

Governors' Report and
Financial Statements
for the Year Ended 31 August 2023
for
Canon Pyon CE Academy

Thorne Widgey 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 2023

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Reference and Administrative Details
for the Year Ended 31 August 2023

| | |
|----------------------------------|---|
| MEMBERS: | Mr R Griffiths (appointed 12.12.22) Rev P Littlewood (appointed 12.12.22) Mrs A Garland (resigned 5.12.22) Mr C Kent Preb Rev J Davies (resigned 5.12.22) |
| GOVERNORS | Mrs P L Kistorz Mrs K Western Mrs K Carpenter Mr D A Davies Executive Headteacher Mrs C Roberts Teacher Rev A Price Vicar (appointed 5.12.22) |
| SENIOR MANAGEMENT TEAM | Mr A Davies Executive Head Mrs S Williams (Resigned 31.12.22) Chief Financial Officer Miss V Turner (Appointed 01.01.23) |
| ACCOUNTING OFFICER | Mr A Davies Executive Head Teacher |
| COMPANY NAME | Canon Pyon CE Academy |
| COMPANY SECRETARY | Mrs C Weaver |
| REGISTERED OFFICE | Canon Pyon Hereford Herefordshire HR4 8PF |
| REGISTERED COMPANY NUMBER | 08337745 (England and Wales) |
| SENIOR STATUTORY AUDITOR | Lisa Weaver FCCA |
| 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 |

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 2023. 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.

The Trust operates an academy for pupils aged 5 to 11 in Herefordshire. There is also a privately run pre-school (Pippins) that caters for children between the ages of 18 months and 4 years old. Each day the pre-school can take up to 16 children. There are plans in place for the setting to become Governor run from the start of September 2023. Canon Pyon has a pupils on roll of 73 in the school census on 1 October 2022.

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 2023 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

The school's PTFA has reformed and have managed to fundraise during the academic year. A number of events have taken place.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The school's PTFA has reformed and have managed to fundraise during the academic year. A number of events have taken place.

ACHIEVEMENT AND PERFORMANCE

Key financial performance indicators

During the academic year 2022-2023, we are extremely pleased with the attainment and progress of all the children across the school.

KS1 results involved only 6 children (each child equating to 17%). Due to the nature of needs and the low numbers, it would be easy to identify individual children publishing their data.

KS2 results are as follows:

| | Reading | Writing | Maths | SPAG | Science |
|---------------|---------|---------|-------|------|---------|
| Expected | 91% | 91% | 82% | 73% | 91% |
| Greater Depth | 64% | 9% | 18% | 46% | N/A |

These are excellent results and, for the expected standard, are considerably above the National figures in most areas. In regards to the greater depth results, again these are either above or broadly in line with National and possibly the school's best results for some time.

FINANCIAL REVIEW

Financial position

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 2023 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 2023, total expenditure of £432,199 (2022: £459,474) was covered by recurrent grant funding from the DfE. The net resources expended before transfers and revaluations for the period was a deficit of £11,177 (2022: £22,895 deficit).

At 31 August 2023, the net book value of fixed assets was £982,160 (2022: £1,000,783) 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.

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 £32,024 (2022: £25,625), 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 £37,251 (2022: £25,372).

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 due to current inflationary pressures 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.

FUTURE PLANS

Canon Pyon CE Academy has been working in collaboration with two neighbouring schools; Stretton Sugwas CE Academy and Burghill Community Academy since September 2021. A decision was made, with the Hereford Diocesan Board of Education, in the summer of 2023, that the 3 academies would form a new church articulated MAT - Orchard MAT. The academies have been working closely with the Regional Directors and the ESFA to formulate this plan with the aim to achieve a conversion into a MAT by September 2024.

The vision of Orchard is simple in allowing each of its member schools- and subsequently all of their respective pupils, staff and wider community- to grow and flourish.

There are plans in place for the trust to grow in order to support the academies, not only in performing their statutory functions and ensuring stability for the future, but also to share the wealth of experience and expertise from across the trust. The main drivers being that all the children have the best possible experiences and educational outcomes along with developing staff and strengthening staff retention.

In developing the MAT, the following areas are key to the success of each school and will strengthen how the MAT will function in the future.

Ensuring high quality teaching and learning

- Ensure that assessment is a dialogue between teacher and child which moves learning forward.
- Provide high quality intervention across the school 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.
- Ensure there are opportunities for all children to develop and deepen their knowledge further in all subject areas.
- 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 leaders at governor and school level.
- 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. Through this academic year, the trustee board has conducted a skills audit to determine any areas of weakness within the board. With half termly full board meetings, along with rigorous school reports, trustees are able to scrutinise and challenge all areas effectively, including safeguarding.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Zurich Insurance.

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 official 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 has a leadership structure which consists of the governors and The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Headteacher is the Accounting Officer.

