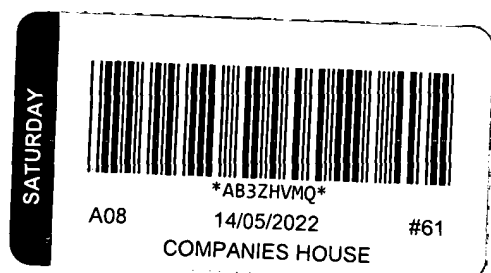


## **Arnold Academy**

### **Annual Report and Financial statements**

Year ended 31 May 2021

Company Registration Number:  
07670723 (England and Wales)



## **Contents**

### **Reports**

Reference and administrative details	1
Trustees' report	3
Chartered Accountant's report	10

### **Financial statements**

Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Principal accounting policies	14
Notes to the financial statements	19

## **Governors' Report 31 May 2021**

**Members** O Flack  
CJ Barbour  
S Kelly  
S Oxley

**Governors** D Bastiani, Staff Trustee<sup>1</sup>  
J Breeze, Community Trustee<sup>1</sup>  
G Dunger, Parent Trustee<sup>1</sup>  
H Dunnigan, Staff Trustee<sup>1</sup>  
O Flack, Community Trustee, Chair of Governors until 31 August 2020  
S Kelly, Head Teacher<sup>1</sup>  
S Khetia, Parent Trustee  
N McCalman, Parent Trustee  
S Oxley, Community Trustee, Chair of Resources to 31 August 2020, Chair of Governors from 1 September 2020<sup>1</sup>

<sup>1</sup>Members of the Resources Committee

**Company Secretary** Mrs K Wildey

**Senior management team** Mr S Kelly, Headteacher  
Mrs C McManus, Deputy Headteacher  
Mr S Rudkin, Assistant Headteacher  
Mrs K Wildey, Business Manager  
Mrs A Wright, Key Stage 2 Leader  
Mr G Davis, Leader of Curriculum, Assessment and Monitoring  
Mrs D Bastiani, Leader of Personal Development

**Principal and registered office** Arnold Academy  
Hexton Road  
Barton-Le-Clay  
Bedfordshire  
MK45 4JZ

**Company registration number** 07670723 (England and Wales)

## **Governors' Report 31 May 2021**

**Bankers**      Lloyds TSB Bank Plc  
Central Milton Keynes  
Buckinghamshire  
MK9 3EH

**Solicitors**    Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

## **Governors' Report 31 May 2021**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 May 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

Arnold Academy is a middle school, for children aged 9-13 years, based in Barton-le-Clay in Central Bedfordshire.

Arnold Academy has been a long-standing member of Harlington Area Schools Trust. (HAST). In the Autumn term 2019, Arnold Academy entered into a consultation process to transfer its activities into a new multi-academy trust, initially comprising a number of the schools within HAST, and the Department for Education approved the transfer on 1 June 2020. Following the transfer on 1 June 2020 Arnold Academy, as the legal entity that previously operated the school, became dormant. This annual report and financial statements therefore include no activity following the transfer on 1 June 2020. The information within the Governors' report therefore relates primarily to activity that occurred prior to the transfer.

The Governors' report and financial statements have been prepared in accordance with the Charities Statement of Recommended Practice, as this was previously the reporting framework for Arnold Academy as an academy trust. As the Arnold Academy legal entity was no longer funded by the ESFA following 1 June 2020, the Governors' report and financial statements is not designed to be compliant with the Academies Accounts Direction.

### **GOVERNANCE, STRUCTURE AND MANAGEMENT**

#### **Governing Documents**

The Academy is a company limited by guarantee and an exempt charity. The companies Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as trustees for the charitable activities of the Academy and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Arnold Academy.

Details of the governors who served during the year except as noted are included in the Reference and Administrative details on page 1.

Members of the Academy Trust were appointed by the Secretary of State or from within the Governors to include the Chair of the Governors, the Vice Chair, the Headteacher, the Chair of the Resources/Finance Committee and the Chair of the Teaching and Learning Committee.

#### **Members' liability**

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

## **Governors' Report 31 May 2021**

### **Governors' indemnities**

Each member's liability is limited by an indemnity pursuant to the provisions of the Companies Act 2006 in respect of negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

### **Method of recruitment and appointment or election of Governors**

A Governor's term of office shall be 4 years, but this time limit will not apply to the Headteacher, however any Governor may be re-appointed or re-elected.

