

**Company Registration Number: 09642581 (England & Wales)**

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Annual report and financial statements**  
**for the year ended 31 August 2020**



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

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**Cirrus Primary Academy Trust**  
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**Reference and administrative details**

<b>Members</b>	Alexandra Gillespie (resigned 16 December 2019) Duong Hong (resigned 14 July 2020) Ian Lewis Rumu Sen-Gupta Wendy Mathys (appointed 16 December 2019) Angela Baughan (appointed 27 July 2020) Andrew Theobald (appointed 27 July 2020)
<b>Trustees</b>	Alexander Clark (resigned 31 October 2019) Carole Cook Fiona Doyle (resigned 20 October 2020) Duong Hong (resigned 14 July 2020) Colin Mackinlay (resigned 7 October 2019) Charlotte Cassell (appointed 9 July 2019) Alexandra Gillespie (appointed 9 July 2019) Peter Simpson (appointed 22 June 2020) Sharon Roberts (appointed 4 November 2019) Helen Howard (appointed 6 October 2020) Andrew Ivison (appointed 6 October 2020) Kapil Lodha (appointed 6 October 2020)
<b>Company registered number</b>	09642581
<b>Company name</b>	Cirrus Primary Academy Trust
<b>Principal and registered office</b>	Avenue Primary Academy Avenue Road Sutton SM2 6JE
<b>Chief executive officer</b>	Alexander Clark (Resigned 31 October 2019) Sharon Roberts (Appointed 1 November 2019)
<b>Senior management team</b>	Alexander Clark, Chief Executive Officer (Resigned 31 October 2019) Sharon Roberts, Chief Executive Officer (Appointed 01 November 2019) Daniel Smith, Director of Finance (Resigned 03 November 2019) Wayne Finnie, Chief Financial Officer (Appointed 27 July 2020)
<b>Independent auditor</b>	Kreston Reeves LLP Chartered Accountants Statutory Auditor Springfield House Springfield Road Horsham West Sussex RH12 2RG
<b>Bankers</b>	Lloyds Bank 49/53 High Street Sutton SM1 1DT

**Cirrus Primary Academy Trust**  
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**Reference and administrative details (continued)**  
**for the year ended 31 August 2020**

<b>Solicitors</b>	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
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**Cirrus Primary Academy Trust**  
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**Trustees' report**  
**for the year ended 31 August 2020**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates six primary academies in Croydon and Sutton. Its academies have a combined pupil capacity of 3,692 and had a roll of 3,037 pupils in the school census in October 2020.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity.

The company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Cirrus Primary Academy Trust are also the directors of the company for the purposes of company law.

The company is known as Cirrus Primary Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

**b. Members' liability**

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

**c. Trustees' indemnities**

No indemnities have been given to any third parties on behalf of any Trustees.

**d. Method of recruitment and appointment or election of Trustees**

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. In accordance with the articles, the Trustees of the company are the Directors. They are appointed as follows:

- Up to 12 trustees appointed by the members
- The Chief Executive Officer if they agree so to act
- Co-Opted Trustees may also be appointed by Trustees and Members

**e. Policies adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, training is delivered covering the Trusts charity status and the implications of that, educational matters particularly relating to standards, safeguarding, the governance framework, and finances. All Trustees are given access to Trust policies and procedures, minutes of previous meetings, and financial documentation.

In addition, Trustees are provided with training via Sutton and Merton Governor Services and Judicium, who provide online and face to face training across a variety of areas.

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

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

**f. Organisational structure**

The Board of Directors comprises those persons appointed under the Articles of Association. The Board meets at least four times a year and has the following sub-committees:

- Finance Committee (meets four times a year)
- Governance Committee (meets three times a year)
- HR Committee (meets three times a year)
- Admissions Committee (meets twice a year)

Each of the Local Governing Boards of the academies meet four times a year to consider detailed matters about their relevant academy.

The Local Governing Boards are formally constituted with Terms of Reference and comprises appropriately qualified and experienced members.

Directors delegate specific responsibilities to the Local Governing Boards, the activities of which are reported to and discussed at Trust Board meetings.

Day to day leadership of the company is undertaken by the Chief Executive Officer and Senior Management Team.

The Chief Executive Officer (CEO) is the Accounting Officer and the Chief Finance Officer (CFO) is the Principal Finance Officer. Note that there has been a change of CEO with Alex Clark leaving in October 2019. With effect from October 2019, Sharon Roberts was appointed Interim CEO, becoming responsible for the day to day running of the Trust.

**g. Arrangements for setting pay and remuneration of key management personnel**

The senior management team (SMT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the CEO is set annually by the CEO's Pay Review Panel of the Trustees, having regards to performance against objectives set the previous year. Pay of other SMT and Senior Leadership Team members is also set by the Pay Review Panel again having regard to performance against previously agreed objectives and any recommendations made by the CEO.

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

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

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	4
1%-50%	1
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	150
Total pay bill	12,351,611
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	20 %
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**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

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

**i. Engagement with employees (including disabled persons)**

Cirrus Primary Academy Trust continues to encourage the participation of its employees in the organisation in which they work. Established communication and consultation procedures exist which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

A list of some examples are as follows:

- Regular email communication.
- Weekly meetings with school leaders regarding Covid updates and managing school expectations.
- Staff well-being surveys undertaken by each school.
- Staff Workload action plans monitored, reviewed and reported on at each LGB meeting.
- Staff HR updates shared regularly throughout school partial closures and implications on return to wider opening in June 2020.
- Trust Key priorities for 2019/20 shared with all school leaders to disseminate to wider staff teams

The Trust recognises the importance of the role of Trade unions in the workplace and the benefits to both employee and employer of working together effectively.

The Trust is an equal opportunity employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained. As an employer, The Trust is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled, for example adapting the physical environment and making additional resources available.

**j. Engagement with suppliers, customers and others in a business relationship with the Academy Trust**

**Producers & Suppliers**

Cirrus Primary Academy Trust works closely with all producers and suppliers in order to ensure that the schools can continue to operate with the required resources and services. Contracts are renewed on a timely basis in accordance with the school requirements.

**Customers**

Regular communication is made across the Trust to the parents and carers of all students within our schools, this includes regular letters and emails, newsletters, parent consultations and website updates.

**Wider Community**

The Trust recognises the importance of good relations with the wider community outside of our schools and works closely with the Local Authority, Parent support groups, local charities and other schools.

**Business Conduct**

The Trust aims to conduct all of its business relationships with integrity and courtesy whilst keeping to our core vision of developing the very best organisations to ensure that children do exceptionally well. The Trustees and Senior Management Team all support this.

**Impact of COVID19**

All schools within the Trust were heavily impacted as a result of COVID19, with only a small number of students attending during the summer term. Parents and Carers were kept regularly updated on developments and suppliers were contacted where contracts were affected.