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 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.

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.

Conflicts of interests are discussed at each meeting. At the beginning of each academic year, all trustees reference any declarations of interests and this is filed with the clerk to governors and published on the academies website.

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.

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

A Davies and K Carpenter starting directorship of Pippins Pre-School from September 2022

A Davies being executive headteacher of Burghill Community Academy since September 2018 and headteacher at Stretton Sugwas C of E Academy since September 2013.

A Davies is also Executive Headteacher for Burghill Community Academy and Stretton C of E Academy. SSA also provide a financial SLA for the academy.

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.

The board of trustees has selected members operating a Finance Committee. This committee scrutinises closely the academies accounts and information is shared on a monthly basis. The committee then reports back to the full governing board at termly intervals. An Audit Risk Committee has been set up to ensure standards are maintained and address any financial risks that are addressed as a result of the internal scrutiny. A pay and personnel committee meets annually to discuss staffing increments and promotions to ensure a fair pay system at the academy.

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 dependent 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

Due to the nature of the academy's buildings and surrounding playing fields consideration is given to site security to ensure it is safe and secure for the pupils. The condition of the estate is periodically reviewed to identify any areas which require improvement and the cost of any rectifications are sought and considered by the Board and within the main budget for the year. Where there is a need for a specific project to improve the facilities, additional funding will be sought wherever possible.

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
for the Year Ended 31 August 2023

Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on^{12.12.23}..... and signed on its behalf by::



.....
Mr C Kent - Governor

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 6 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 | 6 | 6 |
| Mr R Griffiths | Member - only attends AGM | 0 | 0 |
| Rev P Littlewood | Member - only attends AGM | 0 | 0 |
| Rev J Davies | Resigned 05.12.22 | 1 | 2 |
| Mrs P Koztorz | | 6 | 6 |
| Mr D A Davies | | 6 | 6 |
| Mrs K Western | | 6 | 6 |
| Ms K Carpenter | | 6 | 6 |
| Ms A Garland | Resigned 05.12.22 | 0 | 2 |
| Rev A Price | | 5 | 6 |
| Mrs C Roberts | | 6 | 6 |

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, along with the Risk & Audit Committee are sub-committees of the main Governing Body. Their 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.

Resource Committee

| Governor | | Meetings Attended | Out of a Possible |
|-----------------|--------------------|--------------------------|--------------------------|
| Mr C Kent | Chair | 3 | 3 |
| Mr D A Davies | | 3 | 3 |
| Mrs S Williams | Resigned 05.12.22 | 0 | 1 |
| Mrs K Carpenter | | 3 | 3 |
| Mrs K Western | | 2 | 3 |
| Miss V Turner | Appointed 01.01.23 | 3 | 3 |

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, as well as estates safety & management, 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.

We regularly work with "Education Property Partnership" to identify areas of site safety and maintenance, this schedule of works is prioritised according to the health and safety need. Tenders are obtained in accordance with our financial procedures to ensure the best value for money is achieved although there might be occasions where an urgent need might not allow this

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 2022 to 31 August 2023 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 2022 to 31 August 2023 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 to use an external party to conduct internal scrutiny work.

The board of trustees are regularly informed on the operation of the systems of control and considers actions and assesses year on year progress.

Governance Statement
for the Year Ended 31 August 2023

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 ...12/12/23..... 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 2023

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, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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:12/12/23.....

Statement of Governors' Responsibilities
for the Year Ended 31 August 2023

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 2022 to 2023;
- 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:

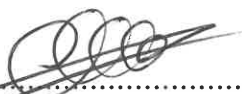
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

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 ...12/12/22..... and signed on its behalf by:



.....

Mr C Kent - Governor

Opinion

We have audited the financial statements of Canon Pyon CE Academy (the 'academy') for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023.

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.

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.

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.

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 School Funding Agency, the Academies Trust Handbook 2022, the Academies Accounts Direction 2022, 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.

The maintenance and integrity of the Canon Pyon Academy website is the responsibility of the governors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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.



Lisa Weaver FCCA (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:19/12/23.....

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 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 2023 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 2022 to 31 August 2023 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 Widgey Accountancy Ltd
Thorne Widgey Accountancy Ltd

Chartered Accountants
Reporting Accountant
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:19/12/23.....

