

Cleves Academy Trust

Annual Report and Financial Statements

31 August 2021

Company Limited by Guarantee
Registration Number
07403271 (England and Wales)

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Reference and administrative information

Members	S Foster J Graham D Neville-Davies
Trustees	P Alford S Foster (Chair) J Graham C Hodges E Jones H Naylor (became Associate Member 9 February 2021) A Nelson D Neville-Davies MBE S Trinder F Pierce M Pugh (elected 27 November 2020, resigned 14 September 2021) E Bird (elected 8 March 2021) S Cotterell (appointed 21 February 2021) P Matthew (appointed 21 February 2021) K McDougall (appointed 21 February 2021) W Giddens (resigned 7 December 2020)
Company Secretary	M Tytherleigh
Senior Management Team	
Headteacher	C Hodges
Deputy Head	C Smith
Business Manager	E Turner
Registered address	Cleves Academy Trust Oatlands Avenue Weybridge Surrey KT13 9TS
Company registration number	07403271
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers

Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Scottish Widows Bank plc
PO Box 12757
Edinburgh
EH3 8JY

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

The trustees of Cleves Academy Trust ('the Academy') present their annual report together with the financial statements of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 40 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration number 07403271) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees act as the directors of the charitable company for the purposes of company law.

Members' liability

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

Trustees' indemnities

The Academy has opted into the risk protection arrangement (RPA) for Academy Trusts, which is a mechanism through which the cost of risks that materialise will be covered by government funds. Part of this mechanism protects trustees and officers from claims arising from the negligent acts, errors or omissions occurring whilst on Academy business. The scheme provides cover up to £10,000,000 on any one claim and the cost for the period was included in the total costs paid for the risk protection arrangement (RPA) for Academy Trusts, which were £12,924 (2020 – £12,960).

Principal activities

According to its Articles, the Academy's object is "specifically restricted to the following: to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum".

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities (continued)

In July 2017, the Academy's articles were expanded, to include the following: "to promote for the benefit of the inhabitants of the area in which the Academy is situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants."

All of the activities of the Academy and its trustees are directed to the furtherance of these objects.

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees were in office at the date of signing and others served during the year as shown.

Trustee	Appointed/Resigned	Appointing body
P Alford		Appointed by Members
D Neville-Davies MBE		Appointed by Members
S Foster		Appointed by Members
J Graham		Parent
C Hodges		Ex officio: Headteacher
E Jones		Appointed by Members
A Nelson		Staff
F Pierce		Appointed by Members
S Trinder		Appointed by Members
M Pugh	Appointed 27 November 2020 Resigned 14 September 2021	Staff
P Matthew	Appointed 21 February 2021	Appointed by Members
S Cotterell	Appointed 21 February 2021	Appointed by Members
K McDougall	Appointed 21 February 2021	Appointed by Members
E Bird	Appointed 8 March 2021	Parent
H Naylor	Resigned 9 February 2021	Appointed by Members
W Giddens	Resigned 7 December 2020	Parent

Method of recruitment and appointment or election of trustees

The Chair first informally meets people who have expressed interest in governance or who have been asked if they have an interest (sometimes with another trustee present). If the individual and Chair both wish to take things further, the prospective trustee's CV is sent to all trustees and the individual is invited to attend a Board meeting to explain their interest in governance at Cleves; answer questions, and observe a Part 1 meeting. As a Part 2 item Trustees are asked whether they think the person would be a good fit and meets known skills needs, and Members then vote on whether to offer the person a place. Depending on the Board's needs at the time, individuals might be asked to join the Board at once as a full trustee or, instead, to join one of the Board's two large committees as associate trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees (continued)

Appointments of trustees are made in accordance with the Articles of Association, para 45ff. The Members appoint up to eleven trustees (and no fewer than three) and up to three co-opted trustees may be appointed by the trustees. The Board also has a minimum of one staff trustee, usually two, appointed following procedures set out in the Academy's Standing Orders, but no more than one third of the total Board may be staff trustees. Two parent/carers trustees are appointed by means of a secret ballot of the parent/carers community; and the Headteacher is an ex officio trustee. In considering the recruitment of new trustees Members have regard to the skill mix of current trustees, as shown in skill audits, and to any existing or foreseeable specific skill requirements that the Board might have. The total number of trustees is generally twelve. Recruitment is carried out either via Inspiring Governance or Governors for Schools, two governance recruitment organisations, or through trustees' local networks or contacts.

A new parent trustee and a new staff trustee joined during the year. Three more trustees were appointed to fill vacancies and skill gaps and to bring fresh perspectives.

Policies and procedures adopted for the induction and training of trustees

A comprehensive set of information about the Academy, including relevant policies, the Articles and the Board of Trustees' Standing Orders and Code of Practice is easy to locate in one place on the trustees' area of the school intranet site. The clerk to the Board ensures that any new trustee has access to the trustees' area of the school website and knows where to find key documents. She also explains training opportunities and her readiness to help with any queries. Any new trustee (having already had a comprehensive informal conversation with the Chair prior to joining and having attended a Board meeting as an observer) is invited to meet the Chair of the main committee on which they will serve and (if new to the Academy) to meet the Head teacher and to have a tour of the Academy. The Chair checks with all new trustees that they were satisfied with their induction.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of trustees (continued)

All trustees are required to sign the Board's Code of Practice, which explicitly commits trustees to undertake all necessary training. The Code of Practice and Standing Orders set out expectations of trustees and explain how the Board operates. All trustees have to commit to attend an "Introduction to Governance" course, delivered by an external specialist provider, if they had not already done so. All trustees agree to undertake at least one piece of training or development a year. Training undertaken is recorded and monitored by the clerk. The Academy has a Service Level Agreement with Strictly Education 4S to provide trustee training. The Academy also has membership of the Surrey Governance Association (SGA), Surrey's Schools Alliance for Excellence (SAFE), the National Governance Association (NGA) and Better Governor (BG); and all trustees receive regular material from the National Governance association and others on governance and national education issues. In her twice termly reports to the Board the Chair includes or signposts items of national and local educational interest. The Board reviews its sources of external training and information annually to check whether they provide value for money and meet needs. Individual trustees also share governance articles/web links/reports of meetings/webinars on an ad hoc basis for training purposes. Training is a standing item on Board of Trustee (BOT) agendas. The Board gives one trustee responsibility for oversight of training, supported by the clerk. Trustees who take on individual responsibilities (e.g. for safeguarding) are expected to ensure they have all the information or training that they need to do the job and to stay up to date.