Vacancies are advertised in local parish newsletters, on academy social media and parent updates. Parent governor nominations are supported by two other parents of children on role. Community governors are determined on the skill set required to match the responsibilities of the role. Elections are held where there is more than one applicant for the vacancy.

### **Policies adopted for the induction and training of Governors**

All governors are provided with copies of the policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as governors. New Governors are required to attend a Governor Training course run by the Local Education Authority or such other provider the service to which the Academy subscribes. The Governing Body also continues to hold an informal business meeting at the beginning of the academic year in order to agree roles/responsibilities and to set out the formal meeting dates for the forthcoming year.

### **Organisational structure**

The management structure of the Academy consists of the Headteacher, one Deputy, one Assistant Head, the Key Stage 2 Leader, the Leader of Curriculum, Assessment and Monitoring, the Leader of Personal Development, and the Business Manager.

The 'Pastoral Hub', staffed by non-teachers, has continued to be very successful and has enabled the Head and Deputy Head to concentrate more time on their strategic and operational roles and providing back up and a degree of succession planning. The overall structure remains the same, consisting of three levels: The Members of the Academy, The Governors and the Senior Leadership Team. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels and avoid undue bureaucracy or replication of works and roles.

The Members have delegated their powers to the Governors who are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making decisions about the direction of the Academy, capital expenditure and senior staff appointments.

Some spending control is devolved to department heads and to the office manager, but the senior managers can authorise expenditure within agreed limits and budgets, but capital or other significant expenditure requires authorisation by the Resources committee of the Governors subject to the Academy's best value policy.

The Senior Leadership Team is responsible for the day-to-day operation of the Academy, in particular organising the teaching staff, facilities and pupils.

## **Governors' Report 31 May 2021**

### **Arrangements for setting pay and remuneration of key management personnel**

The pay scales for key management personnel are set in accordance with the school group size defined as per DfE guidelines. The Headteacher's performance is reviewed with the support of an independent external consultant who advises the Headteacher's performance management committee, which reports to the FGB. The performance of the rest of the senior leadership team is reviewed by the Headteacher, who reports findings and makes recommendations to the full governing body.

### **Related parties and other connected charities and organisations**

Arnold Academy was a member of the Hartington Area Schools Trust (HAST) up to the date of transfer to the Pyramid Schools Trust. HAST consisted of 13 local schools operating within one 'pyramid' feeding Harlington Upper School.

Arnold Academy PT A is a separate registered charity which holds fundraising events for the Academy Trust.

There are no other subsidiary companies or associated organisations.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The principal objective and activity of the Academy Trust is the operation of Arnold Academy to provide education for pupils of different abilities between the ages of 9 and 13 and to advance for the public benefit education in the United Kingdom.

### **Objectives, strategies, and activities**

The Academy's main strategy is encompassed in its mission statement which is "the best we can be in all that we do". To this end the activities include:

- ◆ delivering an outstanding educational experience for all pupils through excellent teaching, inventive curricular experiences and modern facilities
- ◆ identifying and overcoming barriers to learning through early intervention enabling every child to achieve their potential
- ◆ engaging parents, carers and support networks in effective communication to enhance the holistic approach to learning
- ◆ establishing sustainable cross phase partnerships that enable schools to pool resources and raise overall standards
- ◆ celebrating with the wider community all the achievements of Arnold Academy.

### **Public benefit**

The Academy has a strategy to support the local community and deliver wider public benefit by offering its premises and facilities to community groups for their use where possible and economic to do so.

### **Equal opportunities policy**

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Employee involvement and employment of the disabled**

Lifts, ramps and disabled toilets are installed, and door widths are adequate to enable wheelchair access to all the main areas of the Academy. It is a policy of the Academy to support recruitment and retention of the students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.



## **Governors' Report 31 May 2021**

### **OBJECTIVES AND ACTIVITIES (continued)**

#### **Employee involvement and employment of the disabled (continued)**

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Academy Trust's Equal Opportunities Policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

### **STRATEGIC REPORT**

#### **Achievements and performance**

All the activities and operations of Arnold Academy, together with all assets and liabilities, were transferred to the Pyramid Schools Trust at midnight on 31 May 2020, when the company became dormant.

