

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 9
Governance Statement	10 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 19
Independent Reporting Accountant's Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23 - 24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 55

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Brewin C Ambrose G Blackwell
Trustees	T Marshall, Co-Chair E Turner, Co-Chair J Whittle, Vice Chair ¹ S Newman, Head Teacher ^{1,2} R Brewin, (Chair up to 8 September 2020) ¹ D Dexter ² R Newham G Barlow (resigned 3 May 2021) G Blackwell (resigned 24 June 2021) D Anslow (resigned 5 July 2021) M Foxon (resigned 20 September 2021) ² C Bartholomew (appointed 22 June 2021) G Whysall (appointed 22 June 2021) M Waterhouse (appointed 1 October 2021) ¹ Management Committee ² Education Committee
Company registered number	08197381
Principal and registered office	Beaumont Avenue Ashby de la Zouch Leicestershire LE65 2NF
Company secretary	T Fenn
Senior management team	S Newman, Headteacher J McAuliffe, Assistant Headteacher N Middleton, Assistant Headteacher T Fenn, School Business Manager
Independent auditors	Magma Audit LLP Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
Bankers	Lloyds Bank 44 Market Street Ashby de la Zouch Leicestershire LE65 1FL

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Ashby. It has a pupil capacity of 315 and had a roll of 311 in the school census in October 2020.

Structure, governance and management

• Constitution

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The charitable company was incorporated on 31 August 2012. The school converted to Academy status on 1 October 2012 when its operations, assets and liabilities were transferred from the Local Authority.

The Governors act as the Trustees for the charitable activities of Ashby Hill Top Primary School Academy Trust Limited and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Ashby Hill Top Primary School 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.

• Members' liability

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

• Trustees' indemnities

In accordance with normal practice the school has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under the policy is £5 million and in the year under review the sum of £17 was paid in premiums.

• 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.

• Policies adopted for the induction and training of Trustees

We expect all Trustees to undertake training as appropriate to their work at the school. New Trustees will be provided with an induction programme delivered partly in house and partly through external sources as required. A log is kept of all Trustees training and reviewed on a regular basis at Trustee meetings.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

• **Organisational structure**

The Trustees determine the general policy of the school. The day to day running of the school is delegated to the Headteacher, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with senior staff. The day to day administration is undertaken within the policies and procedures approved by the Trustees which provide for only significant expenditure decisions and major capital projects to be referred to the Trustees for prior approval.

The Headteacher oversees the recruitment of all staff. The Headteacher is a Trustee, Principal Accounting Officer and attends all meetings.

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

Performance management applied to all teaching staff:

Those responsible for the setting of performance criteria include Headteacher, Chair/Deputy Chair of Governors and Assistant Headteachers. Other senior staff included in the reviews include phase and Key Stage leaders.

- All teaching staff set targets at a meeting in October of each year. The targets are agreed at the meeting, which may include pupil performance, subject management and whole school contribution to improving standards in the school.
- Mid term performance review to monitor the progress of teaching staff against the targets set at the start of the year.
- The Headteacher undertakes performance management process led by Chair of Governors and external advisor (usually an NLE). Targets set with consideration for areas such as pupil performance, staff performance, organisational performance (including success of the School Development Plan – encompassing all areas of school development).
- Headteacher to undertake a midterm review with NLE and Chair of Governors to measure progress against targets.
- Performance management of Academy School Business Manager. Targets set are based on the needs and priorities for the Academy – this is led by the Headteacher and the Chair/Deputy Chair of the Governing Body.

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

The Headteacher has extensive contacts with other Academies, schools and organisations to ensure that the school is kept abreast of current national and local educational priorities. Networking is a significant priority in the academy's School Education Plan.

As part of its work, the school has a formal partnership with The Forest Way Teaching School Alliance and Ashby Learning Community to provide high quality education.

The school has a connected charity, The Friends of Hill Top which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction (SORP 2019) some summary details of this charity's activities are included in note 26 to the financial statements.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

• **Objects and aims**

Ashby Hill Top Primary School Academy Trusts' object is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- to promote for the benefit of individuals living in Ashby de la Zouch and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and within the object of improving the condition of the said individuals.

• **Objectives, strategies and activities**

Mission Statement

Our mission is that the lives of all who leave Hill Top will have been enhanced by their experience.

Aims

We aim to provide a caring, stimulating and safe school where achievements are celebrated and everyone is valued and shown respect.