As a consequence of the Covid-19 pandemic the chair and vice-chair in particular, undertook significant amounts of Covid-related training run by the National Governance Association, Strictly Education 4S, Better Governor, Surrey County Council, Surrey's Schools Alliance for Excellence, Stone King [lawyers]. Browne Jacobson [lawyers] and others about expectations of trustees during this crisis. The chair and others also received frequent advice and guidance from these organisations.

Organisational structure

The trustees are responsible for setting overall strategic direction; discussing and adopting an annual budget; monitoring the budget; agreeing bids for capital funds; agreeing the annual accounts; agreeing a scheme of delegation; appointing a Responsible Officer; directing the programme of internal scrutiny; appointing and holding the Head Teacher to account for the performance of the Academy; determining the school's admissions policy, and determining the staffing structure and senior staff appointments with the Head teacher.

The Board delegates to two committees that meet once or twice every term - the Children's Achievement and Well-Being Committee and the Resources Committee. These two committees generally meet once or twice a term to deliver their work plans.

Certain responsibilities are also delegated to a separate Personnel, Pay and Performance (PPP) Committee and to an Admissions Committee. The Resources Committee also acts as the Audit and Risk Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Arrangements are also in place for any necessary ad hoc committees. The full Board generally meets twice termly and more often if required. Terms of reference for committees are reviewed annually.

Over recent months the Children's Achievement and Well-Being Committee elected to hold more frequent, shorter meetings to better manage additional work on the curriculum and on well-being. Discussion takes place annually about which issues individual governors should be asked to look at in more depth and report back on, depending on the Board's priorities. In the light of the Covid pandemic, Board and committee agendas have focussed more than usual on managing risks, pupil and staff well-being and pupil catch up. Attendance for the Children's Achievement and Well-Being committee was as follows.

Trustee	Meetings attended	Out of a possible
P Alford	6	6
P Matthew	3	3
S Foster	6	6
S Cotterell	3	3
J Graham	6	6
C Hodges	6	6
S Trinder	6	6
M Pugh	3	4

During the period all Board and other meetings continued to be held as scheduled, and more frequently in some cases, but by zoom rather than in person in accordance with Covid best practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of personnel are guided by the Academy's Pay Policy, which is reviewed annually to ensure it is up to date and fit for purpose. The Head Teacher makes recommendations about leadership and teaching staff's pay to the Personnel, Pay and Performance (PPP) Committee in July of each year. This Committee makes the final decision on annual pay awards following discussion with the Head Teacher about his recommendations. When vacancies for key management posts arise, the PPP Committee looks at the pay levels for such posts at broadly similar schools as well as taking into account the particular requirements of the Cleves' post. The Head Teacher is expected to present a business case or justification if he is proposing a higher pay increase, or a higher starting salary than would be expected.

A Head Teacher's Performance Panel comprising three trustees sets the Head Teacher's objectives and reviews performance against these, supported by an external School Improvement Partner who is an education expert. The Panel also carries out a mid-year review. This Panel makes a pay recommendation to the PPP committee, which decides whether to offer a pay increment.

Trade union facility time

There were no employees who were relevant union officials during the period, so no time or percentage of the pay bill were spent on facility time. There were no paid trade union activities during the year.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of the Cleves Academy Trust to provide education, and a broad and balanced curriculum, for pupils of differing abilities between the ages of 7 and 11 in accordance with its Admissions Policy. The Academy Trust operates in accordance with all relevant provisions of the Schools Admissions Code and the Schools Admissions Appeals Code as they apply at for the year in question.

In July 2017 the Academy's articles were expanded to allow for the provision of facilities for recreation or other leisure time occupation for local inhabitants who have need of them for various reasons.

In keeping with Cleves' long-standing commitment to providing the very best broad and balanced curriculum and a rich menu of co-curricular activities for its pupils, Cleves' vision statement is as follows:

"Our vision is that all pupils leave Cleves inspired and equipped with the skills, knowledge and emotional well being they need to take on the challenges of a changing and ever more competitive world."

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

In September 2018 trustees met with their School Improvement Partner to review the strategic objectives they had set for 2015-2019 and to agree new ones, taking into account the national and local education picture. In brief, new objectives agreed for 2018-2021 were:

- ◆ To maintain high academic standards; add to our broad and balanced education provision, and further personalise teaching so that every child is helped to achieve their full potential;
- ◆ To identify further ways to establish and develop Cleves' position in the local community;
- ◆ To identify and address mental health issues and the causes of these; and to expand our support for pupils' and staffs' well-being; and
- ◆ To review and enhance support for disadvantaged and/or vulnerable children so that we not only "close the gap" educationally, but also give these children a head start in all aspects of their education and development.

In Autumn 2019 trustees confirmed these strategic objectives and agreed success measures against them, and these have continued in force. They will be reviewed in autumn 2021. From 20 March 2020, as a result of Covid 19 and national school restrictions and lockdowns the school also followed national priorities and objectives (see below).

