,000
Actuarial gains/(losses)	27,000	(11,000)
Benefits paid	(1,000)	(1,000)
	<u>207,000</u>	<u>147,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial gains/(losses)	<u>(34,000)</u>	<u>17,000</u>
	<u>(34,000)</u>	<u>17,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	173,000	97,000
Government bonds	-	10,000
Bonds - Other	-	8,000
Cash / liquidity	5,000	6,000
Other	20,000	18,000
Property	9,000	8,000
	<u>207,000</u>	<u>147,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.21	31.8.20
Discount rate	1.70%	1.80%
Future salary increases	4.30%	3.80%
Future pension increases	2.90%	2.40%
Inflation assumption (CPI)	2.80%	2.30%

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31.8.21	31.8.20
Retiring today		
Males	22.7	22.6
Females	25.1	25
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27
Sensitivity analysis	31.8.21	31.8.20
	£	£
Discount rate +0.1%	(13,000)	(10,000)
Discount rate -0.1%	13,000	10,000
Mortality assumption - 1 year increase	18,000	14,000
Mortality assumption - 1 year decrease	(17,000)	(14,000)
CPI rate +0.1%	13,000	11,000
CPI rate -0.1%	(13,000)	(11,000)

19. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

20. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21	31.8.20
	£	£
Within one year	2,718	2,144
Between one and five years	3,379	1,625
	<u>6,097</u>	<u>3,769</u>

21. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

The Hereford Marches Federation of Academies - an academy which P Box is a Governor

- During the year income of £nil (2020: £9,904) was received from The Hereford Marches Federation of Academies
- During the year expenditure of £27,608 (2020: £38,160) was paid to The Hereford Marches Federation of Academies, this related to recharge of expenditure all in the course of normal business
- At the year end there was a balance of £500 owed by the academy. (2020: £317)

HMFA Enterprises Ltd - a subsidiary company of The Hereford Marches Federation of Academies

- During the year income of £nil (2020: £nil) was received from The Hereford Marches Enterprises Ltd.
- During the year expenditure of £nil (2020: £nil) was paid to The Hereford Marches Enterprises Ltd.
- There were no amounts outstanding at the year end (2020: £nil)

- The element above £2,500 has been provided 'at no more than cost'

Transactions with other federation academies:

		Income	Expenditure
Llangrove CE Academy	P Box is Executive Headteacher	£nil (2020: £28)	£nil (2020: £nil)
		Balance owed by academy:	£nil (2020: £nil)
Marden Primary Academy	Headteacher is P Box partner - M Newton	£nil (2020: £nil)	£nil (2020: £nil)
Kings Caple Academy	P Box is Headteacher	£nil (2020: £nil)	£nil (2020: £nil)
Sutton Primary Academy	P Box is Headteacher	£nil (2020: £nil)	£2,107 (2020: £2,368)

All of the above transaction were made in the normal course of business.