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2023

| | | | | 31.8.23 | 31.8.22 |
|--|-------|------------------------|--|------------------------------------|---------------------|
| | Notes | Unrestricted fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and capital grants | 2 | 8,775 | 16,496 | 13,155 | 38,426 |
| Charitable activities | | | | | |
| Funding for the academy's educational operations | 3 | - | - | 544,462 | 544,462 |
| Other trading activities | 4 | 6,000 | - | 311 | 6,311 |
| Investment income | 5 | 10 | - | - | 10 |
| Total | | 14,785 | 16,496 | 557,928 | 589,209 |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Academy's educational operations | 7 | 8,386 | 45,491 | 546,509 | 600,386 |
| Other | | - | - | - | (1,737) |
| Total | | 8,386 | 45,491 | 546,509 | 600,386 |
| NET INCOME/(EXPENDITURE) | | | | | |
| Transfers between funds | 17 | 6,399 | (28,995) | 11,419 | (11,177) |
| Other recognised gains/(losses) | | - | (459) | 459 | - |
| Actuarial gains on defined benefit schemes | | - | - | 77,000 | 77,000 |
| Net movement in funds | | 6,399 | (29,454) | 88,878 | 65,823 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 25,625 | 1,011,501 | (134,627) | 902,499 |
| TOTAL FUNDS CARRIED FORWARD | | 32,024 | 982,047 | (45,749) | 968,322 |

The notes form part of these financial statements

Balance Sheet
31 August 2023

| | Notes | 31.8.23 £ | 31.8.22 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 982,160 | 1,000,783 |
| CURRENT ASSETS | | | |
| Debtors | 13 | 13,920 | 86,672 |
| Cash at bank and in hand | | 90,249 | 44,824 |
| | | <u>104,169</u> | <u>131,496</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | (35,007) | (69,780) |
| | | <u>69,162</u> | <u>61,716</u> |
| NET CURRENT ASSETS | | | |
| | | <u>1,051,322</u> | <u>1,062,499</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| PENSION LIABILITY | 18 | (83,000) | (160,000) |
| | | <u>968,322</u> | <u>902,499</u> |
| NET ASSETS | | | |
| FUNDS | 17 | | |
| Restricted funds: | | | |
| Restricted Fixed Asset Funds | | 942,495 | 950,141 |
| Restricted Pension Fund | | (83,000) | (160,000) |
| General Annual Grant | | 31,757 | 17,553 |
| Other Restricted | | 5,494 | 7,819 |
| ESFA capital | | 2,456 | 8,299 |
| Capital Expenditure from GAG | | 30,973 | 3,642 |
| Other Restricted Fund Assets | | 6,123 | 49,420 |
| | | <u>936,298</u> | <u>876,874</u> |
| Unrestricted income fund | | <u>32,024</u> | <u>25,625</u> |
| TOTAL FUNDS | | <u>968,322</u> | <u>902,499</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 12.12.23..... and were signed on its behalf by:


.....
Mr C Kent - Governor

Canon Pyon CE Academy

Cash Flow Statement
for the Year Ended 31 August 2023

| | Notes | 31.8.23 £ | 31.8.22 £ |
|--|-------|---------------|-----------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 28,796 | (12,312) |
| Net cash provided by/(used in) operating activities | | <u>28,796</u> | <u>(12,312)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (7,212) | (41,363) |
| Capital grants from DfE/EFA | | 22,094 | 1,683 |
| Sale of tangible fixed assets | | 1,737 | 1,737 |
| Interest received | | 10 | 11 |
| Net cash provided by/(used in) investing activities | | <u>16,629</u> | <u>(37,932)</u> |
| Change in cash and cash equivalents in the reporting period | | | |
| Cash and cash equivalents at the beginning of the reporting period | | <u>44,824</u> | <u>95,068</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>90,249</u> | <u>44,824</u> |

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2023

| | | |
|--|----------------------|------------------------|
| 1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES | 31.8.23 | 31.8.22 |
| | £ | £ |
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | (11,177) | (22,895) |
| Adjustments for: | | |
| Depreciation charges | 24,097 | 27,171 |
| Capital grants from DfE/ESFA | (22,094) | (1,683) |
| Profit on disposal of fixed assets | - | (1,737) |
| Interest received | (10) | (11) |
| Decrease/(increase) in debtors | 72,752 | (78,722) |
| (Decrease)/increase in creditors | (34,772) | 36,302 |
| Difference between pension charge and cash contributions | - | 29,263 |
| | <u>28,796</u> | <u>(12,312)</u> |
| Net cash provided by/(used in) operations | <u><u>28,796</u></u> | <u><u>(12,312)</u></u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.9.22 | Cash flow | At 31.8.23 |
|--------------------------|----------------------|----------------------|----------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | 44,824 | 45,425 | 90,249 |
| | <u>44,824</u> | <u>45,425</u> | <u>90,249</u> |
| Total | <u><u>44,824</u></u> | <u><u>45,425</u></u> | <u><u>90,249</u></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 2022 to 2023 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 £32,024 (2022: £25,625), all of which is free reserves. The level of general restricted reserves is £37,251 (2022: £25,625).

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 the current inflationary pressures 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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

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 2023

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.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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 2022 has been used by the actuary in valuing the pensions liability at the year end. 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.

2. DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds | Restricted funds | 31.8.23 Total funds | 31.8.22 Total funds |
|----------------------|-----------------------|---------------------|---------------------------|---------------------------|
| | £ | £ | £ | £ |
| Grants and donations | 331 | 2,565 | 2,896 | 1,391 |
| Grants | - | 22,094 | 22,094 | 52,083 |
| School Trips | 8,444 | 4,992 | 13,436 | 9,485 |
| | <u>8,775</u> | <u>29,651</u> | <u>38,426</u> | <u>62,959</u> |

The comparative figure of £62,959 is made up of £52,091 restricted funds, and £10,988 of unrestricted funds.

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

| | 31.8.23 £ | 31.8.22 £ |
|---------------|---------------|---------------|
| Capital Grant | 22,094 | 1,683 |
| Other grant | - | 50,400 |
| | <u>22,094</u> | <u>52,083</u> |

Other grant consists of s106 funding for the prior year.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.23 Total funds £ | 31.8.22 Total funds £ |
|---|----------------------------|--------------------------|--------------------------------|--------------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant(GAG) | - | 445,942 | 445,942 | 435,607 |
| Other DfE/EFSA grants | | | | |
| Universal infant free school meal | - | 9,845 | 9,845 | 11,929 |
| Pupil premium | - | 16,347 | 16,347 | 15,415 |
| PE and sports | - | 16,630 | 16,630 | 16,720 |
| Other | - | - | - | (2,833) |
| Supplementary Grant | - | 17,747 | 17,747 | - |
| Other DfE/EFSA grants | - | 5,131 | 5,131 | 8,585 |
| | <u>-</u> | <u>511,642</u> | <u>511,642</u> | <u>485,423</u> |
| Other Government grant | | | | |
| Local authority grant | - | 32,820 | 32,820 | 31,992 |
| | <u>-</u> | <u>32,820</u> | <u>32,820</u> | <u>31,992</u> |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | - | - | - | 2,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,000</u> |
| | <u>-</u> | <u>544,462</u> | <u>544,462</u> | <u>519,415</u> |

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

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 31.8.23 Total funds £ | 31.8.22 Total funds £ |
|-----------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Lettings income | 6,000 | - | 6,000 | 6,000 |
| Other income | - | 311 | 311 | 560 |
| | <u>6,000</u> | <u>311</u> | <u>6,311</u> | <u>6,560</u> |

The comparatives include unrestricted funds of £6,560.

5. INVESTMENT INCOME

| | Unrestricted funds £ | Restricted funds £ | 31.8.23 Total funds £ | 31.8.22 Total funds £ |
|--------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Deposit account interest | 10 | - | 10 | 11 |
| | <u>10</u> | <u>-</u> | <u>10</u> | <u>11</u> |

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

6. EXPENDITURE

| | Non-pay expenditure | | | 31.8.23 | 31.8.22 |
|---|---------------------|---------------|----------------|----------------|----------------|
| | Staff costs | Premises | Other costs | Total | Total |
| | £ | £ | £ | £ | £ |
| Charitable activities | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 213,384 | 16,260 | 76,859 | 306,503 | 306,769 |
| Allocated support costs | 167,802 | 62,542 | 63,539 | 293,883 | 306,808 |
| | <u>381,186</u> | <u>78,802</u> | <u>140,398</u> | <u>600,386</u> | <u>613,577</u> |
| Other | - | - | - | - | (1,737) |
| | <u>381,186</u> | <u>78,802</u> | <u>140,398</u> | <u>600,386</u> | <u>611,840</u> |

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

| | 31.8.23 | 31.8.22 |
|---|---------------|---------------|
| | £ | £ |
| Auditors' remuneration | 7,743 | 7,046 |
| Auditors' remuneration for non audit work | 360 | 685 |
| Depreciation - owned assets | 24,098 | 25,434 |
| Surplus on disposal of fixed assets | - | (1,737) |
| Operating leases | 1,417 | 2,718 |
| | <u>33,628</u> | <u>34,146</u> |

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds | Restricted funds | 31.8.23 Total funds | 31.8.22 Total funds |
|---------------|--------------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Direct costs | 912 | 305,591 | 306,503 | 306,769 |
| Support costs | 7,475 | 286,408 | 293,883 | 306,808 |
| | <u>8,387</u> | <u>591,999</u> | <u>600,386</u> | <u>613,577</u> |

| | 31.8.23 Total | 31.8.22 Total |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Analysis of support costs | | |
| Support staff costs | 167,802 | 148,182 |
| Administration costs | 11,078 | 10,977 |
| Premises costs | 62,542 | 90,685 |
| Other support costs | 44,358 | 49,233 |
| Governance costs | 8,103 | 7,731 |
| Total support costs | <u>293,883</u> | <u>306,808</u> |