The main objectives of the Academy for the period aligned with trustees' strategic objectives and national Covid requirements:

- ◆ To ensure that every child enjoys high quality education in terms of resourcing, tuition and care. To that end, the Academy continued with a comprehensive, in depth review of its curriculum, subject by subject, to see whether it could be even broader, more balanced and more engaging. This review, although delayed a little by Covid, has now been completed and implemented;
- ◆ Trustees completed work on a review of the school's values, and new values are being launched from September 2021. As part of the process Trustees considered other schools' and organisations' values; and discussed the most appropriate new values in the light of Cleves' new learning behaviours, the school's vision and current societal drivers. Staff, parents and pupils all contributed to the thinking that went into this work;
- ◆ To raise the standard of educational achievement of all pupils, especially those groups of pupils whose progress was weaker, and disadvantaged pupils. Trustees and school leaders examined data for all pupils after school lockdowns and focussed Covid recovery funds on those areas and those pupils most in need. Booster classes during and after school hours were quickly put in place. Vulnerable families continued to have additional support provided;

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

- ◆ To continue to explore and to implement a new reading strategy to increase enjoyment and improve achievement still further;
- ◆ Whilst maintaining and expanding a broad and balanced curriculum, to continue to prepare pupils to meet the challenges of SATs for future years;
- ◆ To continue to provide value for money for the funds expended;
- ◆ To comply with all statutory and curriculum requirements;
- ◆ To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness;
- ◆ In so far as Covid restrictions allowed, to continue to look for opportunities to support, learn from or work together with other local schools;
- ◆ To work in close partnerships with our local infant feeder schools, in accordance with our Memorandum of Understanding;
- ◆ Specific Covid related priorities during the period were: To stay up to date with national guidance; maintain an up to date risk register and apply it;
- ◆ To keep the school safely open for children in school;
- ◆ To implement a broad package of home-learning and pastoral support for children and their families when learning at home; and
- ◆ To further expand provision to nurture well-being. A mental health expert continued to support the school, advising on both pupil and staff well-being. Ascertaining and supporting well-being were prioritised throughout the year, particularly when pupils and staff returned to school after lockdowns, in September 2020 and March 2021.

Public benefit

In setting the Academy's objectives and planning its activities, the Board of Trustees has had due regard to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

During the period there were again no national SATs tests so SATs comparisons with earlier years are not possible. However, in school testing of all pupils indicated that in general school lockdowns had not adversely affected children academically, and indeed the vast majority of children had remained on track as well as retaining good mental health and positive learning behaviours. During lockdown, children who were not engaging with work at home (or had other difficulties) were swiftly followed up by a member of staff. Only four children out of 720 briefly struggled with the return to school in March. Booster classes and other interventions and/or additional welfare support were swiftly put in place for those children who did appear to have fallen behind or to be struggling with their mental well-being.

During periods of learning at home, children's learning covered the full range of the curriculum and was delivered through a variety of methods. In the course of the year the school achieved a national Well-Being award (for provision to the whole school community) as well as the Music Mark Award. A root and branch review of the whole curriculum was completed.

Staff, pupil and parent surveys for the year all showed extremely positive feedback, including questions about the Covid period.

Income streams during the year came under additional scrutiny due to the reduced levels of lettings income and the anticipated reduction in GAP incomes. Close attention was paid all year to the potential outturns.

Key performance indicators

- ◆ To maintain a cash balance equivalent to at least one month's expenditure (excluding fixed assets). **Achieved.**
- ◆ To maintain a solvency ratio (current assets to current liabilities) of at least 2:1. **Achieved.**
- ◆ The total cost of staffing shall not exceed 100% of GAG funding. **Achieved.**
- ◆ At least 75% teachers to be outstanding. **Achieved.**

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue teaching for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details can be found in the accounting policies.

STRATEGIC REPORT (continued)

Financial review

Most significant events through the period was the ongoing COVID pandemic and further lockdown from January to March 2021. Whilst this once again reduced incomes through wrap around care and letting charges, costs went down alongside the reduction of income.

With the vast majority of children off site we used less consumables, bought less resources, utility costs were lower along with overtime costs which were not necessary. Wrap around care staff were furloughed.

There was therefore no material effect on our financial position.

As children returned staffing costs increased in order to ensure additional provision and afterschool boosters were offered. Overall staff costs therefore went up, however, this was supported by the COVID catch up premium.

Aside from COVID, pupil capacity is full and therefore there was no strain on our budget and we remain in a healthy financial position. There were no unexpected significant costs through the year or unplanned capital works required.

Our risk register is reviewed on a termly basis and no significant risks had been identified either now or going forward. There are no foreseeable factors that we envisage changing the Trust's financial performance.

Since the school remains full with a waiting list, we are confident on streams of funding. A small, but so far consistent, amount of income is derived from lettings and wrap around care, where there is a net gain around wrap around care which generates an income after staffing and resource costs. Both these funding streams are sustainable and we see little risk.

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

The Academy also receives grants for fixed assets from the ESFA. 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 expected useful life of the assets concerned.

The total income for the year was £3,674,000 (2020 – £3,376,000), of which £2,692,000 (2020 – £2,498,000) is General Annual Grant. The remainder is made up of other ESFA and Government Grants, the unrestricted element generated from donations and parental contributions, lettings and catering. The operational surplus for the year, excluding the fixed assets fund and the pension reserve was £56,000 (2020 – deficit £49,000).

STRATEGIC REPORT (continued)

Financial review (continued)

At 31 August 2021, the Academy had total funds of £7,320,000 (2020 – £7,816,000). This comprised of £6,571,000 (2020 – £7,123,000) of restricted funds and £749,000 (2020 – £693,000) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £2,110,000 (2020 – deficit by £1,799,000) at 31 August 2021.

The results for the period are shown on page 31.

Reserves policy

The trustees review the reserve levels of the Academy at least annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be at least one month's expenditure which approximates to £300,000. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £749,000 (2020 – £693,000). The Academy plans to review future expenditure plans in light of current reserves levels. Much of the additional surplus is earmarked for foreseeable capital and staffing expenditure.

Spending was monitored closely and effectively, and the year closed with a small in year surplus. The reserves were not called upon.