**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Objectives and activities**

**a. Objects and aims**

The objects of the Trust are the advancement of education in the UK and to promote for the benefit of the inhabitants of the local area, the provision of facilities for recreation. It achieves these objects by operating its six academies, providing a state-funded primary education free of charge to its pupils and by making its facilities available to the local community.

The core purpose of the Trust is to develop the very best organisations to ensure that children do exceptionally well and are prepared for the future.

In delivering against our mission and pursuit of our vision, we have identified four core strategic objectives:

1. School Improvement – consistently seeking better outcomes for our children and providing the highest possible standard of education across a broad curriculum
2. Operational Effectiveness – maximising the resources and revenue opportunities across the trust, with effective internal controls, risk management and governance.
3. Creating an engaging and aspirational learning environment - creating engaging environments for staff and pupils, recognising that the only way we can better ourselves is by having a learning culture at all levels and in all our schools, accepting that we can and will always need to improve.
4. Parental and Community Engagement – partnering with parents and the wider community to strengthen family involvement, build community support and enhance school success

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

**3. Trust-level KPIs December 2019 - July 2020**

STRATEGIC OBJECTIVE	KPIs	SUPPORT DOCUMENT	OWNER	RAG	Narrative
<b>Educational Improvement</b>	<ul style="list-style-type: none"> <li>Education outcomes</li> <li>Peer review ratings</li> </ul>	Head teacher reports, SEF School Improvement Report	Heads CEO/Heads		<ul style="list-style-type: none"> <li>APA, BH &amp; SPIS -external school reviews were carried out in Spring term (Reports on Governor Hub). All schools deemed to be providing at least a good standard of education and leadership and management</li> <li>KPA received a 2-day Section 8 inspection (24th February). Report confirmed that the Trust and leaders are taking appropriate action to bring the school out of special measures and the Post Ofsted/ school Improvement plans are fit for purpose.</li> <li>RM/WPA external school reviews did not take place due to Covid-19 school 'closures'</li> <li>No education outcomes will be reported nationally this year. Internal whole school data was shared with trustees in March</li> </ul>
<b>Operational Effectiveness</b>	<ul style="list-style-type: none"> <li>LGB Termly Assessment</li> <li>Governor Monitoring</li> <li>School Finances</li> <li>Trust cash flow and budget</li> <li>Internal audit</li> </ul>	Governance Performance Reports Visits Reports School Finance Report Trust Finance Report Audit Reports	LGBs LGBs/Heads LGBs/Heads/SBMs Trustees/CEO Trustees/CEO		<ul style="list-style-type: none"> <li>Termly Governor performance reports are under review and the proposal is to replace these with an 'Annual Impact Report' (shared with trustees July 2020)</li> <li>A new Governor Handbook has been formulated (Draft shared with trustees July 2020)</li> <li>Draft ToB for new proposed Trust Committees formulated (Shared with trustees July 2020)</li> <li>Reviewed Scheme of Delegation (Shared with trustees July 2020)</li> <li>Remote governor monitoring has taken place and prior to Covid-19, governor school visits were being undertaken against school improvement priorities</li> <li>School finance reports are now being shared at LGB meetings</li> <li>Cash-flow and monthly budget reports are being generated and shared with heads, governors and trustees</li> <li>Internal Audit has taken place (April/May), but some sampling has been difficult due to Covid-19. As requested, the draft report has been shared with the ESFA</li> </ul>

<b>Creating an engaging and aspirational learning environment</b>	<ul style="list-style-type: none"> <li>School improvement priorities</li> <li>Stable or improving pupil feedback</li> </ul>	School Development Plans, SEF Pupil Voice Mechanisms	CEO/Heads Heads		<ul style="list-style-type: none"> <li>Annual schedule for self-evaluation and reporting (Guidance document for Heads &amp; LGBs) has been shared with all heads (shared with trustees July 2020). This will ensure consistency in data analysis and reports/SEF evaluations and reviews of key priorities</li> <li>Pupil Voice activities have been limited due to Covid-19</li> </ul>
<b>Parental and Community Engagement</b>	<ul style="list-style-type: none"> <li>Stable or improving parental feedback</li> <li>Pupil activities with external community resources</li> <li>Parental engagement events</li> </ul>	Survey results, event attendance Heads Report Heads Report	Heads Heads Heads		<ul style="list-style-type: none"> <li>Heads report that Parent feedback in response to Covid-19 remote support/curriculum and in-school provision has been positive. Where there have been issues, heads report that these have been easily/swiftly resolved</li> <li>In-school parental engagement events have been limited due to Covid-19</li> <li>Pupil activities with external community resources have been limited due to Covid-19</li> </ul>

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Objectives and activities (continued)**

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trust's academies operate in the London Boroughs of Sutton and Croydon and pupils within the school's catchment areas have access to excellent teaching and resources, this also benefits the wider community as a whole with the additional opportunity of community use of the school's facilities.

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Internal summative assessments took place in February 2020 as part of the Trust's assessment and tracking procedures. Following this data drop, schools partially closed to all pupils except Key Worker and Vulnerable pupils.

The following (unvalidated) data is an overview of achievement and performance in February 2020 towards end of year age related expectations:

<b>EYFS GLD</b>	<b>71%</b>							
<b>Phonics</b>	<b>85%</b>							
<b>KS1</b>	<b>Reading</b>		<b>Writing</b>		<b>Maths</b>		<b>Combined</b>	
	<b>ARE</b>	<b>GD</b>	<b>ARE</b>	<b>GD</b>	<b>ARE</b>	<b>GD</b>	<b>ARE</b>	<b>GD</b>
	<b>74%</b>	<b>28%</b>	<b>69%</b>	<b>20%</b>	<b>73%</b>	<b>25%</b>	<b>65%</b>	<b>14%</b>
<b>KS2</b>	<b>Reading</b>		<b>Writing</b>		<b>Maths</b>		<b>Combined</b>	
	<b>ARE</b>	<b>GD</b>	<b>ARE</b>	<b>GD</b>	<b>ARE</b>	<b>GD</b>	<b>ARE</b>	<b>GD</b>
	<b>67%</b>	<b>27%</b>	<b>67%</b>	<b>14%</b>	<b>64%</b>	<b>20%</b>	<b>67%</b>	<b>9%</b>

**Key Performance Indicators**

Due to the COVID-19 Pandemic, the Government announcement in March 2020 that it would not publish any school or college level educational performance data based on tests, assessments or exams for 2020.

Consequently, the Trust is unable to provide information on key performance indicators for the year. Information on previous years is available on the School websites.

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

*It is noted that the Academy Trust incurred a deficit during the year ended 31st August 2020 and has a total deficit restricted reserve carried forward of £882,822 at the year end. The Board of Trustees and senior management team are currently working with the ESFA to address this matter and implement an action plan to improve the financial position for the Trust. Extensive action has already been taken to restructure staffing across the Trust in order to reduce costs.*

With this in mind, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. However, we recognise the material uncertainty that exists which may cast doubt on the Academy Trust's ability to continue as a going concern.