#### **Going concern**

The company transferred the Academy's activities, assets and liabilities to The Pyramid Schools Trust on 1 June 2020.

The Governors have prepared the financial statements on the basis that the company is no longer a going concern. The Governors expect the school will continue to operate within The Pyramid Schools Trust and the net assets stated on the Balance Sheet were transferred to the multi academy trust on 1 June 2020.

## **Governors' Report 31 May 2021**

### **Disclosure of information to auditors**

In so far as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the board of Governors, and signed on its behalf by:

*Simon Oxley*

**Chair of Governors**

*Steve Kelly*

**Headteacher and Accounting Officer**

13 April 2022

## Statement of Governors' responsibilities 31 May 2021

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles of the Charities SORP;
- ♦ make judgments and accounting estimates that are reasonable and prudent;
- ♦ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for the maintenance and integrity of the corporate 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 Governors and signed on its behalf by:

*Simon Oxley*

**Chair of Governors** · Date: 13/04/2022

## Chartered accountants' report 31 May 2021

### Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Arnold Academy for the year ended 31 May 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Arnold Academy for the year ended 31 May 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and Notes to the accounts from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com/en/members/regulations-standards-and-guidance/](http://www.icaew.com/en/members/regulations-standards-and-guidance/).

This report is made solely to the board of directors of Arnold Academy, as a body, in accordance with the terms of our engagement letter dated 7 April 2022. Our work has been undertaken solely to prepare for your approval the financial statements of Arnold Academy and state those matters that we have agreed to state to the board of directors of Arnold Academy, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arnold Academy and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Arnold Academy has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit/loss of Arnold Academy. You consider that Arnold Academy is exempt from the statutory audit requirement for the Arnold Academy.

We have not been instructed to carry out an audit or a review of the financial statements of Arnold Academy. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

  
Signature.....

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date 19 April 2022.....

**Statement of financial activities** Year to 31 May 2021  
(Including an income and expenditure account)

	Notes	Total funds 31 May 2021 £	Total funds 31 May 2020 £
<b>Income and expenditure</b>			
<b>Income from:</b>			
Donations and capital grants	2	—	53,519
Charitable activities	3	—	2,634,640
Other trading activities	4	—	10,753
Investments	5	—	289
<b>Total income</b>		<b>—</b>	<b>2,699,201</b>
<b>Expenditure on:</b>			
Raising funds		—	24,628
Charitable activities	7	—	3,251,219
<b>Total expenditure</b>	6	<b>—</b>	<b>3,275,847</b>
<b>Net income / (expenditure)</b>		<b>—</b>	<b>(576,646)</b>
Transfers between funds	17	—	—
<b>Net movement in funds before other recognised gains / (losses)</b>		<b>—</b>	<b>(576,646)</b>
<b>Other recognised gains / (losses):</b>			
<b>Actuarial losses on defined benefit pensions schemes</b>	22	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<b>—</b>	<b>(576,646)</b>
Transfer of assets to Pyramid Schools Trust	1	<b>(6,493,280)</b>	—
<b>Reconciliation of funds:</b>			
Total funds brought forward		<b>6,493,280</b>	7,069,926
Net movement in funds		<b>(6,493,280)</b>	(576,646)
<b>Fund balances at 31 May 2021</b>		<b>—</b>	<b>6,493,280</b>

As noted in the Governors' report, all the activities and operations of Arnold Academy, together with all assets and liabilities, were transferred to the Pyramid Schools Trust at midnight on 31 May 2020, when the company became dormant.