Investment policy

The Academy holds no investments. Surplus cash is deposited in UK banks.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees regularly assess the major risks to which the Academy is exposed, in particular those relating to the teaching, provision of facilities, and other operational areas of the Academy and its finances (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

Trustees are very aware of their statutory duties for safeguarding children and regularly seek confirmation and evidence that the school is fulfilling its responsibilities. Shortage of classroom teachers is a national concern and in view of the Academy's experiences in a previous year staff are now identified and secured earlier than in previous years. This has proven successful.

In the course of the accounting year, based on a medium term plan, trustees continued to devote spend to maintain and improve the fabric of the Academy. Trustees carried out visits, for example to look at safeguarding and health and safety, and the visit reports are discussed by Committees and available to all trustees.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

As funding from central Government is tight, the Academy is careful to maintain its external lettings contracts which provide additional income.

Despite Covid, the school's PTA continued to be active and in organising fundraising events for non-core provision when it could. The school also received some income from the provision of before and after school childcare. Trustees are fully aware that there is risk around placing too much dependence on the incomes both of lettings and the GAP club. These sources of revenue are therefore closely monitored, and under budgeted when forecasting unrestricted income.

The closure of the school from January to March 2021, in line with national Covid-19 pandemic instructions, caused income from lettings, before and after school provision and the PTA to cease, but there were also some savings. Some non-teaching staff were furloughed, saving staffing costs.

The impact of Covid-19 on the school's finances and how to manage significant uncertainties when projecting income going forward were discussed at Resources Committee meetings. Various financial scenarios assuming limited or no income from lettings and pre and post school clubs were drawn up and the implications discussed, and risks mitigated as far as possible. Additional costs were also anticipated to allow for a summer school provision and for additional catch-up support. COVID catch up funding deployment was discussed and agreed by the Committee.

The risk of Covid-19 lockdowns impacting negatively on children's health and safety, emotional well-being and learning; and the risk of additional or new safeguarding issues, were discussed in Board meetings in the context of the school's plans for home-learning and pastoral support; the return to school and Covid-related risk assessments. Trustees also monitored support for staff's well-being. Throughout the Covid-19 period, additional well-being support was provided on a regular basis to all staff, and on a tailored, ad hoc basis to those who needed particular support.

PLANS FOR FUTURE PERIODS

The school returns to pre-Covid normality in September 2021, though increased attention will continue to be paid to measures to safeguard staff and pupils from Covid. Key strategic issues will be:

- ◆ For trustees: to review their strategic objectives and ensure alignment with the School Development Plan; and for trustees to review their monitoring of strategic objectives and lessons learned from governance in Covid times
- ◆ To embed and monitor the revised curriculum and new set of values
- ◆ To continue to monitor well-being closely.
- ◆ To embed a new system to monitor pupil attainment and progress
- ◆ To continue to closely monitor COVID cases, our risk assessment and invoke outbreak plans if cases rise

PLANS FOR FUTURE PERIODS (continued)

- ◆ To identify those pupils that have fallen behind and ensure catch up programmes are in place
- ◆ To embed whole class reading model
- ◆ To embed Sounds Write phonics programme in lower school
- ◆ To focus on the lower 20% of readers and ensure boosters are in place with decodable books linked to our phonic scheme
- ◆ To consider our model for maths teaching and ability sets

AUDITOR

In so far as the trustees are aware:

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

Approved by order of the members of the Board of Trustees on 15/12/2021 and signed on its behalf by:

Susan W Foster

Chair of Trustees

S Foster

Scope of responsibility

We ensured COVID-19 did not have an adverse impact on our budget. We continued to ensure good value for money. We worked closely with our suppliers to agree a reasonable cost schedule for services used.

During this period as a number of Trustees terms of office came to an end we ensured that vacancies were quickly advertised and filled in order to benefit from good oversight and scrutiny from the Trust and its committees. We were fortunate to recruit new Trustees with valuable and relevant skills in budgeting and financial monitoring.

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Board of Trustees formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Alford	6	7
S Foster	7	7
J Graham	7	7
C Hodges	6	7
E Jones	7	7
H Naylor	3	3
A Nelson	7	7
S Trinder	7	7
M Pugh	5	5
P Matthew	3	3
S Cotterell	3	3
K McDougall	3	3
E Bird	3	3
F Pierce	7	7
S Trinder	7	7
W Giddens	2	2

Governance reviews

In Spring 2021 the trustees commissioned the Academy's School Improvement Partner to carry out a review of governance during the school year 2020-21. This report, completed in Summer 2021, contained many positives and concluded that governance seemed to be outstanding and gave some areas for trustees to consider further. Trustees plan to discuss the findings and recommendations during autumn 2021 and in the light of discussions about lessons learned from governance during Covid and their planned strategic objectives session.

Resources Committee

The Resources Committee is a committee of the main Board of Trustees. Its purpose is to:

- ◆ have regard to the Academies Financial Handbook and the Academy funding agreement;
- ◆ determine financial priorities for the coming year and for the next three years in accordance with the Strategic Plan;
- ◆ discuss, examine and agree the annual income and expenditure budget plan for the financial year for the Academy and recommend its adoption to the full Board of Trustees;
- ◆ discuss and agree bids for funding from central Government (eg CIF);
- ◆ review budget monitoring reports and then report to the full Board of Trustees termly on the Academy's finances (public and non-public), including performance against profile for the annual budget; value for money; the forecast and actual end of year position; and other issues of significance;
- ◆ review systems of internal financial control and identify areas of risk;
- ◆ make recommendations to the full Board of Trustees about the arguments for and affordability of any proposed expenditure outside of budget;
- ◆ receive and where appropriate respond to periodic requests for audit reports of public funds;
- ◆ after considering the costs and benefits to approve new contracts; to continue or cease existing ones in accordance with limits set out in the scheme of delegation;
- ◆ oversee the preparation of the year-end accounts, in conjunction with the Headteacher, Business Manager and external auditor;
- ◆ agree procedures to be followed for carrying out emergency work and to make recommendations about delegation to the Headteacher for taking appropriate action on behalf of the Board of Trustees in the event of an emergency;
- ◆ review banking arrangements annually, or as necessary;