**c. Promoting the success of the company**

The Trustees of Cirrus Primary Academy Trust have acted in a way they consider, in good faith, would be most likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Strategic report (continued)**

**Financial review**

The Trust receives income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency (ESFA) who provide us with a grant based largely on pupil numbers to cover the costs of staffing and other general running costs (General Annual Grant – GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes such as Pupil Premium which must be used to help raise the attainment of disadvantaged students. These appear in the accounts as DFE Grants. Where we receive grant or other funding from the Local Authority, such as where we undertake responsibilities on their behalf in respect of our students, this appears in the accounts as Other Government Grants. Such income is known collectively as "Restricted Funds". Other income can be received from parents (for example contributions to trips or activities) and from third parties (for example bank interest or hire of facilities). Such income may be restricted or unrestricted depending on whether or not it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

During the Year 2019/20, the Trust recognised that it needed to reduce the central team as it could not sustain these costs and a re-structure was undertaken accordingly with a number of posts removed in the year. A number of schools started 2019/20 in a deficit position and therefore needed to reduce their spend in order to address this. Non-essential spends were frozen and staffing numbers across the schools were due to be reviewed.

The impact of COVID 19 meant that additional resources were spent on PPE equipment and signage as well as cleaning costs for the premises. Claims were made for exceptional funding costs across the Trust for a total of £19k with the vast majority of this expense being the cleaning costs with additional equipment and time.

It is anticipated that the Trust will continue to review the entire staffing structure in 2020/21 in order to improve the financial situation in the longer-term. Trustees are all aware of the current financial situation and continue to support the Senior Management Team in their work to improve this.

**a. Results for 2020**

During the year to 31 August 2020 total income, including capital income was £19,436,057, of which £773,325 was unrestricted income.

Total expenditure, for the year to 31 August 2020, was £21,996,048, of which:

Employee costs of £16,550,527 represented 75% of total expenditure

Premises costs of £2,750,108 represented 12.5% of total expenditure

The operating deficit, excluding pension reserve adjustments, for the year ended 31 August 2020 was £1,535,991.

The Academy Trust's current level of free reserves, excluding the restricted fixed asset fund and the LGPS deficit is £nil as the Trust is currently in deficit by £882,822.

The Trust has £550,433 of restricted capital reserves available to spend that are not tied up in fixed assets.

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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**b. Reserves policy**

Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk generated by, for example:

- Income reduction due to Government funding changes
- Unexpected falls in student numbers
- Cash flow issues due to delays in receipt of funding
- Emergencies

In general, it is considered prudent to maintain a level of reserves sufficient to cover unexpected or planned events so that the Trust's primary objective is preserved. At the same time, the Trust wishes to ensure that it uses its funding to benefit the students in its care, which implies a responsibility to consider actively the use of reserves to enhance educational provision. Trustees monitor levels of reserves in financial reports provided by the Senior Management Team and audited annual statements. Trustees aim for a prudent level of reserves to be maintained, bearing in mind the recurrent spending needs to ensure high quality provision.

The current deficit position has arisen, mainly due to the costs of the central team over the past 2 years and, as previously mentioned, work commenced in 2019/20 in order to address this.

The Trust are working closely with the ESFA in order to raise the level of reserves over a period of time, the trustees are actively involved in this process and will continue this work in 2020/21 and beyond. Strategic plans will be put in place and monitored accordingly.

**c. Investment policy**

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

**d. Principal risks and uncertainties**

Throughout the year Trustees have assessed the major risks to which the trust is exposed, in particular those relating to academic performance, finances and child welfare. The trustees have implemented a number of systems, including risk registers, to assess the risks the Trust faces and have developed policies and procedures to mitigate those risks.

The principal risk faced by the Trust is the current financial position with a deficit restricted reserve of £882,822 and the resulting Financial Notice to Improve (FNI) that was issued in September 2020. The Trust is working closely with the ESFA to meet the conditions of the FNI and develop better reporting processes. Trustees are also increasing the level and depth of scrutiny of financial results at both Trust level and school level.

The ongoing impact of COVID-19 also represents a risk with regard to the academic performance of the students within the Trust. Additional risk assessments have been undertaken to ensure that the Trust is able to meet the needs of the staff and students during this time.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and trade creditors) trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect actuary's advice.

The majority of the trust's income is obtained from the ESFA in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and associated expenditure are shown as restricted funds in the statement of financial activities.

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Fundraising**

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice. There have been no complaints about fundraising activity this year.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing and contact lists.



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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Streamlined energy and carbon reporting**

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	2177555 Kwh
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> <li>gas,</li> <li>electricity,</li> <li>Biomass</li> <li>transport fuel</li> </ul>	1429913 Kwh 571646 Kwh 171805 Kwh 4191 Kwh
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	262.76 tCO2e
Owned transport	Nil
Bio fuels	2.69 tCO2e
<u>Total scope 1</u>	265.45 tCO2e
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	146.11 tCO2e
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	0.62 tCO2e
<u>Total gross emissions in metric tonnes CO2e</u>	412.18 tCO2e
<u>Intensity ratio</u>	
Intensity ratio (total gross emissions)	252 kg CO2e per square foot
<p><b><u>Quantification and Reporting Methodology:-</u></b></p> <ul style="list-style-type: none"> <li>We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</li> </ul> <p><b><u>Intensity measurement</u></b></p> <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p><b><u>Measures taken to improve energy efficiency</u></b></p> <p>We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.</p>	

**Cirrus Primary Academy Trust**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2020**

**Plans for future periods**

**2020-2021 Strategic Priorities**

**1. School Improvement** - Implement a systematic approach to drive improved outcomes at all our schools with a broad and balanced curriculum which provides children with the skills, knowledge and understanding they need to develop into well rounded, informed individuals. Specific improvements needed at schools within the Trust that currently have an Ofsted rating which requires improvement.

**2. Operational Effectiveness & Financial Stability** – Work with the ESFA to ensure that the Trust meets the conditions of the FNTI and reduce costs in order to improve the overall deficit position. Ensure that reporting processes are developed to allow further scrutiny on the financial performance across the Trust and evaluate the value for money in the use of funds available.

**3. Creating an engaging and aspirational learning environment** - Share best practice across our leadership tiers and create a community of aspiration across the Trust

**4. Parental and Community Engagement** - Give parents and stakeholders a strong voice to be involved and influence the work of the Trust/schools. Ensure that parental engagement and partnerships are effective in closing the gap in attainment for disadvantaged pupils

**5. COVID 19** – Work across the schools to ensure that effective catch up/blended & remote learning curriculums are introduced and developed in order to minimise the impact of the pandemic on our student's ability to learn

**Funds held as custodian on behalf of others**

There are no occurrences of the Trust or its Trustees acting as custodian trustee and no assets or arrangements of safe custody of assets have been given to any individuals or other parties.

