

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Jacqui Burke Mrs Alison Allen Mr Perry Huntley Mr David Middlebrook
Trustees	Mrs Alison Allen (resigned 31 March 2021) Mr Edwin Barnes Mr Gavin Coombs (resigned 21 September 2021) Rev Patsy Critchley (resigned 31 March 2021) Mrs Caren Earp, Head Teacher and Accounting Officer Mrs Karen Evans (resigned 31 March 2021) Mr Paul Hayward Mr Perry Huntley, Chair of Trustees Rev Shaun Speller Mrs Tracy Molyneux Mrs Julia Cave (resigned 31 March 2021) Mrs Nicola Cooper (resigned 31 March 2021) Mrs N Matthiae Mr David Middlebrook (resigned 31 March 2021)
Company registered number	07996350
Company name	Poppy Hill Church of England Multi Academy Trust
Principal and registered office	Church Road Henlow Bedfordshire SG16 6AN
Chief Executive Officer	Mrs Caren Earp
Senior Leadership Team	Mrs Caren Earp, Head Teacher and Accounting Officer Mr Stephen Carrington, Deputy Head Teacher Miss Naomi Chalkley, Deputy Head Teacher Mrs Margaret Newman, Assistant Head Teacher Mrs Amanda Salzen, Business Manager Mrs Jodie Gregory, Assistant Head Teacher
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank 1 Bancroft Hitchin Hertfordshire SG5 1JQ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Stone King
91 Charterhouse Street
London
EC1M 6HR

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Reports of Poppy Hill Church of England Multi Academy Trust (the Charitable Company or the 'Trust') for the period 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 as an independent Church of England academy sponsored by St Albans Diocese, for pupils aged 9 to 13 (school years 5 – 8).

The catchment areas for the Trust are the local villages of Clifton, Henlow, Meppershall, Henlow Parish and Langford. Pupils are attracted to the School from out of catchment, such as Arlesey, Biggleswade, Lower Stondon, Shefford, and Stotfold. 90% in Year 8 transfer to Samuel Whitbread Academy but this will change as the move to 2 tier education happens next year. It has a published pupil capacity of 560 and had a roll of 713 in the January 2021 school census.

On 1st April 2021, Henlow Church of England Academy transferred to a Multi Academy Trust and was joined by Meppershall Church of England Academy (the 'Schools' or the 'Academies') to become Poppy Hill Church of England Multi Academy Trust. This decision was prompted by a request from the Department of Education, Regional Schools' Commissioner and the Diocese of St Albans to assist Meppershall improve the outcomes of their school following an 'Inadequate' Ofsted rating.

As part of this process the governance at Henlow Church of England Academy was fully reviewed and a Local Governing Body Committee put in place to go across both Schools.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents.

The Trustees of Poppy Hill Church of England Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served during the year 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 commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to a maximum value of £5,000,000 on any one claim.

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Method of Recruitment and Appointment or Election of Trustees

Articles outline the different types of Trustees, each category has slightly differing election processes, as outlined below:

- The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Head Teacher or any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.
- The Head Teacher shall be treated for all purposes as being an ex officio Trustee.
- The incumbent shall be treated for all purposes as an ex officio Foundation Trustee. Further, the Foundation may appoint an additional 2 Foundation Trustees.
- Up to 2 Parent Trustees shall be elected by parents of registered pupils at the Schools. A Parent Trustee must be a parent of a pupil at the Trust at the time when he/she is elected, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
- Up to 2 Community Trustees can be appointed by the Founding Members.

Trustees are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. The Trust currently buys into Central Bedfordshire Council's Governor Training Package and all Trustees are actively encouraged to attend training courses covering charity, educational, legal, safer recruitment and financial matters. A suite of information stored electronically, which includes a section wholly dedicated to providing Trustees with information relating to induction, policies, Trust Body minutes, and financial information. All new Trustees are given a tour of the Academies and the chance to meet with staff and students.