Resources Committee (continued)

- ◆ approve any debts written off in accordance with a written policy on the action to be taken with regard to chasing arrears and write offs;
- ◆ ensure the Academy maintains an up to date asset register and a rolling programme of repairs and maintenance;
- ◆ ensure company accounts are filed;
- ◆ organise the internal audit or Responsible Officer system;
- ◆ agree the level of delegation to the Headteacher for the day-to-day financial management of the Academy;
- ◆ recommend the amount which can be vired between budget headings by the Headteacher without prior agreement of the Resources Committee; and
- ◆ look at benchmarking data for expenditure.

In the course of the year the committee followed a rolling work plan. Key activities included regular monitoring of the budget; agreement of a longer-term maintenance plan and expenditure to cover other urgent priorities and the deployment of additional income from consultancy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Hodges	5	5
E Jones	5	5
W Giddens	2	2
H Naylor	4	5
A Nelson	5	5
F Pierce	5	5
K McDougall	2	2

Review of value for money

Covid-19 has meant a loss of income generation - Lettings income through the summer along with loss of wraparound care (GAP fees).

We reviewed ICT, and appointed a new IT support service contractor. Photocopier contracts were end of term and were reviewed and new contracts were initiated. The server was upgraded and replaced during the Summer, guided by our new provider, along with purchase of new IT equipment to ensure it was compatible and up to date. The second half of the year 6 block roof was replaced over the Summer which was part of the capital plans.

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Review of value for money (continued)

The Accounting Officer considers whether the Academy's use of its resources has provided good value for money during the 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 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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. A system of internal control has been in place at the Academy for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements, with changes in systems made to accommodate changes in processes and systems. The Responsible Officer has carried out visits to assist in assessing internal systems and processes.

Capacity to handle risk

The Resources Committee and the Board of Trustees have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements an ongoing process for identifying, evaluating and managing the Academy's significant risks has been in place. This process is regularly reviewed by the Resources Committee and Board of Trustees.

The risk and control framework

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

- ◆ budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- ◆ regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;

The risk and control framework (continued)

- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However during the period the trustees appointed Mrs Kathleen McDougall as Responsible Officer (RO) to take over from Wayne Giddens.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During the period, Kathleen McDougall fulfilled this function and reported to the Board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There have been no material issues or remedial action required.

Review of effectiveness

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

- ◆ the work of the external auditor;
- ◆ the work of the Responsible Officer; and
- ◆ the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources Committee of the implications of his review of the system of internal control and set out his plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 15/12/2021 and signed on their behalf by:

Susan W Foster

(Chair of Trustees)

S Foster

C Hodges

(Accounting Officer)

C Hodges

Statement on regularity, propriety and compliance 31 August 2021

As Accounting Officer of Cleves Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



Accounting Officer

Date: 15/12/2021

C Hodges

Statement of trustees responsibilities 31 August 2021

The trustees (who are also the directors of the Academy for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual 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 trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP FRS102 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the Academy 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.

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

Approved by order of the members of the Board of Trustees on 15/12/2021 and signed on its behalf by:

Susan W Foster

Chair of Trustees
S Foster

Independent auditor's report to the members of Cleves Academy Trust

Opinion

We have audited the financial statements of Cleves Academy Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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 and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period 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 FRS102 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

Conclusions relating to going concern (continued)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or

Matters on which we are required to report by exception (continued)

- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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 auditor's report.

Use of our report

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

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2021

Independent reporting accountant's assurance report on regularity to Cleves Academy Trust and Skills Funding Agency

In accordance with the terms of our engagement letter dated 27 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cleves Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Cleves Academy Trust's funding agreement with the Secretary of State for Education dated 29 March 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

Approach (continued)

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

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

The work undertaken to draw our conclusions includes sample testing of the following:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 17 December 2021

Statement of financial activities (including income and expenditure account) Year to 31 August 2021

		Unrestricted general fund £'000	Restricted funds		2021 Total funds £'000	2020 Total funds £'000
	Notes		General fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	55	—	23	78	107
Charitable activities						
. Funding for the Academy's educational operations	2	152	3,166	—	3,318	2,955
Other trading activities	3	278	—	—	278	312
Investments	4	—	—	—	—	2
Total income		485	3,166	23	3,674	3,376
Expenditure on:						
Raising funds	5	128	—	—	128	127
Charitable activities						
. Academy's educational operations	6	273	3,362	292	3,927	3,744
Total expenditure		401	3,362	292	4,055	3,871
Net income / (expenditure)		84	(196)	(269)	(381)	(495)
Transfers between funds	16	(28)	—	28	—	—
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	20	—	(115)	—	(115)	(40)
Net movement in funds		56	(311)	(241)	(496)	(535)
Reconciliation of funds						
Total fund balances brought forward at 1 September		693	(1,799)	8,922	7,816	8,351
Total fund balances carried forward at 31 August		749	(2,110)	8,681	7,320	7,816

All of the Academy's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

A full comparative statement of financial activities is presented in note 8 to the financial statements.