We do this through providing:

- Children with a structure which enables them to question and evaluate all areas relating to their emotional and physical health and so make informed choices.
- A secure environment where everyone has a voice and is equipped with the life skills to keep themselves and others safe.
- An enjoyable, creative, relevant and evolving curriculum that will motivate children to become lifelong learners and encourage every child to find and develop their own personal strengths.
- Opportunities that will enable every child to nurture self worth and develop skills to make a positive contribution to the community and where children, parents, school and the community work in a mutually beneficial partnership.
- The highest quality teaching and learning to enable all children to reach their full potential and thus lay strong foundations for the future. To value ourselves, others and the environment through positive relationships, actions and attitudes.

• **Public benefit**

Ashby Hill Top Primary School Academy Trust is a charitable trust which seeks to benefit the public throughout the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

● **Key performance indicators**

Due to the Coronavirus pandemic, all end of year assessment have been suspended so there is no end of year attainment data to report.

Other key achievements in 2020/2021 academic year include:

- Continued provision of extracurricular activities to support pupils' progress and wellbeing. Gold School Sports Mark achieved
- Forest School Training has been taken
- High standards of teaching observed across the school throughout the year
- Monitoring and evaluation of pupil progress and other key areas of learning show that the school is performing at a high standard in all areas
- Targeted CPD undertaken during the 2020/2021 academic year to improve teaching and learning even further
- Staff training and implementation of cognitive load theory

Parents & the Community

Strong community links have been embedded. This has been a challenge during the Coronavirus pandemic but we have worked with community members well to support the school, collecting for the foodbank and distributed food parcels to those in need within our community. We communicated frequently throughout school closure and parents say they valued these links during this difficult time. The school has been represented locally at twinning association, church services, Community Christmas tree festival and remembrance events.

Behaviour & Safety

Behaviour is excellent. Incidents of bullying are rare and children know how to seek support & help. Pupils report they have someone to talk to if they are worried.

Learning Behaviour

This is outstanding across the school.

Previous Ofsted Inspection Outcomes

Inspection dates: 16/17 April 2013

This inspection: Outstanding 1

Achievement of pupils: Outstanding 1

Quality of teaching: Outstanding 1

Behaviour and safety of pupils: Outstanding 1

Leadership and management: Outstanding 1

- Achievement is outstanding throughout the school in reading, writing and mathematics, for all pupils regardless of ability or background.
- Pupils' attainment was above average for several years in the predecessor school and continues to rise.
- Excellent teaching helps pupils to make rapid progress in their learning in a range of subjects.
- Teachers are particularly skilled in giving different pupils work that is at just the right level for them. During lessons, they continually check up on progress to ensure that all are doing as well as possible. Pupils behave extremely well and are very keen to learn.
- Excellent relationships between pupils themselves, and with the adults, underpin the school's many strengths. Pupils feel extremely safe in school, and have great trust in the adults to look after them.
- There is outstanding provision for pupils' spiritual, moral, social and cultural development.
- Children get an excellent start to their schooling because of the outstanding provision in the Early Years Foundation Stage.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

(continued)

- A constant focus by leaders and managers on the quality of teaching and the achievement of all pupils ensures that both are excellent. Very effective procedures, to keep a detailed track of each pupil's progress, greatly enhance this.
- The marking of pupils' work is good but has some minor shortcomings.

• **Going concern**

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

Financial review

The Academy Trust had a net increase in funds for the year ended 31 August 2021 of £170,627 including fixed assets movements but excluding pension reserve movements. As at 31 August 2021 the Academy Trust held £166,994 of unrestricted reserves plus £153,901 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £320,895.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £1,269,000 at 31 August 2021 and a fixed asset reserve of £2,662,018 being the book value of past purchases.

Despite the global pandemic, there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy Trust, as core funding from both the Government and Local Authorities is currently expected to continue. The principal financial management policies adopted in the period are included in the Academy Trust's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year other than the aforementioned pandemic.

The principal sources of funding for the Academy Trust are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy Trust needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one months of expenditure, based on the annual budget, being approximately £100,000.

Actual free reserves plus unspent GAG as at 31 August 2021 were £315,977, being higher than the target level set by the Trustees by approximately £216,000. The Academy Trust plans to utilise these funds to subsidise increased levels of risk as a result of the pandemic and potential contributions towards capital projects. The Academy Trust also held other available restricted funds at the year end of the year of £4,918 in relation to PE Sports Grant. Total available reserves, being both the above figures at 31 August 2021 were £320,895. Cash at bank at 31 August 2021 was £35,877 higher than total available reserves.