# **Balance sheet 31 May 2021**

		31 May 2021 £	31 May 2021 £	31 May 2020 £	31 May 2020 £
<b>Fixed assets</b>					
Tangible assets	13		—		6,943,731
<b>Current assets</b>					
Debtors	14	—		120,253	
Cash at bank and in hand		—		469,369	
		—		589,622	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	—		(62,023)	
<b>Net current assets</b>			—		527,599
<b>Total assets less current liabilities</b>			—		7,471,330
Creditors: amounts falling due after more than one year	16		—		(56,050)
<b>Net assets excluding pension liability</b>			—		7,415,280
Defined benefit pension scheme liability	22		—		(922,000)
<b>Total net assets</b>			—		6,493,280
<b>Represented by:</b>					
<b>Funds of the Academy Trust:</b>					
Restricted funds:	17				
-Fixed asset funds		—		6,943,731	
-Restricted income funds		—		202,633	
-Restricted funds excluding pension asset		—		7,146,364	
-Pension reserve		—		(922,000)	
Total restricted funds			—		6,224,364
-Unrestricted income funds			—		268,916
Total funds			—		6,493,280

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Governors and signed on their behalf by:

*Simon Oxley* Simon Oxley  
Chair of Governors

*Steve Kelly* Steve Kelly  
Headteacher and accounting officer

Approved on: 13 April 2022

Arnold Academy

Company Registration Number 07670723 (England and Wales)

# Statement of cash flows Year to 31 May 2021

	Notes	31 May 2021 £	31 May 2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	—	(304,972)
Transfer of activities to the Pyramid Schools Trust		<b>(469,369)</b>	
<b>Cash flows from investing activities:</b>			
Investment income and interest received		—	—
Proceeds from the disposal of investments		—	—
Purchase of investments		—	—
<b>Net cash provided by investing activities</b>		<b>—</b>	<b>5,047</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(469,369)</b>	<b>(299,925)</b>
<b>Cash and cash equivalents at 31 May 2020</b>	B	<b>469,369</b>	<b>769,294</b>
<b>Cash and cash equivalents at 31 May 2021</b>	B	<b>—</b>	<b>469,369</b>

## Notes to the statement of cash flows for the year to 31 May 2021

### A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	31 May 2021 £	31 May 2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	—	(576,646)
<b>Adjustments for:</b>		
Depreciation	—	230,638
(Gains) losses on investments	—	—
Investment income and interest receivable	—	(11,042)
Decrease in debtors	—	346,378
Increase/(decrease) in creditors	—	(294,300)
<b>Net cash provided by (used in) operating activities</b>	<b>—</b>	<b>(304,972)</b>

### B Analysis of changes in net debt

	31 May 2020 £	Cash flows £	31 May 2021 £
Cash at bank and in hand	469,369	(469,369)	—
<b>Total cash and cash equivalents</b>	<b>469,369</b>	<b>(469,369)</b>	<b>—</b>

## **Principal accounting policies 31 May 2021**

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

### **Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

As Arnold Academy was formerly an Academy Trust, the financial statements have retained aspects of the Charities SORP voluntarily. As Arnold Academy ceased to be funded by the ESFA from 1 June 2020, the financial statements are not designed to be compliant with the Academies Accounts Direction.

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

### **Going concern**

The activities of Arnold Academy were transferred to The Pyramid Schools trust on 1 June 2020 and, as a consequence, these financial statements have been prepared on a basis other than going concern.

### **Income**

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

### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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



**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.

**Expenditure**

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

**Expenditure on raising funds**

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

**Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Interest receivable**

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

**Taxation**

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

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

**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.

**Tangible fixed assets (continued)**

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

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

Depreciation is provided on the following bases:

Freehold property	over the remaining useful life of 25.78 years
Plant and machinery	20% per annum straight line
Fixtures, fittings and equipment	15% or 20% per annum straight line
Motor vehicles	20% per annum straight line

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

**Liabilities**

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

**Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

**Financial instruments (continued)**

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**Operating leases**

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

**Pensions**

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

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

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

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

**Fund accounting**

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

**Fund accounting (continued)**

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**Critical accounting estimates and areas of judgment**

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

**Critical accounting estimates and assumptions:**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 May 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Notes to the financial statements 31 May 2021

### 1 Transfer of assets to the Pyramid Schools Trust

	Total funds 31 May 2021 £
Tangible fixed assets	6,943,731
Net current assets	527,599
Creditors: amounts falling due after more than one year	(56,050)
Pension scheme liability	(922,000)
<b>Total</b>	<b>6,493,280</b>

Following the transfer of the activities of Arnold Academy to Pyramid Schools Trust (PST), the responsibility for the bank account and the activity within it has transferred to PST. There has been a delay in formally transferring the bank account to PST, but the balance has been accounted for as a transfer in in the PST financial statements for the year ended 31 August 2020.