Balance sheet 31 August 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible fixed assets	12'		8,677		8,907
Current assets					
Debtors	13'	103		118	
Cash at bank and in hand		930		942	
		1,033		1,060	
Liabilities					
Creditors: amounts falling due within one year	14'	(280)		(352)	
Net current assets			753		708
Total assets less current liabilities			9,430		9,615
Creditors: amounts falling due after one year	15'		—		—
Net assets excluding pension scheme liability			9,430		9,615
Defined pension scheme liability	20		(2,110)		(1,799)
Total net assets			7,320		7,816
Funds of the Academy:					
Restricted funds					
. Fixed asset fund	16'		8,681		8,922
. Restricted income fund	16'		—		—
. Pension reserve	16'		(2,110)		(1,799)
Total restricted funds			6,571		7,123
Unrestricted income funds					
General fund	16'		749		693
Total funds			7,320		7,816

The financial statements on page 31 to 57 were approved by the trustees, and authorised for issue on 15/12/2021 and are signed on their behalf by:

Susan W Foster

Chair

S Foster

Cleves Academy Trust

Company Limited by Guarantee

Registration Number: 07403271 (England and Wales)

Statement of cash flows Year to 31 August 2021

		2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	28	74
Cash flows used in investing activities	B	(40)	(40)
Change in cash and cash equivalents in the year		(12)	34
Cash and cash equivalents at 1 September		942	908
Cash and cash equivalents at 31 August	C	930	942

A Reconciliation of net expenditure to net cash flow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the year (as per the statement of financial activities)	(381)	(495)
Adjusted for:		
Depreciation charges (note 12)	293	333
Capital grants from DfE and other capital income	(23)	(22)
Interest receivable (note 4)	—	(2)
Defined benefit pension scheme cost less contributions payable (note 20)	164	139
Defined benefit pension scheme finance cost (note 20)	32	30
Decrease/(increase) in debtors	15	(11)
(Decrease)/increase in creditors	(72)	102
Net cash provided by operating activities	28	74

B Cash flows from investing activities

	2021 £'000	2020 £'000
Dividends, interest and rents from investments	—	2
Purchase of tangible fixed assets	(63)	(64)
Capital grants from DfE/ESFA	12	12
Capital funding received from sponsors and others	11	10
Net cash used in investing activities	(40)	(40)

C Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	930	942
Total cash and cash equivalents	930	942

D Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	New finance leases £'000	Other non-cash changes £'000	At 31 August 2021 £'000
Cash	942	(12)	—	—	930
Cash equivalents	—	—	—	—	—
Overdraft facility repayable on demand	—	—	—	—	—
Total	942	(12)	—	—	930

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities' SORP FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in sterling and are rounded to the nearest thousand.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The Governors have made this assessment whilst considering the impact of the Covid-19 pandemic on the day-to-day activities of the Academy Trust.

Income

All income is recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

Income (continued)

Grants (continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated fixed assets

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure (continued)

Expenditure on raising funds

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

Charitable activities

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

All resources expended are stated net of recoverable VAT.

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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward on the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

♦ Freehold buildings	2% straight line
♦ Fixtures, fittings and equipment	20% straight line
♦ IT equipment	33.3% straight line

Depreciation is charged from the month of acquisition.

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.

Debtors

Debtors were recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Liabilities

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

Leased assets

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

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. 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 is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

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

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority; Surrey County Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Capital grants	—	12	12	12
Other donations	55	11	66	95
	55	23	78	107

	<i>Unrestricted funds £'000</i>	<i>Restricted fixed assets funds £'000</i>	<i>2020 Total funds £'000</i>
<i>Capital grants</i>	—	12	12
<i>Other donations</i>	85	10	95
	85	22	107

2 Funding for the Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	2,692	2,692	2,498
Other DfE / ESFA				
. Pupil Premium	—	89	89	82
. Teachers Pension Employer grant	—	98	98	98
. Other grants	—	85	85	56
	—	2,964	2,964	2,734
Other Government grants				
. Special educational projects	—	117	117	60
	—	117	117	60
Other income from the Academy's educational operations	152	—	152	134
	152	—	152	134
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	57	57	—
		57	57	
COVID-19 additional funding (non-DfE /ESFA)				
Coronavirus Job Retention Scheme grant	—	15	15	24
Other COVID-19 funding	—	13	13	3
	—	28	28	27
2021 total funds	152	3,166	3,318	2,955

- ♦ The trust received £57,440 of funding for catch-up premium and costs incurred in respect of this funding totalled £57,440.
- ♦ The trust furloughed some of its staff under the government's CJRS. The funding received of £14,601 relates to staff costs in respect of staff which are included within note 9 as appropriate.
- ♦ Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium, and Teachers Pension Employer grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

2 Funding for the Academy's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
DfE / ESFA revenue grants			
General Annual Grant (GAG)	—	2,498	2,498
Other DfE / ESFA			
. Pupil Premium	—	82	82
. Teachers Pension Employer grant	—	98	98
. Other DfE Group grants	—	56	56
	<u>—</u>	<u>2,734</u>	<u>2,734</u>
Other Government grants			
. Local authority grants	—	—	—
. Special educational projects	—	60	60
	<u>—</u>	<u>60</u>	<u>60</u>
Other income from the Academy's educational operations	134	—	134
	<u>134</u>	<u>—</u>	<u>134</u>
COVID-19 additional funding (non-DfE /ESFA)			
Coronavirus Job Retention Scheme grant	—	24	24
Other COVID-19 funding	—	3	3
	<u>—</u>	<u>27</u>	<u>27</u>
	<u>134</u>	<u>2,821</u>	<u>2,955</u>

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Hire of facilities/lettings income	54	—	54	109
Miscellaneous income	26	—	26	28
Trip income / catering income	198	—	198	175
	<u>278</u>	<u>—</u>	<u>278</u>	<u>312</u>

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Hire of facilities/lettings income	109	—	109
Trip income	82	—	82
Catering income	93	—	93
Miscellaneous income	28	—	28
	<u>312</u>	<u>—</u>	<u>312</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Interest receivable	—	—	—	2

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Interest receivable	2	—	2

5 Expenditure

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000	2020 Total funds £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds:					
. Direct costs	112	4	12	128	127
Charitable activities					
. Academy's educational operations:					
. Direct costs	1,877	292	451	2,620	2,722
. Allocated support costs	911	188	208	1,307	1,022
	2,900	484	671	4,055	3,871