At 31 August 2021 the Academy's fixed asset reserve of £2,662,018 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £1,269,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **Investment policy**

The school's investment strategy is to;

- Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the accounts have adequate balances to meet forthcoming commitments.
- Identify funds surplus to immediate cash requirements and transfer to the school's deposit accounts bearing a higher interest rate.
- Periodically review interest rates and compare with other investment opportunities.
- The school's current policy is to only invest funds in risk free and immediately assessable deposit accounts.

Any change in policy requires the approval of Trustees via the Management Committee.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

● **Principal risks and uncertainties**

Principal risks and uncertainties facing the Academy Trust are low and link to the risk management process that the Academy Trust has in place.

The risks faced by the Academy are outlined in the Risk Register and the Trustees update this document at least annually. Budgets and reserves policies are set after due consideration of such risks.

The LGPS pension scheme deficit shown in the accounts as at 31 August 2021 was £1,269,000 (2020: £962,000). 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. The Academy's cash flow and future annual pension costs will be affected by changes in contribution rates as informed by the actuary.

The Trustees are responsible for the overseeing of the risks faced by the school. Detailed considerations of risk are delegated to the senior leadership team of the school. Risks are identified, assessed and controls established throughout the period. A formal review of the school's risk management process will be undertaken on an annual basis. Risk is managed under the headings of strategic and reputational, operational, employment and financial.

Fundraising

Fundraising has been limited to small events held to raise funds for external charities, such as non uniform days. These funds are paid across in full to the nominated charities.

Plans for future periods

The Trustees intend to continue their current strategies of maintaining the school's position in a competitive market by providing outstanding education for all pupils. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole person.

The Headteacher and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

The Academy Trust's future plans are financed from income direct from the ESFA related to student numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students. Maintaining and, where necessary, developing the fabric of the facilities of the school are central to our strategy.

We have a planned programme of maintenance and investment for the school site. Each year we invest heavily in computer equipment and infrastructure to ensure our students and staff have the very best technology we can provide.

Two CIF bids have been secured - one to replace the majority of windows and doors, and a second one to enhance the security of the site.

Environmental issues are also high priority and we continue to develop our buildings to ensure they are more energy efficient.

Funds held as custodian on behalf of others

No funds are held on behalf of others.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 30 November 2021 and signed on its behalf by:

.....
E Turner

Co-Chair of Trustees

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Ashby Hill Top Primary School 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 Headteacher, 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 Ashby Hill Top Primary School 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 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
T Marshall, Co-Chair	7	7
E Turner, Co-Chair	7	7
J Whittle, Vice Chair	7	7
S Newman, Head Teacher	6	7
R Brewin, (Chair up to 8 September 2020)	7	7
D Dexter	6	7
R Newham	7	7
G Barlow	2	5
G Blackwell	2	6
D Anslow	4	4
M Foxon	7	7
C Bartholomew	1	1
G Whysall	1	1
M Waterhouse	0	0

There have been key changes in the Board of Trustees during this financial year, all of which are routine in nature.

- **The coverage of its work:**

The key areas under review by the Board are highlighted in the Governance Reviews section below. The Board oversees a wide range of strategic, performance and operational matters presented to it by the delegated sub committees, the senior management team, the Chair of Governors and individual Board members. These are reflected in the recorded agendas and minutes maintained by the Board.

- **The Board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the Board:**

The Board's performance was most recently rated as outstanding by Ofsted. Great care is taken to ensure an effective mix of professional, educational and community experience and expertise is reflected across

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

the Board and in its reporting structures, to meet the nationally challenging times being faced educationally, socially and financially. The Board regularly reviews its skill sets and requirements to ensure that it continues to meet these demands.

The uncertainty surrounding finance in education, the development of Multi Academy Trusts and the rapid expansion of Ashby de la Zouch presents a challenging mix of change and the unknown but the Board is confident that it is in a strong position to proactively manage developments.

- **Information about the quality of the data used by the Board, and why the Board finds it acceptable:**

Information is provided to the Board by a wide range of sources which include the Headteacher and senior management team, the delegated sub committees, individual Board members, the clerk to the governors, national and local governor support resources, the government, the local authority, the local family of schools, parents and pupils.

The Board believes that the wide range of information sources and the reputable nature of those sources provides an accurate and representative mix of information and data sufficient for the Board to effectively meet its responsibilities.