**Political donations**

The Trust has made no political donations within the period.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

**Auditor**

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16 December 2020 and signed on its behalf by:



**Carole Cook**  
Chair of Trustees

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Cirrus Primary 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cirrus Primary Academy Trust and the Secretary of State for Education. They are 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 has formally met 4 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
Fiona Doyle (Chair)	4	4
Alexandra Gillespie	4	4
Carole Cook	4	4
Charlotte Cassell	4	4
Sharon Roberts (Interim CEO, appointed 04/11/19)	4	4
Peter Simpson (appointed 22/06/20)	1	1
Duong Hong (resigned 14/07/20)	4	4
Colin Mackinlay (resigned 07/10/19)	1	1
Alexander Clark (CEO resigned 31/10/19)	1	1
Helen Howard	0	0
Andrew Ivison	0	0
Kapil Lodha	0	0

During the year there were changes to the Trust Board. Colin Mackinlay resigned on 7th October and Duong Hong resigned on 14th July. Peter Simpson joined as Trustee on 22nd June. Alexander Clark resigned from his role as Chief Executive Officer on 31st October and Sharon Roberts was appointed as Interim Chief Executive Officer on 4th November.

The Trust articles provide for 4 board meetings per year, with a finance committee that the Trust has delegated authority to.

Governance review:

A full Governance review is to be undertaken across the Trust in 2020/21.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

The Finance Committee is also a sub-committee of the main board of Trustees. Its purpose is to oversee the finance function of the Trust and liaise with the auditors for audit assignments. The Finance Committee met five times during the year.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Duong Hong (Chair, Resigned 14/07/20)	5	5
Charlotte Cassell	2	5
Carole Cook	4	5
Fiona Doyle	1	5
Alexandra Gillispie	4	5
Sharon Roberts	5	5

The Trust did not have a separate Audit Committee, any audit matters were discussed as part of the Finance Committee meetings during the year.

**Review of value for money**

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing the structure of the Central team supporting the schools to ensure that it is appropriately sized and affordable to the whole Trust.
- Upgrading the IT infrastructure across all schools to ensure we meet the ongoing demand and needs of all students with the Trust.
- Reviewing and renegotiating existing service contracts to provide savings whilst understanding the services required.

It was recognised that cost savings would be needed in the financial year 2019/20, this led to a significant change to the central team supporting the Trust. Further savings on non-essential spend were made within schools during the year and further work will be needed to continue addressing this issue in 2020/21

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cirrus Primary Academy Trust for the period 01 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

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

The Board of Trustees considered the need for a specific internal audit function and decided to buy-in an internal audit service from Kreston Reeves LLP. The role is carried out by a separate department of Kreston Reeves with no connection to the external audit team, this is to ensure the reviews are carried out independently.

The board of Trustees has decided to appoint Kreston Reeves LLP to undertake the internal audit function for the trust during the period 01 September 19 to 31 August 20. The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems, with specific checks as follows:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of the accounting systems
- testing of income control

On an annual basis, the reviewer reports to the Board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. An annual summary report is provided to the Finance Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The scheduled work for the internal audit was completed, however, due to restrictions caused by the COVID 19 pandemic, the planned visits in the summer term 2020 did not take place.

Following the newly revised FRC Ethical Standard for Auditors, effective from 15 March 2020, Kreston Reeves LLP can no longer provide the Trust with internal scrutiny arrangements from 1 September 2020 onwards. The Trust has appointed TSO Education as their new provider.

The internal reviewer on the Board of Trustees resides with the Chair of the Audit & Risk Committee. The internal reviewer's role include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Review of effectiveness**

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf by:



**Carole Cook**  
Chair of Trustees



**Sharon Roberts**  
Chief Executive Officer

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Cirrus Primary Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.


I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

As highlighted in the Financial Notice to Improve issued on 11 September 2020

- The Trust failed to ensure oversight and management of financial decisions, leading to a seriously deteriorated financial position at the Trust
- The Trust failed to submit financial returns to the ESFA on time
- The Trust failed to convene an audit committee
- The Trust failed to have robust processes in place to manage risk
- The Trust failed to include all mandatory information on the Trust's website
- The Trust failed to produce monthly management accounts to a satisfactory standard throughout 2019/20

Other matters

- The Trust entered into a new contract with its payroll provider during the year, it was noted that during the tendering process in July 2019 the trust failed to follow internal tendering policies.



**Sharon Roberts**  
Chief Executive Officer  
Date: 16 December 2020

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**for the year ended 31 August 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on its behalf by:



**Carole Cook**  
Chair of Trustees



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust**

**Opinion**

We have audited the financial statements of Cirrus Primary Academy Trust (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that the Academy Trust incurred a deficit during the year ended 31 August 2020 and has a deficit restricted reserve of £882,822 carried forward at the year end. The Board of Trustees' and Key Management Personnel are currently working with the ESFA to implement an approved 5 year financial recovery plan and have already taken extensive action to restructure the Trust's staff and reduce its costs, the benefit of these actions will be reflected in 2020-21 financial statements, as stated in note 2.2.

These events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust (continued)**

**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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

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

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

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

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust (continued)**

**Responsibilities of trustees**

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

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

**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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust (continued)**

**Use of our report**

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Sarah Ediss BSc FCA (Senior statutory auditor)**

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

Horsham

15 January 2021

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cirrus Primary Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 14 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cirrus Primary Academy Trust during the year 1 September 2019 to 31 August 2020 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 Cirrus Primary Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cirrus Primary 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 Cirrus Primary Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cirrus Primary Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cirrus Primary Academy Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cirrus Primary Academy Trust and the Education & Skills Funding Agency (continued)**

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement.
- Reviewed expenditure against specific terms of grant funding within the Funding Agreement.
- Reviewed that grants have been applied for the purposes for which they were intended.
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards.
- Confirmed items claimed on cash and credit cards are not for personal benefit.
- Reviewed expenditure and considered whether any supplies are from related parties.
- Reviewed Board of Trustee minutes for declaration of interests.
- Considered whether other income activities are permitted within the Academy Trust's charitable objects.
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook.
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.
- Considered if the Trust's governance arrangements and composition are in-line with the Academies Financial Handbook 2019.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cirrus Primary Academy Trust and the Education & Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As highlighted in the Financial Notice to Improve issued on 11 September 2020;

- The Trust failed to ensure oversight and management of financial decisions, leading to a seriously deteriorated financial position at the Trust
- The Trust failed to submit financial returns to the ESFA on time
- The Trust failed to convene an audit committee
- The Trust failed to have robust processes in place to manage risk
- The Trust failed to include all mandatory information on the Trust's website
- The Trust failed to produce monthly management accounts to a satisfactory standard throughout 2019/20

**Other matters**

- The Trust entered into a new contract with its payroll provider during the year, it was noted that during the tendering process in July 2019 the trust failed to follow internal tendering policies.