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds:				
. Direct costs	108	4	15	127
Academy's educational operations				
. Direct costs	2,231	333	158	2,722
. Allocated support costs	421	151	450	1,022
	2,760	488	623	3,871

5 Expenditure (continued)

	2021 Total funds £'000	2020 Total funds £'000
Net expenditure for the year includes:		
Operating lease rentals	7	9
Depreciation	293	333
Fees payable to auditor		
. Audit	7	7
. Other services	6	6

6 Charitable activities - Academy's educational operations

	2021 Total funds £'000	2020 Total funds £'000
Direct costs	2,620	2,722
Support costs	1,307	1,022
	3,927	3,744

	2021 Total funds £'000	2020 Total funds £'000
Analysis of support costs		
Support staff costs	599	421
Technology costs	52	41
Premises costs	188	151
Other support costs	449	395
Governance costs (note 7)	19	14
Total support costs	1,307	1,022

7 Governance costs

	2021 Total funds £'000	2020 Total funds £'000
Auditor's remuneration	14	14
	14	14

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted funds		2020 Total funds £'000	2019 Total funds £'000
			General fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	85	—	22	107	186
Charitable activities						
. Funding for the Academy's educational operations	2	134	2,821	—	2,955	2,799
Other trading activities	3	312	—	—	312	610
Investments	4	2	—	—	2	2
Total income		533	2,821	22	3,376	3,597
Expenditure on:						
Raising funds	5	127	—	—	127	150
Charitable activities						
. Academy's educational operations	6	421	2,990	333	3,744	3,750
Total expenditure		548	2,990	333	3,871	3,900
Net income (expenditure)		(15)	(169)	(311)	(495)	(303)
Transfers between funds	16	(34)	—	34	—	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	21	—	(40)	—	(40)	(423)
Net movement in funds		(49)	(209)	(277)	(535)	(726)
Reconciliation of funds						
Total fund balances brought forward at 1 September		742	(1,590)	9,199	8,351	9,077
Total fund balances carried forward at 31 August		693	(1,799)	8,922	7,816	8,351

All of the Academy's activities derived from continuing operations during the above two financial periods.

The Academy has no recognised gains or losses other than those shown above.

9 Staff

(a) Staff costs

Staff costs during the year were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	2,039	1,927
Social security costs	187	171
Operating costs of defined benefit pension schemes	605	574
	2,831	2,672
Supply teacher costs	69	88
	2,900	2,760

(b) Staff numbers

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

Charitable activities	2021 No.	2020 No.
Teachers	38	33
Administration and support	62	54
Management	3	3
	103	90

(c) Higher paid staff

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

	2021 No.	2020 No.
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1

(d) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £320,971 (2020 – £315,148).

10 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 principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. If this is not the case payments must be disclosed separately. The value of trustees' remuneration and other benefits was as follows:

	2021 £	2020 £
C Hodges (Headteacher)		
. Remuneration	£105,000 - £110,000	£100,000 - £105,000
. Employer's pension contributions	£25,000 - £30,000	£20,000 - £25,000
A Nelson (Staff Trustee)		
. Remuneration	£40,000 - £45,000	£40,000 - £45,000
. Employer's pension contributions	£5,000 - £10,000	£10,000 - £15,000
M Pugh (Staff Trustee)		
. Remuneration	£30,000 - £35,000	—
. Employer's pension contributions	£5,000 - £10,000	—

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed to any trustees (2020 – £nil).

Other related party transactions involving the trustees are set out in note 22.

11 Trustees and Officers' insurance

The Academy has opted into the risk protection arrangement (RPA) for Academy Trusts, which is a mechanism through which the cost of risks that materialise will be covered by government funds. Part of this mechanism protects trustees and officers from claims arising from the negligent acts, errors or omissions occurring whilst on Academy business. The scheme provides cover up to £10,000,000 on any one claim and the cost for the period was included in the total costs paid for the risk protection arrangement (RPA) for Academy Trusts, which were £12,924 (2020 – £12,960).

12 Tangible fixed assets

	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost				
At 1 September 2020	10,322	454	345	11,121
Additions	—	21	42	63
Disposals	—	(15)	(29)	(44)
At 31 August 2021	10,322	460	358	11,140
Depreciation				
At 1 September 2020	1,591	344	279	2,214
Charge in year	207	43	43	293
Disposals	—	(15)	(29)	(44)
At 31 August 2021	1,798	372	293	2,463
Net book value				
At 31 August 2021	8,524	88	65	8,677
At 31 August 2020	8,731	110	66	8,907

13 Debtors

	2021 £'000	2020 £'000
Trade debtors	6	8
VAT recoverable	53	30
Prepayments and accrued income	44	80
	103	118

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	65	49
Taxation and social security	114	105
Loans (note 15)	—	6
Accruals and deferred income	101	192
	280	352

14 Creditors: amounts falling due within one year (continued)

Deferred income

	2021 Total funds £'000	2020 Total funds £'000
Deferred income at 1 September	155	21
Released during the year	(155)	(14)
Resources deferred in the year	58	148
Deferred income at 31 August	58	155

At the balance sheet date the academy trust was holding the following funds:

Income in advance of trips that were postponed in 2021 of £37,330, lettings income of £203, catering income of £9,514, GAP income of £7,940 and Sibling Transfer credit balances of £3,224.

15 Creditors: amounts falling due in greater than one year

	2021 £'000	2020 £'000
Loans	—	—

Loans comprise a Condition Improvement Fund loan of £41,100 from the ESFA which is repayable over the period from September 2016 to August 2021 and is interest free.