Governance reviews:

The Governors have a process of ongoing review conducted through the full Governing Body and committee structures.

Action areas following reviews were:

- Governing Body performance policies
- Development plan
- MAT investigations
- Full financial review

Frequency of meetings:

There have been 7 Full Board meetings within the year and the Academy has regular Management & Curriculum meetings throughout the year which ensures ample opportunity for governance duties to be effective. This committee sends reports to the Full Governing Body for discussion.

The Management Committee is a delegated committee of the main Board of Trustees. Its purpose is to oversee the finance, health & safety, property and personnel of the school.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Brewin	8	8
J Whittle	8	8
S Newman	8	8
T Marshall	5	7

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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:

- maintaining high educational standards and progress exceeding national expectations
- endeavouring to continually maintain and improve educational standards

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 Ashby Hill Top Primary School Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Leicestershire County Council as internal auditor.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts/bank reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees through the Management Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The latest internal audit was in May 2021. No material control issues were identified as a result of the internal auditor's review work.

Review of effectiveness

As Accounting Officer, the Headteacher 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 internal auditor;
- the work of the external auditors;
- 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 Management 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 30 November 2021 and signed on their behalf by:

.....
E Turner
Co-Chair of Trustees

.....
S Newman
Accounting Officer

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ashby Hill Top Primary School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2020.

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

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

S Newman
Accounting Officer
Date: 30 November 2021

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 and signed on its behalf by:

.....
E Turner

Co-Chair of Trustees

Date: 30 November 2021

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST

Opinion

We have audited the financial statements of Ashby Hill Top Primary School Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 Auditors' 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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.

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.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST (CONTINUED)

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

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

Based on our understanding of the Academy Trust and the industry, we have identified that the principal risks of non-compliance with laws and regulations related to UK Tax and legislation and breaches of the Academy's funding agreement with the Secretary of State for Education, the Academies Financial Handbook, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the, Companies Act 2006 and the Charities SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their accounting estimates, in particular in relation to accruals provisions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures described above. The more removed non-compliance with laws and regulations is, from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by forgery or intentional misrepresentation, for example, or through collusion.

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

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASHBY
HILL TOP PRIMARY SCHOOL ACADEMY TRUST (CONTINUED)**

Luke Turner ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

2 December 2021

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHBY HILL
TOP PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ashby Hill Top Primary School Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ashby Hill Top Primary School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ashby Hill Top Primary School 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 Ashby Hill Top Primary School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ashby Hill Top Primary School Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Ashby Hill Top Primary School Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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 our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHBY HILL
TOP PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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

Reporting Accountant

Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: 2 December 2021

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	157,713	157,713	27,673
Other trading activities	5	7,962	-	-	7,962	10,252
Investments	6	32	-	-	32	122
Charitable activities	4	12,869	1,431,231	-	1,444,100	1,341,503
Total income		20,863	1,431,231	157,713	1,609,807	1,379,550
Expenditure on:						
Raising funds		334	-	-	334	4,084
Charitable activities		12,869	1,427,821	79,156	1,519,846	1,491,585
Total expenditure	7	13,203	1,427,821	79,156	1,520,180	1,495,669
Net income/(expenditure)		7,660	3,410	78,557	89,627	(116,119)
Transfers between funds	16	-	(10,310)	10,310	-	-
Net movement in funds before other recognised gains/(losses)		7,660	(6,900)	88,867	89,627	(116,119)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(226,000)	-	(226,000)	12,000
Net movement in funds		7,660	(232,900)	88,867	(136,373)	(104,119)
Reconciliation of funds:						
Total funds brought forward		159,334	(882,199)	2,573,151	1,850,286	1,954,405
Net movement in funds		7,660	(232,900)	88,867	(136,373)	(104,119)
Total funds carried forward		166,994	(1,115,099)	2,662,018	1,713,913	1,850,286

The notes on pages 26 to 55 form part of these financial statements.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08197381