*Kreston Reeves LLP*

Reporting Accountant  
**Kreston Reeves LLP**

Date: 15 January 2021

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**for the year ended 31 August 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
<b>Income from:</b>						
Donations and capital grants:	4					
Donations - transfer from local authority on conversion		-	-	-	-	87,762
Other donations and capital grants		50,574	-	588,195	638,769	783,492
Charitable activities	5	647,803	17,985,794	-	18,633,597	18,746,408
Teaching schools	32	-	88,743	-	88,743	126,825
Other trading activities	6	73,066	-	-	73,066	112,171
Investments	7	1,882	-	-	1,882	1,020
<b>Total income</b>		<b>773,325</b>	<b>18,074,537</b>	<b>588,195</b>	<b>19,436,057</b>	<b>19,857,678</b>
<b>Expenditure on:</b>						
Charitable activities	8	326,521	19,740,786	1,873,200	21,940,507	22,662,148
Teaching schools	32	-	55,541	-	55,541	44,532
<b>Total expenditure</b>		<b>326,521</b>	<b>19,796,327</b>	<b>1,873,200</b>	<b>21,996,048</b>	<b>22,706,680</b>
<b>Net income/(expenditure)</b>		<b>446,804</b>	<b>(1,721,790)</b>	<b>(1,285,005)</b>	<b>(2,559,991)</b>	<b>(2,849,002)</b>
Transfers between funds	20	(446,804)	386,105	60,699	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	1,379,000	-	1,379,000	(2,096,000)
<b>Net movement in funds</b>		<b>-</b>	<b>43,315</b>	<b>(1,224,306)</b>	<b>(1,180,991)</b>	<b>(4,945,002)</b>



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**for the year ended 31 August 2020**

	<b>Note</b>	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	(13,031,137)	68,388,991	55,357,854	60,302,856
Net movement in funds		-	43,315	(1,224,306)	(1,180,991)	(4,945,002)
<b>Total funds carried forward</b>		<b>-</b>	<b>(12,987,822)</b>	<b>67,164,685</b>	<b>54,176,863</b>	<b>55,357,854</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 63 form part of these financial statements.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 09642581**

**Balance sheet**  
**as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	16	66,613,824	67,901,467
<b>Current assets</b>			
Debtors	17	492,117	647,956
Cash at bank and in hand		1,277,488	893,630
		<u>1,769,605</u>	<u>1,541,586</u>
Creditors: amounts falling due within one year	18	(1,570,853)	(1,625,199)
<b>Net current assets / liabilities</b>		<b>198,752</b>	<b>(83,613)</b>
<b>Total assets less current liabilities</b>		<b>66,812,576</b>	<b>67,817,854</b>
Creditors: amounts falling due after more than one year	19	(530,713)	-
<b>Net assets excluding pension liability</b>		<b>66,281,863</b>	<b>67,817,854</b>
Defined benefit pension scheme liability	27	(12,105,000)	(12,460,000)
<b>Total net assets</b>		<b>54,176,863</b>	<b>55,357,854</b>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	67,164,685	68,388,991
Restricted income funds	20	(882,822)	(571,137)
		<u>66,281,863</u>	<u>67,817,854</u>
Restricted funds excluding pension asset	20	66,281,863	67,817,854
Pension reserve	20	(12,105,000)	(12,460,000)
<b>Total restricted funds</b>	20	<b>54,176,863</b>	<b>55,357,854</b>
<b>Unrestricted income funds</b>	20	<b>-</b>	<b>-</b>
<b>Total funds</b>		<b>54,176,863</b>	<b>55,357,854</b>

The financial statements on pages 30 to 63 were approved by the Trustees, and authorised for issue on 16 December 2020 and are signed on their behalf, by:

  
**Carole Cook**  
Chair of Trustees

  
**Sharon Roberts**  
Chief Executive Officer

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the year ended 31 August 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	<b>(484,538)</b>	(778,228)
<b>Cash flows from investing activities</b>	24	<b>368,396</b>	88,361
<b>Cash flows from financing activities</b>	23	<b>500,000</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>383,858</b>	(689,867)
Cash and cash equivalents at the beginning of the year		<b>893,630</b>	1,583,497
<b>Cash and cash equivalents at the end of the year</b>	25, 26	<b><u>1,277,488</u></b>	<b><u>893,630</u></b>

The notes on pages 34 to 63 form part of these financial statements

**Cirrus Primary Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**1. General information**

Cirrus Primary Academy trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Avenue Primary Academy, Avenue Road, Sutton, SM2 6JE. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

**2. 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.

**2.1 Basis of preparation of financial statements**

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

**2.2 Going concern**

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

The Trust continued to report a deficit in 2019/20 of £882,822 as a result of the restructuring costs of the central team, which was initially set up to support growth and school improvement. When the growth did not progress as expected, the Academy Trust did not have the economies of scale to support these costs. The Board of Trustees' and Key Management Personnel are currently working with the ESFA to implement an approved 5 year financial recovery plan and have already taken extensive action to restructure the Trust's staff and reduce its costs, the benefit of these actions will be reflected in 2020-21 financial statements.

The impact of the COVID-19 pandemic has also been assessed by the Trustees as far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Academy Trust's activities.

However, taking into consideration the UK Government's response and its continued support of schools, the ESFA support of the Trust, as well as the Academy Trust's implementation of the SRMA recommendation report, the Trustees are confident that the Trust has sufficient cash flows to ensure that it can continue to operate for the foreseeable future. On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

**Cirrus Primary Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.3 Fund accounting**

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

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

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

**2.4 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

**2.5 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.

**Cirrus Primary Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.5 Expenditure (continued)**

• **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.

**2.6 Interest receivable**

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

**2.7 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.

**2.8 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

**Cirrus Primary Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.8 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Freehold Land & Buildings	-	2%	Straight line
Leasehold Land & Buildings	-	2%	Straight line
Furniture and equipment	-	10%	Straight line
Computer equipment	-	33%	Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities**

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

**2.12 Provisions**

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

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

**Notes to the financial statements**  
**for the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.13 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 17. 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 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2.14 Operating leases**

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

**2.15 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.



**Notes to the financial statements**  
**for the year ended 31 August 2020**

**3. 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.

*Multi-employer defined benefit pension scheme*

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 27, 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 August 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.

*Tangible fixed assets*

The Academy Trust has recognised tangible fixed assets with a carrying value of £66,613,824 at the reporting date (see note 16). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**3. Critical accounting estimates and areas of judgement (continued)**

Critical areas of judgement:

*Lease commitments*

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

*Multi-employer defined benefit pension scheme*

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the directors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 28 for further details.