### 2 Income from: Donations and capital grants

	Unrestricted funds 31 May 2021 £	Restricted funds 31 May 2021 £	Restricted fixed asset funds 31 May 2021 £	Total funds 31 May 2021 £	Total funds 31 May 2020 £
Donations	—	—	—	—	20,134
Government grants	—	—	—	—	13,090
School fund income	—	—	—	—	20,295
<b>Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>53,519</b>

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds 31 May 2021 £	Restricted funds 31 May 2021 £	Total funds 31 May 2021 £	Unrestricted funds 31 May 2020 £	Restricted funds 31 May 2020 £	Total funds 31 May 2020 £
DfE/ ESFA grants						
. General Annual Grant	—	—	—	—	2,010,398	2,010,398
. Other DfE/ESFA grants	—	—	—	—	290,842	290,842
				—	2,301,240	2,301,240
Other government grants						
. Local authority grants	—	—	—	—	170,494	170,494
	—	—	—	—	170,494	170,494
Other funding						
. Catering	—	—	—	—	79,486	79,486
. Consultancy and other income	—	—	—	—	1,087	1,087
. Study books	—	—	—	—	3,806	3,806
. MAT development consultancy fees	—	—	—	—	78,527	78,527
	—	—	—	—	2,634,640	2,634,640

## Notes to the financial statements 31 May 2021

### 4 Income from other trading activities

This is stated after charging

	31 May 2021 £	31 May 2020 £
Hire of facilities	—	10,753

### 5 Investment income

	Total funds 31 May 2021 £	Total funds 31 May 2020 £
Interest received	—	289

### 6 Expenditure

	Staff costs 31 May 2021 £	Premises 31 May 2021 £	Other 31 May 2021 £	Total funds 31 May 2021 £	Total funds 31 May 2020 £
Expenditure on raising voluntary income:					
Direct costs	—	—	—	—	24,628
Educational operations:					
Direct costs	—	—	—	—	2,022,347
Allocated support costs	—	—	—	—	1,228,872
Total	—	—	—	—	3,275,847

### 7 Analysis of expenditure on charitable activities

	Total funds 31 May 2021 £	Total funds 31 May 2020 £
Educational operations	—	3,251,219

### 8 Analysis of expenditure by activities

	Activities undertaken directly 31 May 2021 £	Support costs 31 May 2021 £	Total funds 31 May 2021 £	Total funds 31 May 2020 £
Educational operations	—	—	—	3,251,219

**8 Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 31 May 2021 £</b>	<b>Total funds 31 May 2020 £</b>
Staff costs	—	1,948,391
Educational Supplies	—	42,218
Agency staff costs	—	16,333
Restorative Practice	—	15,405
	<b>—</b>	<b>2,022,347</b>

	<b>Total funds 31 May 2021 £</b>	<b>Total funds 31 May 2020 £</b>
Net interest cost on LGPS pension	—	340,227
Staff costs	—	230,638
Depreciation	—	4,185
Staff development	—	45,362
Technology	—	3,331
Recruitment and support	—	18,321
Maintenance of premises and Equipment	—	1,866
Cleaning	—	21,014
Rent and rates	—	29,458
Energy costs	—	8,329
Insurance	—	762
Security and transport	—	36,224
Catering	—	18,460
Expansion costs	—	459,509
CIF costs	—	11,186
Governance costs	—	1,228,872
	<b>—</b>	<b>340,227</b>

## Notes to the financial statements 31 May 2021

### 9 Net income / (expenditure)

Net income / (expenditure) for the year includes:

	31 May 2021 £	31 May 2020 £
Depreciation of tangible fixed assets	—	230,638
Gain on disposal of fixed assets	—	—
Fees paid to auditors for:		
- audit	—	7,200
- other services	—	3,130
	—	230,638

### 10 Staff costs

Staff costs during the year were as follows:

	31 May 2021 £	31 May 2020 £
Wages and salaries	—	1,749,410
Social security costs	—	151,970
Pension costs	—	387,238
	—	2,288,618
Agency staff costs	—	16,333
	—	2,304,951

### Non-statutory / non-contractual staff severance payments

There were no non-statutory / non contractual severance payment made during the period (2020 –£nil).