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	2,662,018	2,571,517
		<u>2,662,018</u>	<u>2,571,517</u>
Current assets			
Debtors	14	49,128	11,577
Cash at bank and in hand		356,772	307,555
		<u>405,900</u>	<u>319,132</u>
Creditors: amounts falling due within one year	15	(85,005)	(78,363)
Net current assets		<u>320,895</u>	<u>240,769</u>
Total assets less current liabilities		<u>2,982,913</u>	<u>2,812,286</u>
Net assets excluding pension liability		<u>2,982,913</u>	<u>2,812,286</u>
Defined benefit pension scheme liability	23	(1,269,000)	(962,000)
Total net assets		<u><u>1,713,913</u></u>	<u><u>1,850,286</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	2,662,018	2,573,151
Restricted income funds	16	153,901	79,801
		<u>2,815,919</u>	<u>2,652,952</u>
Restricted funds excluding pension liability	16	2,815,919	2,652,952
Pension reserve	16	(1,269,000)	(962,000)
Total restricted funds	16	<u>1,546,919</u>	<u>1,690,952</u>
Unrestricted income funds	16	<u>166,994</u>	<u>159,334</u>
Total funds		<u><u>1,713,913</u></u>	<u><u>1,850,286</u></u>

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

The financial statements on pages 22 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08197381

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

.....
E Turner

Co-Chair of Trustees

Date: 30 November 2021

The notes on pages 26 to 55 form part of these financial statements.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	61,129	57,433
Cash flows from investing activities	19	(11,912)	(25,029)
Change in cash and cash equivalents in the year		49,217	32,404
Cash and cash equivalents at the beginning of the year		307,555	275,151
Cash and cash equivalents at the end of the year	20, 21	<u>356,772</u>	<u>307,555</u>

The notes on pages 26 to 55 form part of these financial statements

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

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

1.1 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ashby Hill Top Primary School Academy Trust meets the definition of a public benefit entity under FRS 102.

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

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 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.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received. The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at by using the ESFA standard valuation on a depreciated replacement costs basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 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.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold buildings	- 2% straight line
Leasehold land (over 125 years)	- over 125 years
Leasehold buildings - roof	- 6% straight line
Furniture and equipment	- 15% straight line
Computer equipment	- 25% straight line
Assets under construction	- not depreciated

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.

1.8 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.

1.9 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.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.10 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.

1.11 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.13 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.

1.14 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.

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

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

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

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	-	-	-	20,140
Capital grants	-	157,713	157,713	7,533
Total 2021	-	157,713	157,713	27,673
<i>Total 2020</i>	6,685	20,988	27,673	

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,185,000	1,185,000	1,105,102
Other DfE/ESFA grants				
UIFSM	-	53,043	53,043	55,963
Teachers' Pay Grant	-	41,707	41,707	41,829
Pupil Premium	-	49,432	49,432	48,499
Others	-	40,512	40,512	37,907
	-	1,369,694	1,369,694	1,289,300
Other Government grants				
Local Authority grants	-	25,461	25,461	36,412
	-	25,461	25,461	36,412
Other income from the Academy Trust's educational operations	12,869	7,528	20,397	15,791
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	28,548	28,548	-
	-	28,548	28,548	-
	12,869	1,431,231	1,444,100	1,341,503
Total 2020	-	1,341,503	1,341,503	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Lettings income	6,680	6,680	6,047
Consultancy income	750	750	4,205
Other income	532	532	-
Total 2021	<u>7,962</u>	<u>7,962</u>	<u>10,252</u>
<i>Total 2020</i>	<u>10,252</u>	<u>10,252</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	<u>32</u>	<u>32</u>	<u>122</u>
<i>Total 2020</i>	<u>122</u>	<u>122</u>	

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:					
Allocated support costs	-	-	334	334	4,084
Educational Operations:					
Direct costs	1,010,223	65,854	103,301	1,179,378	1,123,692
Allocated support costs	149,990	90,831	99,647	340,468	367,893
Total 2021	<u>1,160,213</u>	<u>156,685</u>	<u>203,282</u>	<u>1,520,180</u>	<u>1,495,669</u>
<i>Total 2020</i>	<u>1,140,910</u>	<u>156,135</u>	<u>198,624</u>	<u>1,495,669</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Operations	<u>1,179,378</u>	<u>340,468</u>	<u>1,519,846</u>	<u>1,491,585</u>
<i>Total 2020</i>	<u>1,123,692</u>	<u>367,893</u>	<u>1,491,585</u>	

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	17,000	17,000
Staff costs	1,010,223	959,786
Teaching and educational support staff	40,008	38,936
Educational supplies	21,088	16,215
Other direct costs	21,275	13,653
Insurance	6,487	7,741
Depreciation	59,367	66,953
Technology costs	3,930	3,408
	1,179,378	1,123,692