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

8. STAFF COSTS

| | 31.8.23 | 31.8.22 |
|--|----------------|----------------|
| | £ | £ |
| Wages and salaries | 297,399 | 270,059 |
| Social security costs | 20,648 | 16,173 |
| Operating costs of defined benefit pension schemes | 61,403 | 56,731 |
| | <u>379,450</u> | <u>342,963</u> |
| Supply teacher costs | 1,736 | 3,477 |
| | <u>381,186</u> | <u>346,440</u> |

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

| | 31.8.23 | 31.8.22 |
|----------------------------|-----------|-----------|
| Teachers | 5 | 5 |
| Administration and support | 7 | 7 |
| Management | 1 | 1 |
| | <u>13</u> | <u>13</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 £84,065 (2022: £76,105).

Canon Pyon CE Academy has a service level agreement with Stretton Sugwas Academy for executive head services. During the year £30,000 (2022: £30,000) 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 £3,333 (2022: £10,000) was paid in relation to the finance services.

During the year, the school ceased their financial service SLA with Accordia, and now obtain the service from Stretton Sugwas Academy. During the year, £5,000 (2022: £Nil) was paid for this service.

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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 Kistorz (staff governor) | | |
| Remuneration | £30,000 - £35,000 | (2022: £30,000 - £35,000) |
| Employers Pension Contribution | £5,000 - £10,000 | (2022: £5,000 - £10,000) |
| K Carpenter (staff governor) | | |
| Remuneration | £50,000 - £55,000 | (2022 : £40,000 - £45,000) |
| Employers Pension Contribution | £5,000 - £10,000 | (2022 : £0 - £5,000) |

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

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.

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 | 10,867 | 52,083 | 9 | 62,959 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | - | - | 519,415 | 519,415 |
| Other trading activities | 6,560 | - | - | 6,560 |
| Investment income | 11 | - | - | 11 |
| Total | <u>17,438</u> | <u>52,083</u> | <u>519,424</u> | <u>588,945</u> |
| EXPENDITURE ON | | | | |
| Charitable activities | | | | |
| Academy's educational operations | 3,943 | 27,171 | 582,463 | 613,577 |
| Other | - | (1,737) | - | (1,737) |
| Total | <u>3,943</u> | <u>25,434</u> | <u>582,463</u> | <u>611,840</u> |
| NET INCOME/(EXPENDITURE) | 13,495 | 26,649 | (63,039) | (22,895) |
| Other recognised gains/(losses) | | | | |
| Actuarial gains on defined benefit schemes | - | - | 255,000 | 255,000 |
| Net movement in funds | 13,495 | 26,649 | 191,961 | 232,105 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 12,130 | 984,853 | (326,589) | 670,394 |
| TOTAL FUNDS CARRIED FORWARD | <u><u>25,625</u></u> | <u><u>1,011,502</u></u> | <u><u>(134,628)</u></u> | <u><u>902,499</u></u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

12. TANGIBLE FIXED ASSETS

| | Long leasehold £ | Improvements to property £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|------------------------|-------------------------------------|----------------------------------|----------------------------|-------------|
| COST | | | | | |
| At 1 September 2022 | 1,125,760 | 14,700 | 8,778 | 33,108 | 1,182,346 |
| Additions | - | - | 7,212 | - | 7,212 |
| At 31 August 2023 | 1,125,760 | 14,700 | 15,990 | 33,108 | 1,189,558 |
| DEPRECIATION | | | | | |
| At 1 September 2022 | 156,239 | 2,058 | 5,467 | 17,799 | 181,563 |
| Charge for year | 16,720 | 294 | 740 | 6,344 | 24,098 |
| Eliminated on disposal | - | - | - | 1,737 | 1,737 |
| At 31 August 2023 | 172,959 | 2,352 | 6,207 | 25,880 | 207,398 |
| NET BOOK VALUE | | | | | |
| At 31 August 2023 | 952,801 | 12,348 | 9,783 | 7,228 | 982,160 |
| At 31 August 2022 | 969,521 | 12,642 | 3,311 | 15,309 | 1,000,783 |

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

| | 31.8.23 £ | 31.8.22 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 1,056 | 56,084 |
| VAT | 3,696 | 22,011 |
| Prepayments and accrued income | 9,168 | 8,577 |
| | <u>13,920</u> | <u>86,672</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.8.23 | 31.8.22 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 6,517 | 4,359 |
| Social security and other taxes | 11,642 | 9,826 |
| Other creditors | 16,848 | 55,595 |
| | <u>35,007</u> | <u>69,780</u> |

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

| | | |
|--------|----------------|---|
| £6,023 | (2022: £7,079) | relating to Universal Free School Meal Income |
| | | relating to s106 grant to be deferred £5,600 and £1,013 for school led tutoring |
| £Nil | (2022: £6,613) | grant funding unspent to be repaid. |