### Staff numbers

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

	31 May 2021 No.	31 May 2020 No.
Management	—	7
Teaching staff	—	34
Support Staff	—	61
	—	102



**10 Staff costs (continued)**

The average headcount expressed as full-time equivalents was:

	31 May 2021 No.	31 May 2020 No.
Management	—	7
Teaching staff	—	30
Support Staff	—	37
	<u>—</u>	<u>74</u>

**Higher paid staff**

	31 May 2021 No.	31 May 2020 No.
In the band £70,001 - £80,000	—	1
In the band £100,001 - £110,000	—	1

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £nil (2020 - £422,841).

**11 Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		31 May 2021 £	31 May 2020 £
S Kelly, Headteacher	Remuneration	n/a	85,000 - 90,000
	Pension contributions paid	n/a	10,000- 15,000
H Dunnigan, Staff Trustee (appointed 2 December 2019)	Remuneration	n/a	20,000- 25,000
	Pension contributions paid	n/a	5,000- 10,000
D Bastiani, Staff Trustee	Remuneration	n/a	35,000 - 40,000
	Pension contributions paid	n/a	5,000 -
		<u>n/a</u>	<u>10,000</u>

**11 Governors' remuneration and expenses** (continued)

During the period ended 1 June 2020, no Governor expenses have been incurred (2020 – £nil).

**12 Governors' and officers' insurance**

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

## Notes to the financial statements 31 May 2021

### 13 Tangible fixed assets

	Freehold property £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 31 May 2020	8,711,487	91,991	10,995	<b>8,814,473</b>
Transferred to the Pyramid Schools Trust	(8,711,487)	(91,991)	(10,995)	<b>(8,814,473)</b>
At 31 May 2021	—	—	—	—
<b>Depreciation</b>				
At 31 May 2020	1,775,475	89,967	5,300	<b>1,870,742</b>
Transferred to the Pyramid Schools Trust	(1,775,475)	(89,967)	(5,300)	<b>(1,870,742)</b>
At 31 May 2021	—	—	—	—
<b>Net book value</b>				
At 31 May 2021	—	—	—	—
At 31 May 2020	6,936,012	2,024	5,695	<b>6,943,731</b>

### 14 Debtors

	31 May 2021 £	31 May 2020 £
Due within one year		
Trade debtors	—	407
Prepayments and accrued income	—	75,793
VAT recoverable	—	44,053
	—	<b>120,253</b>

### 15 Creditors: Amounts falling due within one year

	31 May 2021 £	31 May 2020 £
Other loans	—	10,191
Trade creditors	—	1,638
Accruals and deferred income	—	50,194
	—	<b>62,023</b>

At the balance sheet date the academy trust was holding £nil (2020 - £26,708) income received in advance of school trips and £nil (2020 - £7,478) income received in advance for catering income.

Other loans represents the first instalments of a Salix loan totalling £81,527, which awarded to the academy by the ESFA in 2018/19, and falling due for payment within one year.

## Notes to the financial statements 31 May 2021

### 16 Creditors: Amounts falling due after more than one year

	31 May 2021 £	31 May 2020 £
Other loans	—	56,050

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	31 May 2021 £	31 May 2020 £
Payable or repayable by instalments	—	15,286
	—	15,286

The academy was awarded a Salix loan totalling £81,527 by the ESFA in 2018/19. The loan is repayable in half yearly instalments of £5,095, with £56,050 being due after one year. Instalments totalling £15,286 are repayable after more than five years.

### 17 Statement of funds

	Balance at 31 May 2020 £	Income £	Expenditure £	Transfers in / out £	Balance at 31 May 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
School funds	32,976	—	—	(32,976)	—
<b>General fund</b>					
General funds	213,442	—	—	(213,442)	—
<b>Total unrestricted funds</b>	246,418	—	—	(246,418)	—
<b>Restricted general funds</b>					
General Annual Grant (GAG)	109,008	—	—	(109,008)	—
Other DfE/ESFA grants	—	—	—	—	—
Local authority grants	—	—	—	—	—
Catering	—	—	—	—	—
Donations and other income	—	—	—	—	—
PTA Donation	—	—	—	—	—
Study books	—	—	—	—	—
Restorative Practice	25,316	—	—	(25,316)	—
Consultancy to HAST	(922,000)	—	—	922,000	—
Pension reserve					
	(787,676)	—	—	787,676	—
<b>Restricted fixed asset funds</b>					
Fixed asset reserve	7,168,374	—	—	(7,168,374)	—
DfE/ESFA Capital grants	—	—	—	—	—
CIF works	442,810	—	—	(442,810)	—
	7,611,184	—	—	(7,611,184)	—
<b>Total restricted funds</b>	6,823,508	—	—	(6,823,508)	—
<b>Total funds</b>	7,069,926	—	—	(7,069,926)	—