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	149,990	177,342
Recruitment	-	251
Maintenance of premises and equipment	28,965	16,251
Cleaning	8,041	5,185
Rent & rates	7,266	9,210
Insurance	10,194	11,106
Depreciation	19,789	22,317
Catering	38,714	21,115
Other support costs	51,644	76,086
Technology costs	439	2,980
Energy costs	16,576	17,372
Governance costs	8,850	8,678
	340,468	367,893

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	1,191	1,393
Depreciation of tangible fixed assets	79,156	89,271
Fees paid to auditors for:		
- audit	7,200	6,950
- other services	1,125	1,100
	<u>1,125</u>	<u>1,100</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	842,698	818,887
Social security costs	61,368	59,852
Pension costs	256,147	262,171
	<u>1,160,213</u>	<u>1,140,910</u>

	2021 £	2020 £
Headteacher recharges	40,008	38,936
	<u>40,008</u>	<u>38,936</u>

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff (continued)

b. Staff numbers

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

	2021 No.	<i>2020 No.</i>
Teachers	19	<i>18</i>
Administration and support	35	<i>35</i>
Management	1	<i>1</i>
	<hr/> 55 <hr/>	<hr/> <i>54</i> <hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £288,719 (2020 - £280,352). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. 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:

S Newman (Headteacher and Trustee)

Remuneration £25,000 - £30,000 (2020: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000)

D L Dexter (Staff Trustee)

Remuneration £40,000 - £45,000 (2020: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000)

R Newham (Staff Trustee) - appointed March 2020

Remuneration £20,000 - £25,000 (2020: £15,000 - £20,000)

Employer's pension contributions £5,000 - £10,000 (2020: £0 - £5,000)

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £17 (2020 - £267). The cost of this insurance is included in the total insurance cost.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	2,966,469	124,994	84,742	3,176,205
Additions	150,203	5,826	13,628	169,657
At 31 August 2021	<u>3,116,672</u>	<u>130,820</u>	<u>98,370</u>	<u>3,345,862</u>
Depreciation				
At 1 September 2020	437,759	86,428	80,501	604,688
Charge for the year	61,193	13,144	4,819	79,156
At 31 August 2021	<u>498,952</u>	<u>99,572</u>	<u>85,320</u>	<u>683,844</u>
Net book value				
At 31 August 2021	<u>2,617,720</u>	<u>31,248</u>	<u>13,050</u>	<u>2,662,018</u>
At 31 August 2020	<u>2,528,710</u>	<u>38,566</u>	<u>4,241</u>	<u>2,571,517</u>

See note 1.3 regarding assets transferred on conversion.

14. Debtors

	2021 £	2020 £
Due within one year		
VAT recoverable	26,632	1,218
Prepayments and accrued income	22,496	10,359
	<u>49,128</u>	<u>11,577</u>

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	15,730	12,778
Other creditors	18,379	20,856
Accruals and deferred income	50,896	44,729
	85,005	78,363
	2021	2020
	£	£
Deferred income at 1 September 2020	35,630	37,551
Resources deferred during the year	41,015	35,630
Amounts released from previous periods	(35,630)	(37,551)
	41,015	35,630

The closing balance of deferred income relates to Universal Infant Free School Meals and trip income received in advance of the 2021/22 academic year.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	159,334	20,863	(13,203)	-	-	166,994
Restricted general funds						
General Annual Grant (GAG)	55,406	1,185,000	(1,081,113)	(10,310)	-	148,983
Pupil Premium	13,074	49,432	(62,506)	-	-	-
UIFSM	-	53,043	(53,043)	-	-	-
Teachers' Pay grant	-	41,707	(41,707)	-	-	-
Other DfE Group grants	4,877	40,512	(40,471)	-	-	4,918
Local Authority grants	-	25,461	(25,461)	-	-	-
Catch-up Premium	-	28,548	(28,548)	-	-	-
Other funding	6,444	7,528	(13,972)	-	-	-
Pension reserve	(962,000)	-	(81,000)	-	(226,000)	(1,269,000)
	(882,199)	1,431,231	(1,427,821)	(10,310)	(226,000)	(1,115,099)