**4. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations - transfer on conversion from local authority	-	-	-	87,762
Donations	50,574	-	50,574	62,764
Capital donations	-	-	-	60,230
Capital grants	-	588,195	588,195	660,498
	<u>50,574</u>	<u>588,195</u>	<u>638,769</u>	<u>871,254</u>
Total 2019	<u>150,526</u>	<u>720,728</u>	<u>871,254</u>	

**Cirrus Primary Academy Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**5. Funding for the Academy Trust's Educational Operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	13,826,203	<b>13,826,203</b>	14,226,468
Other DfE/ESFA grants	-	2,345,373	<b>2,345,373</b>	1,799,270
	-	16,171,576	<b>16,171,576</b>	16,025,738
<b>Other government grants</b>				
Other government grants	-	1,748,923	<b>1,748,923</b>	1,630,473
	-	1,748,923	<b>1,748,923</b>	1,630,473
<b>Other funding</b>				
Clubs (breakfast and after school club)	229,612	-	<b>229,612</b>	380,493
Consultancy, secondments and courses	125,758	-	<b>125,758</b>	212,464
Trips and activities	69,045	-	<b>69,045</b>	183,638
Other income resources	223,388	5,307	<b>228,695</b>	313,602
	647,803	5,307	<b>653,110</b>	1,090,197
<b>Exceptional government funding</b>				
Coronavirus job retention scheme	-	41,521	<b>41,521</b>	-
Coronavirus exceptional support	-	18,467	<b>18,467</b>	-
	647,803	17,985,794	<b>18,633,597</b>	18,746,408
<b>Total 2019</b>	<b>1,087,397</b>	<b>17,659,011</b>	<b>18,746,408</b>	

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £18,467 of additional premises, cleaning and free school meal provision costs. These are included in notes 8 and 9 below as appropriate.

- The academy furloughed some of its catering and breakfast and after school club staff under the government's CJRS. The funding received of £41,521 relates to staff costs in respect 12 staff which are included within note 11 below as appropriate

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**6. Income from other trading activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	61,612	<b>61,612</b>	82,915
Catering income	11,454	<b>11,454</b>	29,256
	<u>73,066</u>	<u><b>73,066</b></u>	<u>112,171</u>
Total 2019	<u>112,171</u>	<u>112,171</u>	

**7. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	1,882	<b>1,882</b>	1,020

**8. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational operations					
Direct costs	13,546,089	-	2,168,701	<b>15,714,790</b>	16,282,813
Allocated support costs	2,964,438	2,750,108	511,171	<b>6,225,717</b>	6,379,335
Teaching school	40,000	-	15,541	<b>55,541</b>	44,532
	<u>16,550,527</u>	<u>2,750,108</u>	<u>2,695,413</u>	<u><b>21,996,048</b></u>	<u>22,706,680</u>
Total 2019	<u>16,949,256</u>	<u>2,222,310</u>	<u>3,535,114</u>	<u>22,706,680</u>	

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Educational operations	15,714,790	6,225,717	21,940,507	22,662,148
Total 2019	16,282,813	6,379,335	22,662,148	

**Analysis of direct costs**

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Teaching and educational support staff costs	13,546,089	13,546,089	13,889,408
Depreciation	1,207,459	1,207,459	1,209,936
Staff development costs	86,712	86,712	80,925
Technology costs	109,841	109,841	113,079
Educational supplies	664,085	664,085	788,128
Educational consultancy	48,362	48,362	61,601
Other direct costs	52,242	52,242	139,736
	15,714,790	15,714,790	16,282,813
Total 2019	16,282,813	16,282,813	

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

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

**Analysis of support costs**

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Interest on pension scheme liabilities	225,000	225,000	246,000
Staff costs	2,964,438	2,964,438	3,019,848
Depreciation	301,864	301,864	302,484
Technology costs	7,130	7,130	40,479
Maintenance of premises and equipment	575,742	575,742	444,147
Cleaning	274,048	274,048	240,007
Energy costs	260,755	260,755	264,124
Rent, rates and other occupancy costs	227,591	227,591	286,136
Insurance	97,695	97,695	104,174
Security and transport	18,580	18,580	14,496
Catering	629,391	629,391	804,170
Other support costs	423,330	423,330	455,481
Governance costs	220,153	220,153	157,789
	<b>6,225,717</b>	<b>6,225,717</b>	<b>6,379,335</b>
Total 2019	<b>6,379,335</b>	<b>6,379,335</b>	

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2020 £</b>	<b>2019 £</b>
Operating lease rentals	46,616	47,178
Depreciation of tangible fixed assets	1,509,324	1,512,420
Fees paid to auditor for:		
- audit	17,100	18,100
- other services	11,425	7,474

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	11,688,875	12,250,850
Social security costs	931,556	1,029,397
Pension costs	3,518,326	3,031,834
	<u>16,138,757</u>	<u>16,312,081</u>
Agency staff costs	277,251	606,702
Staff restructuring costs	134,519	30,473
	<u><u>16,550,527</u></u>	<u><u>16,949,256</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	26,714	30,473
Severance payments	107,805	1,689
	<u>134,519</u>	<u>32,162</u>

**b. Non-statutory/non-contractual staff severance payments**

Included within staff restructuring costs are contractual redundancy payments total £134,519 (2019: £30,473) and non contractual severance payments £Nil (2019: £1,689)

**c. Staff numbers**

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

	2020 No.	2019 No.
Teachers	170	189
Administration and support	278	339
Management	26	26
	<u>474</u>	<u>554</u>

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**11. Staff (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	127	163
Administration and support	207	211
Management	19	25
	<u>353</u>	<u>399</u>

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

**e. 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 £230,788 (2019 £177,127).

**12. Other finance income**

	2020 £	2019 £
Interest on pension scheme liabilities	(225,000)	(246,000)
	<u>(225,000)</u>	<u>(246,000)</u>



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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**13. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- financial leadership;
- curriculum advice and leadership
- legal services;
- school leadership
- economies of scale
- financial and healthy and safe audit
- admissions oversight
- attendance advice

The Academy Trust charges for these services on the following basis:

The Academy Trust charges for these services based upon a percentage of their GAG and the level of central support required.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Avenue Primary Academy	94,800	94,600
Barrow Hedges Primary School	62,500	62,900
Kingsley Primary Academy	80,900	81,700
Rushy Meadow Primary Academy	35,200	40,100
Stanley Park Infant School	27,000	27,000
Wallington Primary School	30,700	32,800
<b>Total</b>	<b>331,100</b>	<b>339,100</b>

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**14. 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. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Alexander Clark (resigned 31 October 2019)	Remuneration	35,000 - 40,000	105,000 - 110,000
	Pension contributions paid	5,000 - 10,000	15,000 - 20,000
Sharon Roberts (appointed 4 November 2019)	Remuneration	75,000 - 80,000	
	Pension contributions paid	15,000 - 20,000	

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**15. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for this insurance is not separately identifiable. The cost of this insurance is included in the total insurance cost.