**17 Statement of funds (continued)**

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

**Designated Funds**

School Fund: The Academy maintains a separate school fund which includes income and expenditure relating to school trips and other fundraising activities.

**General Funds**

The Academy's general fund represents income and expenditure relating to activities undertaken by the academy as part of its charitable activities. The Academy can use these funds for any purpose.

**Restricted Funds**

In the prior period, the Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy. Reserve balance carried forward at 31 May 2020 include unspent grants given for the period April to August 2020.

The PTA donated £2,500 towards the new minibus, £18 for cookery club and £231 towards Library books that were spent in the period. During the period the PTA also donated £499 towards a water fountain which was unspent as at the 31 May 2020.

Pension Reserve - As stated in note 22 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Arnold Academy can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

**Restricted Fixed Asset Funds**

Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Assets reserves. The Academy continued to receive income from Devolved Formula Capital (DFC) grant which was used towards the distribution CIF works.

In 2018/19 the Academy was awarded CIF funding totalling £765,272 for roofing and distribution works. Work commenced in the summer of 2019 and was completed in January 2020, supported by a contributions from the school's DFC and other reserves.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 May 2020.

## Notes to the financial statements 31 May 2021

### 17 Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in / out £	Balance at 31 May 2020 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
School funds	32,976	20,295	(24,628)	—	28,643
General fund					
General funds	213,442	27,928	—	(1,097)	240,273
<b>Total unrestricted funds</b>	<b>246,418</b>	<b>48,223</b>	<b>(24,628)</b>	<b>(1,097)</b>	<b>268,916</b>
<i>Restricted general funds</i>					
General Annual Grant (GAG)	109,008	2,010,398	(2,000,878)	(6,007)	112,521
Other DfE/ESFA grants	—	290,842	(226,973)	—	63,869
Local authority grants	—	154,661	(154,661)	—	—
Catering	—	79,486	(79,486)	—	—
Donations and other income	—	1,087	(1,087)	—	—
PTA Donation	—	3,248	(249)	(2,500)	499
Study books	—	3,806	(3,806)	—	—
Restorative Practice	25,316	15,833	(15,405)	—	25,744
Consultancy to HAST					
Pension reserve	(922,000)	78,527	(78,527)	—	(922,000)
	(787,676)	2,637,888	(2,561,072)	(8,507)	(719,367)
<i>Restricted fixed asset funds</i>					
Fixed asset reserve	7,168,374	—	(230,638)	5,995	6,943,731
DfE/ESFA Capital grants	—	13,090	—	(13,090)	—
CIF works	442,810	—	(459,509)	16,699	—
	7,611,184	13,090	(690,147)	9,604	6,943,731
<b>Total restricted funds</b>	<b>6,823,508</b>	<b>2,650,978</b>	<b>(3,251,219)</b>	<b>1,097</b>	<b>6,224,364</b>
<b>Total funds</b>	<b>7,069,926</b>	<b>2,699,201</b>	<b>(3,275,847)</b>	<b>—</b>	<b>6,493,280</b>

### 18 Analysis of net assets between funds

	Unrestricted funds 31 May 2021 £	Restricted funds 31 May 2021 £	Restricted fixed asset funds 31 May 2021 £	Total funds 31 May 2021 £
Tangible fixed assets	—	—	—	—
Current assets	—	—	—	—
Creditors due within one year	—	—	—	—
Creditors due in more than one year	—	—	—	—
Provisions for liabilities and charges	—	—	—	—
<b>Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 31 May 2020 £
<i>Tangible fixed assets</i>	—	—	6,943,731	6,943,731
<i>Current assets</i>	268,916	320,706	—	589,622
<i>Creditors due within one year</i>	—	(62,023)	—	(62,023)
<i>Creditors due in more than one year</i>	—	(56,050)	—	(56,050)
<i>Provisions for liabilities and charges</i>	—	(922,000)	—	(922,000)
<b>Total funds</b>	<b>268,916</b>	<b>(719,367)</b>	<b>6,943,731</b>	<b>6,493,280</b>