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
DfE Group capital grants	32,373	7,510	(7,546)	-	-	32,337
Transfer from Local Authority	1,979,308	-	(43,520)	-	-	1,935,788
Capital maintenance grants	196,125	-	(12,573)	-	-	183,552
Section 106 grant	333,866	-	(9,046)	-	-	324,820
Donations	13,781	-	(1,720)	-	-	12,061
Capital expenditure from GAG	17,698	-	(4,751)	10,310	-	23,257
CIF income	-	150,203	-	-	-	150,203
	<u>2,573,151</u>	<u>157,713</u>	<u>(79,156)</u>	<u>10,310</u>	<u>-</u>	<u>2,662,018</u>
Total Restricted funds	<u>1,690,952</u>	<u>1,588,944</u>	<u>(1,506,977)</u>	<u>-</u>	<u>(226,000)</u>	<u>1,546,919</u>
Total funds	<u><u>1,850,286</u></u>	<u><u>1,609,807</u></u>	<u><u>(1,520,180)</u></u>	<u><u>-</u></u>	<u><u>(226,000)</u></u>	<u><u>1,713,913</u></u>

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

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

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The funds have been fully spent in the year.

Universal Infant Free School Meals (UIFSM) is funding provided so that the Academy Trust can deliver the requirement to offer free school meals to reception, year 1 and year 2 pupils. All funds were fully spent during the year.

The Teachers' Pay grant provides funding for school to support teachers' pay awards. All funds were fully spent during the year.

The other DfE/ESFA restricted funds consist of rates funding and PE Sport Grant. The closing balance relates to PE Sport Grant funds not spent at the year end.

Local Authority grants consist of High Level Needs funding. All funds have been fully spent within the year.

Catch-up premium income was received to support children and young people to catch up on missed learning caused by the coronavirus pandemic. The funds have been fully spent in the year.

Other funding consists of catering income treated as restricted by virtue of the statutory obligation to provide pupil meals linked to the school funding agreement. The funds have been fully spent in the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset fund

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to the value of £2,325,446 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

The Academies Capital Maintenance Fund (ACMF) relates to funding received towards the cost of roof repairs, a classroom extension, toilet refurbishments and emergency lighting. The closing balance relates to the net book value of the assets concerned.

Section 106 grant income consists of Local Authority funding for the construction of a modular classroom and an extension to the hall and staff room. The closing balance relates to the net book value of the assets concerned.

Other donations relate to amounts received from Friends of Hill Top towards capital purchases. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

The Condition Improvement Fund (CIF) relates to funding received towards window works and a safeguarding project. The closing balance relates to the net book value of the assets concerned.

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 2021.

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General funds	153,044	10,374	(4,084)	-	-	159,334
Restricted general funds						
General Annual Grant (GAG)	44,928	1,109,516	(1,099,038)	-	-	55,406
Pupil Premium	-	48,499	(35,425)	-	-	13,074
UIFSM	-	55,963	(55,963)	-	-	-
Teachers' Pay grant	-	41,829	(41,829)	-	-	-
Other DfE Group grants	-	33,493	(28,616)	-	-	4,877
Other government grants	-	36,412	(36,412)	-	-	-
Other funding	-	15,791	(9,347)	-	-	6,444
Donations	-	6,685	(6,685)	-	-	-
Pension reserve	(885,000)	-	(89,000)	-	12,000	(962,000)
	<u>(840,072)</u>	<u>1,348,188</u>	<u>(1,402,315)</u>	<u>-</u>	<u>12,000</u>	<u>(882,199)</u>

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Restricted fixed asset funds						
DfE Group capital grants	37,622	7,533	(12,177)	(605)	-	32,373
Transfer from Local Authority	2,022,828	-	(43,520)	-	-	1,979,308
Capital maintenance grants	210,019	-	(13,894)	-	-	196,125
Section 106 grant	344,593	-	(10,727)	-	-	333,866
Donations	2,143	13,455	(2,422)	605	-	13,781
Capital expenditure from GAG	24,228	-	(6,530)	-	-	17,698
	<u>2,641,433</u>	<u>20,988</u>	<u>(89,270)</u>	<u>-</u>	<u>-</u>	<u>2,573,151</u>
Total Restricted funds	<u>1,801,361</u>	<u>1,369,176</u>	<u>(1,491,585)</u>	<u>-</u>	<u>12,000</u>	<u>1,690,952</u>
Total funds	<u><u>1,954,405</u></u>	<u><u>1,379,550</u></u>	<u><u>(1,495,669)</u></u>	<u><u>-</u></u>	<u><u>12,000</u></u>	<u><u>1,850,286</u></u>

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,662,018	2,662,018
Current assets	166,994	238,906	-	405,900
Creditors due within one year	-	(85,005)	-	(85,005)
Pension scheme liability	-	(1,269,000)	-	(1,269,000)
Total	166,994	(1,115,099)	2,662,018	1,713,913