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**Notes to the financial statements  
for the year ended 31 August 2020**

**16. Tangible fixed assets**

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	16,300,085	54,175,382	221,323	313,982	71,010,772
Additions	-	174,271	-	47,410	221,681
At 31 August 2020	16,300,085	54,349,653	221,323	361,392	71,232,453
<b>Depreciation</b>					
At 1 September 2019	439,508	2,379,122	75,687	214,988	3,109,305
Charge for the year	326,002	1,085,970	19,634	77,718	1,509,324
At 31 August 2020	765,510	3,465,092	95,321	292,706	4,618,629
<b>Net book value</b>					
At 31 August 2020	15,534,575	50,884,561	126,002	68,686	66,613,824
At 31 August 2019	15,860,577	51,796,260	145,636	98,994	67,901,467

Included within leasehold land and buildings are land values of £5,601k (Avenue Primary Academy), £6,887k (Kingsley Primary Academy), £5,825k (Rushy Meadow Primary Academy), £6,654K (Barrow Hedges Primary School).

Included within freehold land and buildings are land values of £2,957k (Stanley Park Infant School) and £7,163K (Wallington Primary Academy).

**17. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	30,341	52,708
Other debtors	68,609	168,581
Prepayments and accrued income	393,167	426,667
	492,117	647,956

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**18. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	225,027	393,649
Other taxation and social security	242,502	266,071
Other creditors	459,428	243,986
Accruals and deferred income	643,896	721,493
	<u>1,570,853</u>	<u>1,625,199</u>
	2020 £	2019 £
Deferred income at 1 September 2019	380,434	404,550
Resources deferred during the year	329,013	380,434
Amounts released from previous periods	(380,434)	(404,550)
	<u>329,013</u>	<u>380,434</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals of £248,868, SEN Top up £38,610 and Rates Relief of £29,846 and other income of £11,689.

**19. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	500,000	-
Other creditors	30,713	-
	<u>530,713</u>	<u>-</u>

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**Notes to the financial statements**  
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**20. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds - all funds	-	773,325	(326,521)	(446,804)	-	-
<b>Restricted general funds</b>						
General Annual Grant	(653,430)	13,826,203	(14,557,195)	386,105	-	(998,317)
Other DfE/ESFA grants	-	2,345,373	(2,345,373)	-	-	-
Pupil premium	-	1,748,923	(1,748,923)	-	-	-
Teaching school	82,293	88,743	(55,541)	-	-	115,495
Other restricted	-	5,307	(5,307)	-	-	-
Exceptional funding	-	59,988	(59,988)	-	-	-
Pension reserve	(12,460,000)	-	(1,024,000)	-	1,379,000	(12,105,000)
	<u>(13,031,137)</u>	<u>18,074,537</u>	<u>(19,796,327)</u>	<u>386,105</u>	<u>1,379,000</u>	<u>(12,987,822)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	67,901,467	-	(1,509,324)	221,681	-	66,613,824
DfE/ESFA capital grants	487,524	588,195	(363,876)	(160,982)	-	550,861
	<u>68,388,991</u>	<u>588,195</u>	<u>(1,873,200)</u>	<u>60,699</u>	<u>-</u>	<u>67,164,685</u>
<b>Total Restricted funds</b>	<u>55,357,854</u>	<u>18,662,732</u>	<u>(21,669,527)</u>	<u>446,804</u>	<u>1,379,000</u>	<u>54,176,863</u>
<b>Total funds</b>	<u>55,357,854</u>	<u>19,436,057</u>	<u>(21,996,048)</u>	<u>-</u>	<u>1,379,000</u>	<u>54,176,863</u>

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

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

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

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

Teaching Schools is entirely grant-based and is made up of an annual grant from the government as well as specific grants for example, supporting the development of the new curriculum.

The restricted LGPS Fund represents the Academy Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets plus any unspent elements of capital grants.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

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 August 2020.

The Academy Trust is carrying a net deficit of £882,822 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The costs of growth were passed on to the schools through a central charge applied to them. This had a material negative impact on their budgets.

The Academy Trust is taking the following action to return these funds to surplus:

As the Trust looks to reduce its costs, due consideration will be given to rebalancing the finances schools not just overall Trust level.

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Avenue Primary Academy	648,778	666,131
Barrow Hedges Primary School	(223,244)	(71,435)
Kingsley Primary Academy	(260,831)	(330,924)
Rushy Meadow Primary Academy	(244,469)	(111,399)
Stanley Park Infant School	63,742	36,376
Wallington Primary Academy	94,422	2,557
Central services	(961,220)	(762,443)
Total before fixed asset funds and pension reserve	(882,822)	(571,137)
Restricted fixed asset fund	67,164,685	68,388,991
Pension reserve	(12,105,000)	(12,460,000)
<b>Total</b>	<b>54,176,863</b>	<b>55,357,854</b>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Cirrus Primary Academy Trust	(961,220)
Rushy Meadow Primary Academy	(244,469)
Kingsley Primary Academy	(309,971)
Barrow Hedges Primary School	(223,244)

The Academy Trust is taking the following action to return the academies to surplus:

The reported deficit's are a result of the restructuring costs of the central team, which was initially set up to support growth and school improvement. The Board of Trustees' and Key Management Personnel are currently working with the ESFA to implement an approved 5 year financial recovery plan and have already taken extensive action to restructure the Trust's staff and reduce its costs, the benefit of these actions will be reflected in 2020-21 financial statements.

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**Notes to the financial statements**  
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Avenue Primary Academy	3,737,691	708,784	149,318	756,999	<b>5,352,792</b>	4,677,839
Barrow Hedges Primary School	2,226,428	430,797	133,727	557,097	<b>3,348,049</b>	3,238,869
Kingsley Primary Academy	2,941,729	581,139	401,276	500,394	<b>4,424,538</b>	5,003,381
Rushy Meadow Primary Academy	1,608,143	307,591	75,155	293,362	<b>2,284,251</b>	2,240,042
Stanley Park Infant School	945,462	399,510	47,253	242,612	<b>1,634,837</b>	1,661,133
Wallington Primary Academy	1,493,801	425,927	35,343	267,794	<b>2,222,865</b>	2,521,384
Central services	301,735	335,690	68,574	513,394	<b>1,219,393</b>	1,851,612
<b>Academy Trust</b>	<b>13,254,989</b>	<b>3,189,438</b>	<b>910,646</b>	<b>3,131,652</b>	<b>20,486,725</b>	<b>21,194,260</b>



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**Notes to the financial statements**  
**for the year ended 31 August 2020**

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

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	692,447	1,351,114	(477,341)	(1,566,220)	-	-
<b>Restricted general funds</b>						
General Annual Grant	(75,391)	14,226,468	(16,131,425)	1,326,918	-	(653,430)
Other DfE/ESFA grants	-	1,799,270	(1,799,270)	-	-	-
Other government grants	-	1,630,473	(1,630,473)	-	-	-
Teaching school	-	126,825	(44,532)	-	-	82,293
Other restricted	-	2,800	(2,800)	-	-	-
Pension reserve	(9,374,000)	-	(990,000)	-	(2,096,000)	(12,460,000)
	<u>(9,449,391)</u>	<u>17,785,836</u>	<u>(20,598,500)</u>	<u>1,326,918</u>	<u>(2,096,000)</u>	<u>(13,031,137)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	68,780,929	-	(1,512,420)	633,387	-	67,901,896
DfE/ESFA capital grants	278,871	660,498	(118,419)	(333,855)	-	487,095
Other capital income	-	60,230	-	(60,230)	-	-
	<u>69,059,800</u>	<u>720,728</u>	<u>(1,630,839)</u>	<u>239,302</u>	<u>-</u>	<u>68,388,991</u>
<b>Total Restricted funds</b>	<u>59,610,409</u>	<u>18,506,564</u>	<u>(22,229,339)</u>	<u>1,566,220</u>	<u>(2,096,000)</u>	<u>55,357,854</u>
<b>Total funds</b>	<u>60,302,856</u>	<u>19,857,678</u>	<u>(22,706,680)</u>	<u>-</u>	<u>(2,096,000)</u>	<u>55,357,854</u>