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

| | 31.8.23 | | | |
|---------------------|---------------------------|--|------------------------------------|---------------------|
| | Unrestricted fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
| Fixed assets | - | 982,160 | - | 982,160 |
| Current assets | 32,024 | (113) | 72,258 | 104,169 |
| Current liabilities | - | - | (35,007) | (35,007) |
| Pension liability | - | - | (83,000) | (83,000) |
| | <u>32,024</u> | <u>982,047</u> | <u>(45,749)</u> | <u>968,322</u> |

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

| | 31.8.22 | | | |
|---------------------|---------------------------|--|------------------------------------|---------------------|
| | Unrestricted fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
| Fixed assets | - | 982,420 | 18,363 | 1,000,783 |
| Current assets | 25,978 | 50,056 | 55,462 | 131,496 |
| Current liabilities | (353) | (20,974) | (48,453) | (69,780) |
| Pension liability | - | - | (160,000) | (160,000) |
| | <u>25,625</u> | <u>1,011,502</u> | <u>(134,628)</u> | <u>902,499</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

17. MOVEMENT IN FUNDS

| | At 1.9.22 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.23 £ |
|---------------------------------|----------------|----------------------------------|------------------------------------|--------------------|
| Restricted general funds | | | | |
| Restricted Fixed Asset Funds | 950,140 | (16,553) | 8,908 | 942,495 |
| Restricted Pension Fund | (160,000) | 77,000 | - | (83,000) |
| General Annual Grant | 17,554 | 13,744 | 459 | 31,757 |
| Other Restricted | 7,819 | (2,325) | - | 5,494 |
| ESFA capital | 8,299 | (5,843) | - | 2,456 |
| Capital Expenditure from GAG | 3,642 | (4,530) | 31,861 | 30,973 |
| Other Restricted Fund Assets | 49,420 | (2,069) | (41,228) | 6,123 |
| | <u>876,874</u> | <u>59,424</u> | <u>-</u> | <u>936,298</u> |
| Unrestricted fund | | | | |
| Unrestricted General fund | 25,625 | 6,399 | - | 32,024 |
| | <u>902,499</u> | <u>65,823</u> | <u>-</u> | <u>968,322</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 | (16,554) | - | (16,553) |
| Restricted Pension Fund | - | - | 77,000 | 77,000 |
| General Annual Grant | 445,943 | (432,199) | - | 13,744 |
| Other Restricted | 46,285 | (48,610) | - | (2,325) |
| Other DfE/ESFA Grants | 22,878 | (22,878) | - | - |
| ESFA capital | 16,494 | (22,337) | - | (5,843) |
| ESFA Universal infant free school meal | 9,845 | (9,845) | - | - |
| ESFA Pupil premium | 16,347 | (16,347) | - | - |
| ESFA PE and sports | 16,630 | (16,630) | - | - |
| Capital Expenditure from GAG | - | (4,530) | - | (4,530) |
| Other Restricted Fund Assets | 1 | (2,070) | - | (2,069) |
| | <u>574,424</u> | <u>(592,000)</u> | <u>77,000</u> | <u>59,424</u> |
| Unrestricted fund | | | | |
| Unrestricted General fund | 14,785 | (8,386) | - | 6,399 |
| | <u>589,209</u> | <u>(600,386)</u> | <u>77,000</u> | <u>65,823</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1.9.21 £ | Net movement in funds £ | At 31.8.22 £ |
|---------------------------------|-----------------|----------------------------------|--------------------|
| Restricted general funds | | | |
| Restricted Fixed Asset Funds | 965,122 | (14,981) | 950,141 |
| Restricted Pension Fund | (384,000) | 224,000 | (160,000) |
| General Annual Grant | 41,420 | (23,867) | 17,553 |
| Other Restricted | 15,991 | (8,172) | 7,819 |
| ESFA capital | 6,521 | 1,778 | 8,299 |
| Capital Expenditure from GAG | 9,363 | (5,721) | 3,642 |
| Other Restricted Fund Assets | 3,847 | 45,573 | 49,420 |
| | <u>658,264</u> | <u>218,610</u> | <u>876,874</u> |
| Unrestricted fund | | | |
| Unrestricted General fund | 12,130 | 13,495 | 25,625 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>670,394</u> | <u>232,105</u> | <u>902,499</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 | - | (14,981) | - | (14,981) |
| Restricted Pension Fund | - | (31,000) | 255,000 | 224,000 |
| General Annual Grant | 435,608 | (459,475) | - | (23,867) |
| Other Restricted | 32,001 | (40,173) | - | (8,172) |
| Other DfE/ESFA Grants | 8,585 | (8,585) | - | - |
| ESFA capital | 4,901 | (3,123) | - | 1,778 |
| ESFA Universal infant free school meal | 10,916 | (10,916) | - | - |
| ESFA Pupil premium | 15,594 | (15,594) | - | - |
| ESFA PE and sports | 16,720 | (16,720) | - | - |
| Capital Expenditure from GAG | - | (5,721) | - | (5,721) |
| Other Restricted Fund Assets | 47,182 | (1,609) | - | 45,573 |
| | <u>571,507</u> | <u>(607,897)</u> | <u>255,000</u> | <u>218,610</u> |
| Unrestricted fund | | | | |
| Unrestricted General fund | 17,438 | (3,943) | - | 13,495 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>588,945</u> | <u>(611,840)</u> | <u>255,000</u> | <u>232,105</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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