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	2,571,517	2,571,517
Current assets	159,334	158,164	1,634	319,132
Creditors due within one year	-	(78,363)	-	(78,363)
Pension scheme liability	-	(962,000)	-	(962,000)
Total	159,334	(882,199)	2,573,151	1,850,286

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	89,627	(116,119)
Adjustments for:		
Depreciation	79,156	89,270
Capital grants from DfE and other capital income	(157,713)	(7,533)
Interest receivable	(32)	(122)
Defined benefit pension scheme cost less contributions payable	64,000	72,000
Defined benefit pension scheme finance cost	17,000	17,000
Decrease/(increase) in debtors	(37,551)	2,258
Increase/(decrease) in creditors	6,642	679
Net cash provided by operating activities	61,129	57,433

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	32	122
Purchase of tangible fixed assets	(169,657)	(32,684)
Capital grants from DfE Group and other capital income	157,713	7,533
Net cash used in investing activities	(11,912)	(25,029)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	356,772	307,555
Total cash and cash equivalents	356,772	307,555

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash in hand and at bank	307,555	49,217	356,772
	<u>307,555</u>	<u>49,217</u>	<u>356,772</u>

22. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>331,831</u>	<u>-</u>

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £21,088 were payable to the schemes at 31 August 2021 (2020 - £21,099) 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.

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 £125,567 (2020 - £121,703).

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.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £84,000 (2020 - £92,000), of which employer's contributions totalled £68,000 (2020 - £74,000) and employees' contributions totalled £ 16,000 (2020 - £18,000). The agreed contribution rates for future years are 24.2 - 25.2 per cent for employers and 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 Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.4	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums	50	50

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.5
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.9	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1%	65	52
Salary increase rate +0.1%	7	6
Pension increase rate +0.1%	57	45

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	775,000	605,000
Corporate bonds	388,000	298,000
Property	94,000	82,000
Cash and other liquid assets	80,000	41,000
Total market value of assets	1,337,000	1,026,000

The actual return on scheme assets was £251,000 (2020 - £2,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased).

the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.

the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2020 for the year to 31 August 2021, or date of joining the fund if later).

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(132,000)	(146,000)
Interest income	18,000	19,000
Interest cost	(35,000)	(36,000)
Total amount recognised in the Statement of Financial Activities	(149,000)	(163,000)

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

	2021 £	2020 £
At 1 September	1,988,000	1,827,000
Current service cost	132,000	146,000
Interest cost	35,000	36,000
Employee contributions	16,000	18,000
Actuarial losses/(gains)	442,000	(33,000)
Benefits paid	(7,000)	(6,000)
At 31 August	2,606,000	1,988,000

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

	2021 £	2020 £
At 1 September	1,026,000	942,000
Interest income	18,000	19,000
Actuarial gains/(losses)	216,000	(21,000)
Employer contributions	68,000	74,000
Employee contributions	16,000	18,000
Benefits paid	(7,000)	(6,000)
At 31 August	1,337,000	1,026,000

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	585	1,191
Later than 1 year and not later than 5 years	1,073	1,658
	<u>1,658</u>	<u>2,849</u>

25. 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.

26. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

ASHBY HILL TOP PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. Related party transactions (continued)

Expenditure Related Party Transaction

A F Property & Gardening Services - a company in which Mrs T Fenn (School Business Manager) has a interest:

- The Academy Trust purchased various repairs and tarmacing of the outdoor area from A F Property & Gardening Services totalling £2,275 (2020: £6,312) during the period. There were no amounts outstanding at 31 August 2021 (2020: £NIL).
- The Academy Trust made the purchase at arms' length after obtaining quotes in accordance with its financial regulations, which Mrs Fenn neither participated in, nor influenced
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Financial Handbook

S Blackwell, spouse of G Blackwell, a Trustee and Member, is employed by the Academy Trust as a teaching assistant. S Blackwell's appointment was made in open competition and G Blackwell was not involved in the decision making process regarding appointment. S Blackwell is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

No further related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

27. Connected charities

The Friends of Hill Top raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy. The charity's net assets/reserves at 31 August 2021 were £5,168 (2020 - £3,757). The charity's gross income for the year to 31 August 2021 was £4,415 (2020 - £4,730), its expenditure was £3,004 (2020 - 18,433) and its surplus was £1,411 (2020 - deficit £13,703).