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

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

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	66,613,824	<b>66,613,824</b>
Current assets	800,363	1,267,884	550,861	<b>2,619,108</b>
Creditors due within one year	(800,363)	(1,619,993)	-	<b>(2,420,356)</b>
Creditors due in more than one year	-	(530,713)	-	<b>(530,713)</b>
Provisions for liabilities and charges	-	(12,105,000)	-	<b>(12,105,000)</b>
<b>Total</b>	<b>-</b>	<b>(12,987,822)</b>	<b>67,164,685</b>	<b>54,176,863</b>

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

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	67,901,467	67,901,467
Current assets	1,054,062	487,524	1,541,586
Creditors due within one year	(1,625,199)	-	(1,625,199)
Provisions for liabilities and charges	(12,460,000)	-	(12,460,000)
<b>Total</b>	<b>(13,031,137)</b>	<b>68,388,991</b>	<b>55,357,854</b>

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	<b>(2,559,991)</b>	(2,849,002)
<b>Adjustments for:</b>		
Depreciation	<b>1,509,324</b>	1,512,421
Capital grants from DfE and other capital income	<b>(588,195)</b>	(720,728)
Interest receivable	<b>(1,882)</b>	(1,020)
Defined benefit pension scheme cost less contributions payable	<b>799,000</b>	744,000
Defined benefit pension scheme finance cost	<b>225,000</b>	246,000
Decrease in debtors	<b>155,839</b>	105,947
(Decrease)/increase in creditors	<b>(23,633)</b>	184,154
<b>Net cash used in operating activities</b>	<b>(484,538)</b>	(778,228)

**23. Cash flows from financing activities**

	2020 £	2019 £
ESFA Loan	<b>500,000</b>	-
<b>Net cash provided by financing activities</b>	<b>500,000</b>	-

**24. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	<b>1,882</b>	1,020
Purchase of tangible fixed assets	<b>(221,681)</b>	(633,387)
Capital grants from DfE Group	<b>588,195</b>	648,490
Capital funding received from sponsors and others	<b>-</b>	72,238
<b>Net cash provided by investing activities</b>	<b>368,396</b>	88,361

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**Notes to the financial statements**  
**for the year ended 31 August 2020**

**25. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	1,277,488	893,630
<b>Total cash and cash equivalents</b>	<b>1,277,488</b>	<b>893,630</b>

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

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	893,630	383,858	1,277,488
Debt due after 1 year	-	(500,000)	(500,000)
	<b>893,630</b>	<b>(116,142)</b>	<b>777,488</b>

**27. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Sutton and London Borough of Croydon. 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 £277,950 were payable to the schemes at 31 August 2020 (2019 - £288,931) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Notes to the financial statements**  
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**27. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,644,987 (2019 - £1,174,695).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,306,000 (2019 - £1,362,000), of which employer's contributions totalled £1,068,000 (2019 - £1,118,000) and employees' contributions totalled £ 238,000 (2019 - £244,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 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.

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	2.20 - 3.30	2.80 - 3.70
Rate of increase for pensions in payment/inflation	2.20 - 2.30	2.15 - 2.30
Discount rate for scheme liabilities	1.60 - 1.70	1.80 - 1.90
Inflation assumption (CPI)	2.20 - 2.30	2.15 - 2.30

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**27. Pension commitments (continued)**

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

	2020 Years	2019 Years
Retiring today		
Males	21.90	22.40
Females	24.10	24.10
Retiring in 20 years		
Males	22.80	23.70
Females	25.60	25.80

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate -0.1%	576,000	493,000
Salary increase +0.1%	62,000	63,000
Pension increase +0.1%	552,000	433,000

**Share of scheme assets**

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

	2020 £	2019 £
Equities	5,603,000	3,692,000
Gilts	1,465,000	953,000
Corporate bonds	982,000	671,000
Property	1,181,000	746,000
Cash and other liquid assets	241,000	12,000
Absolute fund return	112,000	38,000
<b>Total market value of assets</b>	<b>9,584,000</b>	<b>6,112,000</b>

The actual return on scheme assets was £531,000 (2019 - £357,000).

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**27. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(1,861,000)	(1,631,000)
Past service cost	-	(228,000)
Interest income	127,000	137,000
Interest cost	(353,000)	(383,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(5,000)	(3,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(2,092,000)</b>	<b>(2,108,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>18,572,000</b>	<b>13,911,000</b>
Current service costs	1,861,000	1,631,000
Interest cost	353,000	383,000
Employee contributions	238,000	244,000
Actuarial losses	567,000	2,316,000
Benefits paid	98,000	(141,000)
Past service costs	-	228,000
<b>At 31 August</b>	<b>21,689,000</b>	<b>18,572,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>6,112,000</b>	<b>4,537,000</b>
Interest income	127,000	137,000
Actuarial gains	1,946,000	220,000
Employer contributions	1,068,000	1,118,000
Employee contributions	238,000	244,000
Benefits paid	98,000	(141,000)
Effects of non-routine settlements	(5,000)	(3,000)
<b>At 31 August</b>	<b>9,584,000</b>	<b>6,112,000</b>

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**28. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	34,034	41,082
Later than 1 year and not later than 5 years	41,837	68,172
	<u>75,871</u>	<u>109,254</u>

**29. 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.

**30. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

**31. Controlling party**

The Academy Trust is run by the management team on a day-to-day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.



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**Notes to the financial statements**  
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**32. Teaching school trading account**

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
Teaching school grants	68,400		52,800	
Other Teaching school income	19,843		74,025	
<b>Total direct income</b>	<b>88,243</b>		<b>126,825</b>	
<b>Total income</b>		<b>88,243</b>		<b>126,825</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	40,000		40,000	
Teaching school course costs	15,541		4,532	
<b>Total direct expenditure</b>	<b>55,541</b>		<b>44,532</b>	
<b>Total expenditure</b>		<b>55,541</b>		<b>44,532</b>
<b>Surplus from all sources</b>		<b>32,702</b>		<b>82,293</b>
<b>Teaching school balances at 1 September 2019</b>		<b>82,213</b>		<b>(80)</b>
<b>Teaching school balances at 31 August 2020</b>		<b>114,915</b>		<b>82,213</b>