Organisational Structure

The structure of the Trust consists of two senior levels: the Board of Directors (Trust Body) and the Head Teacher leading the Senior Team. In this report the terms 'Director' and 'Trustees and interchangeable.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Trust nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees focus on three core functions:

1. Setting strategic direction (clarifying vision and ethos, meeting statutory duties & engaging stakeholders).
2. Creating robust accountability for teaching and learning, strengthening Trust and Academy leadership, performance managing the Head Teacher, and contributing to the Trust & Academy's self-evaluation.
3. Ensuring financial probity through effective financial management and the use of pupil premium and other resources to overcome barriers to learning.

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The Board of Directors has established two committees. Each committee, attended by all Directors, has its own terms of reference detailing their responsibilities to the Trust and the Head Teacher (The Accounting Officer).

The terms of reference and meeting frequency for each committee is reviewed and approved by the Board of Directors annually. Each Academy has an approved Financial Handbook which details the Academy's authorised spending limits, and this is reviewed annually.

The committees of the Trust Body are:

- Academy Business Committee
- Academy Priorities Committee

Additionally, there are various smaller Committees which meet annually, or as required throughout the year, e.g. Salary Review Group.

The Board of Trustees meet six times a year as a full board.

The Senior Team is led by the Head Teacher and comprises the Head Teacher, Head of School, two Deputy Head Teachers, two Assistant Head Teachers, SENCO, the Business Manager and the Operations Manager. These senior leaders lead the Trust at an executive level implementing the policies agreed by the Trustees and reporting back to them on progress. The Head Teacher, Head of School, Deputy Head Teachers, Assistant Head Teachers, SENCO, Business Manager and Operations Manager are responsible for the authorisation of spending within agreed budgets. The Head Teacher has delegated authority for appointing staff.

Arrangements for setting pay and remuneration of key management personnel

The Trust Body has autonomy to determine the Head Teacher's individual pay range. The judgement is based on criteria including, but not limited to, the individual's level of experience and skills deemed essential to undertake the role considering the Schools' own particular circumstances and challenges; the context and challenge arising from pupil needs, eg. level of pupil mobility which affects challenge in relation to pupil outcomes. The Trust Body has autonomy to set the pay range above the top of the relevant Head Teacher Group range for the Trust, and this is only exercised following appropriate consultations with external Human Resource Advisors.

The Trust Body's role in relation to other key leadership pay determinations is to:

- Set the appropriate levels of pay for different leadership roles allowing appropriate scope for performance-related progression over time, clearly linked to schools improvement priorities and outcomes
- Adopt pay and appraisal policies including the criteria for pay progression
- Assure themselves that robust and consistent processes are in place for linking appraisal to pay progression
- Consider annually the salary of the Head Teacher and leadership group, linked to performance.

All Trust Body pay decisions will ensure compliance with the statutory requirements of teachers' pay as set out in the School Teachers' Pay and Conditions document, as well as adherence to the Trusts Pay Policy.

Connected Organisations including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Poppy Hill Church of England Multi Academy Trust, though it works with Henlow Church of England Academy PTA and Meppershall PTA in the pursuit of charitable activities and general fundraising activities. The Schools work closely with the Diocese of St Albans to support the delivery of educational services to Church schools at a time when education is going through a period of rapid change.

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

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Poppy Hill Church of England Multi Academy Trust to provide education for pupils of different abilities between the ages of 4 and 13 with an emphasis on creating an environment where individuals have an opportunity to fulfil their potential in terms of personal, emotional and intellectual growth. The Trust additionally aims to share its facilities with the local community where possible, and encourage wider community engagement whenever practicable.

The main objectives of the Trust during the period ended 31 August 2021 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to employ high quality teaching and support staff;
- to continue to raise the standard of educational achievement of all pupils;
- to promote a well-ordered community based on traditional values and the Christian ethos;
- to improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct Trust business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

Our continued detailed self-evaluation and improvement plan reflects our determination to focus upon all aspects of every child's learning journey and monitor our progress, taking into account the views of all stakeholders.

At Henlow Church of England Academy Ofsted drew attention to the fact that our values permeate every aspect of our work. This was particularly noticeable in the ways that our pupils raised money for charity throughout the year despite the Covid-19 restrictions. A wide range of charities are selected by the pupils and the fundraising often involves a determined and collaborative effort to help others. Their willingness to involve themselves in charitable events reflects an understanding of and empathy for the diverse range of needs in our local and wider community. The school community raised in excess of £2,200 in this academic year.