**19 Reconciliation of net (expenditure) / income to net cash flow from operating activities**

	31 May 2021 £	31 May 2020 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	—	(576,646)
<b>Adjustments for:</b>		
Depreciation Interest receivable	—	230,638
Defined benefit pension scheme cost less contributions payable Decrease/(increase) in debtors	—	(11,042)
Decrease in creditors	—	—
Profit on sale of fixed assets	—	346,378
<b>Net cash used in operating activities</b>	<b>—</b>	<b>(294,300)</b>

**20 Cash flows from investing activities**

	31 May 2021 £	31 May 2020 £
Dividends, interest and rents from investments	—	11,042
Purchase of tangible fixed assets	—	(5,995)
Proceeds from the sale of tangible fixed assets	—	—
<b>Net cash provided by investing activities</b>	<b>—</b>	<b>5,047</b>

**21 Analysis of cash and cash equivalents**

	31 May 2021 £	31 May 2020 £
Cash at bank and in hand	—	469,369
<b>Total cash and cash equivalents</b>	<b>—</b>	<b>469,369</b>

## 22 Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are multi-employer defined benefit schemes. All Arnold Academy's employees and the related pension liabilities were transferred to Pyramid Schools Trust on 1 June 2020.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ♦ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ♦ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.



## 22 Pensions commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £nil (2020 £267,328). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 1 June 2020 was £nil (2020 £152,000), of which employer's contributions totalled £nil (2020 £120,000) and employees' contributions totalled £nil (2020 £32,000). The agreed contribution rates for future years are 21.7 per cent for employers and variable per cent for employees.

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

	31 May 2021	31 May 2020
Principal actuarial assumptions	%	%
Rate of increase in salaries	n/a	2.5
Rate of increase for pensions in payment/inflation	n/a	2.2
Discount rate for scheme liabilities	n/a	1.9

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

	31 May 2021	31 May 2020
	Years	Years
<b>Retiring today</b>		
Males	n/a	20.7
Females	n/a	23.2
<b>Retiring in 20 years</b>		
Males	n/a	21.7
Females	n/a	24.7

## Notes to the financial statements 31 May 2021

### 22 Pensions commitments (continued)

Sensitivity analysis	31 May 2021 £'000	31 May 2020 £'000
Discount rate -0.1%	n/a	55
CPI rate +0.1%	n/a	49
Salary increase rate +0.1%	n/a	6

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

	2021 £	2020 £
Equities	n/a	1,012,000
Corporate bonds	n/a	228,000
Property	n/a	138,000
Cash and other liquid assets	n/a	68,000
Total market value of assets	n/a	1,446,000

The actual return on scheme assets was £nil (2020 - £nil).

	31 May 2021 £	31 May 2020 £
Current service cost	n/a	—
Past service cost	n/a	—
Interest income	n/a	—
Interest cost	n/a	—
	n/a	—

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

	31 May 2021 £	31 May 2020 £
<b>At 1 September</b>	n/a	2,367,000
Current service cost	n/a	—
Interest cost	n/a	—
Employee contributions	n/a	—
Actuarial (gains)/losses	n/a	—
Benefits paid	n/a	—
Past service costs	n/a	—
<b>At 31 May</b>	n/a	2,367,000

## 22 Pensions commitments (continued)

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

	31 May 2021 £	31 May 2020 £
At 1 September	n/a	1,445,000
Interest income	n/a	—
Actuarial gains/(losses)	n/a	—
Employer contributions	n/a	—
Employee contributions	n/a	—
Benefits paid	n/a	—
At 31 May	n/a	1,445,000

## 23 Operating lease commitments

At 1 June 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 May 2021 £	31 May 2020 £
Not later than 1 year	—	6,288
Later than 1 year and not later than 5 years	—	895
	—	7,183

## 24 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.

## 25 Related party transactions

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

During the period no related party transactions took place.