17. MOVEMENT IN FUNDS - continued

- * Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- * 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 £0 were payable to the schemes at 31 August 2023 (2022 - £4,928) 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.

18. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the teachers' pension scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. 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 2024.

The employer's pension costs paid to TPS in the period amounted to £28,451 (2022 - £26,947).

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.

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 2023 was £29,068 (2022: £25,500), of which employer's contributions totalled £22,100 (2022: £19,409) and employees' contributions totalled £6,968 (2022: £6,091). 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with the parliamentary minute published on GOV.UK.

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 17.5% of payroll plus phased lump sum deficit contributions starting at £9,600 for the year to 31 March 2024, increasing by approximately 4.5% per annum.

The current estimated recovery period is 12 years.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|---|-------------------------------|----------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Current service cost | 27,000 | 54,000 |
| Net interest from net defined benefit asset/liability | 5,000 | 6,000 |
| Past service cost | - | - |
| | <u>32,000</u> | <u>60,000</u> |
| Actual return on plan assets | <u>(15,000)</u> | <u>(6,000)</u> |

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

| | Defined benefit pension plans | |
|--|-------------------------------|----------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Opening defined benefit obligation | 395,000 | 591,000 |
| Current service cost | 27,000 | 54,000 |
| Contributions by scheme participants | 7,000 | 6,000 |
| Interest cost | 16,000 | 10,000 |
| Actuarial losses/(gains) | (103,000) | (261,000) |
| Benefits paid | (1,000) | (1,000) |
| Actuarial (gains)/losses from changes in demographic assumptions | - | (4,000) |
| | <u>341,000</u> | <u>395,000</u> |

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

| | Defined benefit pension plans | |
|--------------------------------------|-------------------------------|----------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Opening fair value of scheme assets | 235,000 | 207,000 |
| Contributions by employer | 33,000 | 29,000 |
| Contributions by scheme participants | 7,000 | 6,000 |
| Expected return | 11,000 | 4,000 |
| Actuarial gains/(losses) | (26,000) | (10,000) |
| Benefits paid | (1,000) | (1,000) |
| Assets administration expenses | (1,000) | - |
| | <u>258,000</u> | <u>235,000</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2023

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|--|-------------------------------|--------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Actuarial (gains)/losses from changes in demographic assumptions | - | 4,000 |
| Actuarial gains/(losses) | 77,000 | - |
| | <u>77,000</u> | <u>4,000</u> |

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

| | Defined benefit pension plans | |
|------------------|-------------------------------|----------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Equities | 189,000 | 173,000 |
| Bonds - Other | 6,000 | 6,000 |
| Cash / liquidity | 2,000 | 4,000 |
| Other | 40,000 | 32,000 |
| Property | 21,000 | 20,000 |
| | <u>258,000</u> | <u>235,000</u> |

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

| | 31.8.23 | 31.8.22 |
|----------------------------|---------|---------|
| Discount rate | 5.30% | 4.30% |
| Future salary increases | 4.30% | 4.30% |
| Future pension increases | 2.90% | 2.90% |
| Inflation assumption (CPI) | 2.80% | 2.80% |

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

| | | |
|----------------------|------|------|
| Retiring today | | |
| Males | 21.5 | 22.6 |
| Females | 23.8 | 25 |
| Retiring in 20 years | | |
| Males | 22.8 | 24.1 |
| Females | 25.6 | 27 |

Sensitivity analysis

| | 31.8.23 | 31.8.22 |
|--|---------|---------|
| | £ | £ |
| Discount rate +0.1% | (6,000) | (9,000) |
| Discount rate -0.1% | 7,000 | 9,000 |
| Mortality assumption - 1 year increase | 6,000 | 8,000 |
| Mortality assumption - 1 year decrease | (6,000) | (8,000) |
| CPI rate +0.1% | 7,000 | 9,000 |
| CPI rate -0.1% | (7,000) | (9,000) |

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:

| | 31.8.23 | 31.8.22 |
|----------------------------|--------------|--------------|
| | £ | £ |
| Within one year | 1,044 | 1,093 |
| Between one and five years | 2,268 | 2,286 |
| In more than five years | 1,750 | - |
| | <u>5,062</u> | <u>3,379</u> |

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. The following related party transactions took place in the financial period.