The Harvest Festival was again a wonderful example of the generosity of the Trust community. Donations were presented to The Need Project, a local charity whose aim is to directly support the neediest families within our local community and we have continued to collect food throughout the year for them.

We still retained Primary Science Quality Mark Silver Award alongside our PE department holding Gold School Games Mark.

The prayer table hosted some vibrant displays throughout the year and the prayer garden is regularly used by staff and students as an area for quiet reflection.

The libraries at both Schools continue to be re-invigorated by our librarian with wonderful displays encouraging reading along with literary based clubs and competitions.

Henlow CE Academy OFSTED inspection in September 2019 led to the School becoming one of the first schools to be inspected under the new framework and retained our GOOD grading. The report had many positive comments including 'Pupils feel safe and happy in school' and 'The school's curriculum contributes strongly to the pupils' wider personal development.'

The pupils constantly demonstrate enthusiasm, commitment and a willingness to engage with all of the sporting opportunities on offer. Many of our achievements were recognised at the Annual Sports Awards, held without parents this year due to Covid. Both individual and team achievements were celebrated in a memorable ceremony.

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Fundraising

We have a whole school approach to fundraising and it forms part of our school ethos. Staff and pupils regularly raise money for charities such as Children In Need, Jeans for Genes and Macmillian. Donations to these events are entirely voluntary.

We do not work with, and have any oversight of, any commercial participators and/or professional fundraisers. The fundraising that we do conforms to recognised standards and is monitored by our external accountants via our school fund. We have received no fundraising complaints. We protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Any additional fundraising that the Academies receive is generated by the Parent Teacher Association, PTA, and is entirely separate from the Trust accounts.

Public Benefit

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Trust's public benefit is enshrined in its charitable objects, which state:

"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 an Academy with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education."

Strategic Report

Achievements and Performance

Pupil Attainment and Data

The KS2 SAT exams were suspended again this year due to Covid-19, however the Schools continued to offer high quality learning throughout lockdown. This included remaining open for children of Key workers. Online work continued to be set and for those pupils who were not able to gain access to this, packs of work was delivered to them. These actions reflect the hard work and commitment which is evident from all of our pupils, and the commitment of our staff.

Pupil Attendance

Figures for the academic year 2020/21:

- 97.00% Target
- 95.05% attendance
- 3.84% authorised absence
- 1.11% unauthorised absence

Increase the number of pupil applicants to the Academies

The pupil roll continues to increase at point of entry to Year 5 and we are confident that our marketing strategies will continue to ensure a growing school population as we change age range. There were 713 pupils on roll in January 2020.

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Pupil Premium Spending 2020/21 – including Covid Catch Up Spending

In-school Barriers

- A significant number of disadvantaged pupils join Henlow Academy with lower than National Average Attainment in Maths, Literacy and Phonics
- Social, Emotional, Mental Health of pupils – increased number of pupils needing additional support in this area
- Transition of pupils from y4 to y5 and pupil's transition to upper school - often see a dip in attainment and SEMH concerns

External Barriers

- Mobility of pupils – particularly disadvantaged pupils coming from out of catchment schools in year. In recent years this has affected particularly the Year 6 group.
- Disadvantaged pupils on average have lower attendance than non-PP pupils – across all year groups
- Imminent, although delayed, closure of RAF Henlow – effect on Forces pupils
- Imminent move to 2 tier in Central Bedfordshire with this pyramid beginning the transition in 2021.
- Covid (continued effect and disruption to education) and the effect on learning/missed learning

Use and Spending of Pupil Premium Funding and Covid-Catch up Funding

The Schools have a varied approach to the spending of this funding, from whole school initiatives to more individualised projects for pupils. This can be seen in more depth on the Pupil Premium Strategy for 2021-22 and the covid catch up plans/spend; alongside the impact this funding has had for these pupils. Many of these strategies have- continued from the previous year due to covid. Similarly to the previous year funding from PP that was not spent on planned initiatives has been spent on a further new set of ChromeBooks for pupils to use.