The loans are payable in instalments as follows:

	2021 £'000	2020 £'000
Due within one year	—	6
Due between one and two years	—	—
Due between two and five years	—	—
	—	6

16 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	—	2,692	(2,692)	—	—
Pupil Premium	—	89	(89)	—	—
Covid-19 Catch-up premium	—	57	(57)	—	—
Coronavirus Job Retention Scheme grant	—	15	(15)	—	—
Other COVID-19 funding	—	13	(13)	—	—
Other grants	—	300	(300)	—	—
Pension reserve	(1,799)	—	(196)	(115)	(2,110)
	<u>(1,799)</u>	<u>3,166</u>	<u>(3,362)</u>	<u>(115)</u>	<u>(2,110)</u>
Restricted fixed assets fund					
. Transfer on conversion	8,908	—	(289)	48	8,667
. DfE/ESFA capital grants	14	12	—	(20)	6
. Assets donated by DfE	—	11	(3)	—	8
	<u>8,922</u>	<u>23</u>	<u>(292)</u>	<u>28</u>	<u>8,681</u>
Total restricted funds	<u>7,123</u>	<u>3,189</u>	<u>(3,654)</u>	<u>(87)</u>	<u>6,571</u>
Unrestricted funds					
. General funds	693	485	(401)	(28)	749
Total unrestricted funds	<u>693</u>	<u>485</u>	<u>(401)</u>	<u>(28)</u>	<u>749</u>
Total funds	<u>7,816</u>	<u>3,674</u>	<u>(4,055)</u>	<u>(115)</u>	<u>7,320</u>

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Fixed asset fund

These grants relate to funding received from the ESFA and Local Authority to carry out works of a capital nature. Capital transfers relate to repairs and maintenance expenditure, and assets funded by unrestricted funds.

Pension reserve

The pension reserve related to the Academy's Local Government Pension Scheme liability for support staff.

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	2,498	(2,498)	—	—
. Pupil Premium	—	83	(83)	—	—
. Coronavirus Job Retention Scheme grant	—	24	(24)	—	—
. Other COVID-19 funding	—	3	(3)	—	—
. Other grants	—	197	(197)	—	—
. Pension reserve	(1,590)	40	(209)	(40)	(1,799)
	<u>(1,590)</u>	<u>2821</u>	<u>(2,990)</u>	<u>(40)</u>	<u>(1,799)</u>
Restricted fixed assets fund					
. Transfer on conversion	9,176	—	(333)	65	8,908
. DfE/ESFA capital grants	23	12	—	(21)	14
. Other capital grants	—	10	—	(10)	—
	<u>9,199</u>	<u>22</u>	<u>(333)</u>	<u>34</u>	<u>8,922</u>
Other restricted funds					
. Other restricted funds	—	60	(60)	—	—
	<u>—</u>	<u>60</u>	<u>(60)</u>	<u>—</u>	<u>—</u>
Total restricted funds	<u>7,609</u>	<u>2,699</u>	<u>(3,179)</u>	<u>(6)</u>	<u>7,123</u>
Unrestricted funds					
. General funds	742	533	(548)	(34)	693
Total unrestricted funds	<u>742</u>	<u>533</u>	<u>(548)</u>	<u>(34)</u>	<u>693</u>
Total funds	<u>8,351</u>	<u>3,232</u>	<u>(3,727)</u>	<u>(40)</u>	<u>7,816</u>

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	8,677	8,677
Current assets	749	280	4	1,033
Current liabilities	—	(280)	—	(280)
Pension scheme liability	—	(2,110)	—	(2,110)
Total net assets	749	(2,110)	8,681	7,320

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	8,907	8,907
Current assets	693	352	15	1,060
Current liabilities	—	(352)	—	(352)
Pension scheme liability	—	(1,799)	—	(1,799)
Total net assets	693	(1,799)	8,922	7,816

18 Commitments under operating leases

Operating leases

At 31 August 2021, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

Equipment	2021 £'000	2020 £'000
Amounts due within one year	9	7
Amounts due between one and five years inclusive	15	11
	24	18

19 Members' Liability

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

20 Pension and similar obligations

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

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

Contributions amounting to £43,203 were payable to the schemes at 31 August 2021 (2020 – £54,691) and are included within creditors

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the period amounted to £328,671 (2020: £369,786).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £157,000 (2020 – £154,000), of which employer's contributions totalled £122,000 (2020 – £122,000) and employees' contributions totalled £35,000 (2020 – £32,000). The agreed contribution rates for future years are 23.1 percent for employers and up to 12.5 percent 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.

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.8%	3.2%
Rate of increase for pensions in payment / inflation	2.9%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Commutation of pensions to lump sums		
. Pre-April 2008 service	25.0%	25.0%
. Post-April 2008 service	63.0%	63.0%

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

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.3	22.1
Females	23.4	24.3
<i>Retiring in 20 years</i>		
Males	23.4	22.9
Females	26.4	25.7

Sensitivity analysis

The below analysis shows the monetary increase to the defined benefit obligation for the following changes in assumptions:

	At 31 August 2021 £'000	At 31 August 2020 £'000
Discount rate -0.5%	510	424
Salary increase rate +0.5%	20	17
Pension rate +0.5%	485	401

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	2,164	1,630
Corporate bonds	462	385
Property	202	181
Cash and other liquid assets	58	68
Total market value of assets	2,886	2,264

The actual return on scheme assets was £451,000 (2020: -£80,000).

	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost	(286)	(261)
Interest income	39	40
Interest cost	(71)	(70)
Total amount recognised in the SOFA	(318)	(291)

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September	4,063	3,764
Current service cost	286	261
Interest cost	71	70
Employee contributions	35	32
Actuarial loss (gain)	598	(10)
Benefits paid	(57)	(54)
Past service cost (including curtailments)	—	—
At 31 August	4,996	4,063

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September	2,264	2,174
Interest income	39	40
Actuarial gains	483	(50)
Employer contributions	122	122
Employee contributions	35	32
Benefits paid	(57)	(54)
At 31 August	2,886	2,264

21 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

None of the trustees received remuneration or reimbursement of expenses for their services to Cleves Academy Trust.

There were no other related party transactions in the year (2020 – none).