Canon Pyon Kids & Capers Ltd (Pippins) - of which A Davies (Exec Head) is a Director

- During the year income of £6,000 (2022: £6,000) was received
- During the year expenditure of nil (2022: nil) was paid
- The above relates to rental income charged for use of premises
- At the year end there was nil owed to the Academy (2022: nil)
- In entering into the transactions the academy has complied with the requirements of the Academy Trust Handbook 2022

Herefordshire Community Foundation Ltd - of which A Davies (Exec Head) is a Trustee

- During the year income of £285 (2022: nil) was received
- During the year expenditure of nil (2022: nil) was paid
- The above relates to donation received from them for transport costs
- At the year end there was nil owed to the Academy (2022: nil)
- In entering into the transactions the academy has complied with the requirements of the Academy Trust Handbook 2022

Stretton Sugwas Academy - an Academy where A Davies (Exec Head) is Head Teacher:

- During the year income of nil (2022: nil) was received
- During the year expenditure of £41,576 (2022: £31,060) was paid to Stretton
- The above income related to recharges of services and expenditure all in the normal course of business.
- At the year end there was £Nil owed to Stretton ((2022: £212 owed to the Academy from Canon Pyon Academy).
- In entering into the transactions the academy has complied with the requirements of the Academies Trust Handbook 2022.
- The element above £2,500 has been provided 'at no more than cost'

Burghill Academy - an Academy where A Davies (Exec Head) is also Exec Head:

- During the year income of £Nil (2022: £Nil) was received
- During the year expenditure of £480 (2022: £Nil) was paid to Burghill
- At the year end, there was £480 (2022: £Nil) owed to Burghill

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

| | 31.8.23 £ | 31.8.22 £ |
|--|--------------|--------------|
| INCOME AND ENDOWMENTS | | |
| Donations and capital grants | | |
| Grants and donations | 2,896 | 1,391 |
| Grants | 22,094 | 52,083 |
| School Trips | 13,436 | 9,485 |
| | <hr/> | <hr/> |
| | 38,426 | 62,959 |
| Other trading activities | | |
| Lettings income | 6,000 | 6,000 |
| Other income | 311 | 560 |
| | <hr/> | <hr/> |
| | 6,311 | 6,560 |
| Investment income | | |
| Deposit account interest | 10 | 11 |
| Charitable activities | | |
| Grants | 544,462 | 519,415 |
| | <hr/> | <hr/> |
| Total incoming resources | 589,209 | 588,945 |
| EXPENDITURE | | |
| Charitable activities | | |
| Wages | 170,296 | 159,701 |
| Social security | 12,901 | 11,437 |
| Pensions | 28,451 | 27,120 |
| Supply teacher costs | 1,736 | - |
| Educational supplies | 33,928 | 15,642 |
| Staff development | 4,894 | 4,578 |
| Educational consultancy | 30,200 | 30,120 |
| Long leasehold | 16,260 | 16,260 |
| Improvements to property | 754 | 458 |
| Fixtures and fittings | 740 | 1,356 |
| Computer equipment | 6,343 | 9,097 |
| Interest on pension scheme liabilities | - | 31,000 |
| | <hr/> | <hr/> |
| | 306,503 | 306,769 |
| Other | | |
| Loss on sale of tangible fixed assets | - | (1,737) |
| Support costs | | |
| Management | | |
| Wages | 127,103 | 110,358 |
| Social security | 7,747 | 4,736 |
| Pensions | 32,952 | 29,611 |
| Supply teacher costs | - | 3,477 |
| Carried forward | 167,802 | 148,182 |

Canon Pyon CE Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

| | 31.8.23 | 31.8.22 |
|---|-----------------|-----------------|
| | £ | £ |
| Management | | |
| Brought forward | 167,802 | 148,182 |
| Administration costs | 11,078 | 10,977 |
| Maintenance of premises and equipment | 35,905 | 57,864 |
| Cleaning | 16,041 | 13,747 |
| Rent and rates | 538 | 8,911 |
| Energy costs | 6,434 | 6,058 |
| Insurance | 3,624 | 4,105 |
| Catering | 12,736 | 13,894 |
| Other costs | 31,622 | 35,339 |
| | <u>285,780</u> | <u>299,077</u> |
| Governance costs | | |
| Auditors' remuneration | 7,743 | 7,046 |
| Auditors' remuneration for non audit work | 360 | 685 |
| | <u>8,103</u> | <u>7,731</u> |
| Total resources expended | <u>600,386</u> | <u>611,840</u> |
| Net expenditure | <u>(11,177)</u> | <u>(22,895)</u> |