Attainment & Progress

The funding has been used to support Attainment and Progress through internal and external CPD sessions, training of Specialist Maths teachers, and online homework system called Edplace, a robust testing system for Core subjects alongside Social and Emotional tests and Reading and Spelling tests. The funding has also been used to provide additional Maths groups in year 6, support intervention for Maths and English including a phonics programme and buy Christmas books for all Pupil Premium Pupils.

There has also been dedicated time to tracking and discussing individual Pupil Premium pupils' progress over the year. A cognitive ability test has been purchased to help set realistic targets for Year 7 which would usually be set by KS2 SATs results.

This year the Schools have also taken part in the Achievement for All programme designed on engaging hard to reach pupils and their families. This was launched in January and has had to be delayed due to Covid. This resumed again in January 2021. The focus initially was on attendance however, due to Covid has developed to be more focused on Social, Emotional and Mental Health as this was a huge barrier particularly for the targeted pupils.

The additional covid Catch up funding has been used to offer intervention both during the school day and afterschool to pupils who had not made as much progress as expected in Reading across all years. A similar programme in Maths was begun but due to further lockdown and staffing has not been completed. Further plans for usage of the money this year focus heavily on additional tuition for those disadvantaged pupils who have not made as much progress as expected, particularly due to Covid.

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TRUSTEES' REPORT (CONTINUED)
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Social, Emotional, Mental Health and Transition

For this strand the funding has been used to pay for a Pastoral Officer and School Counsellor focusing on Trauma. The use of SIMs (data system) has allowed the profile of these pupils to be raised. There are vulnerable group meetings for each year group every 2 weeks where key staff attend and discuss pupils that need to be targeted for support. There has continued to be a renewed focus on transition both into year 5 and for our year 8 leavers particularly due to Covid. Many of our extra curricular clubs and activities have been suspended due to covid so our usual Young Carers and Purple Club (Forces) clubs have not been able to run. Staff have made sure pupils have been supported although these clubs were not able to run.

The Schools have also bought in additional SEMH programmes including Mindfit, a programme designed to link PE, positive mental health and well-being.

Additionally to this PP funding has also been spent on a variety of initiatives including – breakfast club, homework and 4:45 club, music lesson and sports subsidies. In the Spring Term lockdown, Pupil Premium funding supported an 'Activity Bag' including books, resources, games and cooking ingredients. These were dropped by a team of volunteers to all Pupil Premium pupils in the Schools.

There has been a focus this year on engagement with Parents/Carers. In order to facilitate parents evenings, a virtual parents evening system has been purchased and several successful rounds of parents evenings have taken place. This system will be used going forward and most likely will replace the old style parents evenings where parents came into School for the vast majority.

Staffing

The Trust continues to raise the quality of teaching and learning across the Schools with clearly defined responsibilities for teaching and learning responsibility holders and has also offered a wide range of development opportunities to staff. Teaching staff costs represent 71% of GAG income.

Pupil Voice

During 2020-21 Henlow CE Academy's School Action Group continued to play an active role in school life. This student body is made up of dedicated members drawn from each of our year groups. This year the group met online weekly and also has its own online community via a google classroom which the children can (and do) access from home.

The group has a core of 10 or so active members and they have worked hard to produce a video to promote the group to new students.

Pupil Behaviour

We have a code of conduct which involves clear expectations for standards of behaviour. We encourage in the children the need to respect themselves and other people. This helps to promote an orderly community where individuals feel safe, have respect for one and other and the school facilities, and most importantly enjoy learning and celebrate success.

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TRUSTEES' REPORT (CONTINUED)
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Extending Opportunities

We are committed to extending the experiences of all of our children to ensure that each and every pupil achieves their best. During this academic year the offer of clubs has been limited due to covid restrictions however the number of clubs gradually increased towards the end of the year in line with Government covid guidelines.

In year 2020/21, at Henlow CE Academy options continued to be offered to pupils in KS3. The pupils have the opportunity to select between 2 and 4 options in one academic year. The options programme is designed to enrich the pupils experience - it increases the opportunity to explore other areas of the curriculum as well as focus in on subjects already covered in School. Some of the options, such as languages (Greek, Italian and Spanish), triple science, WW2 history, GCSE PE, textiles, food studies and robotics prepare the pupils for their GCSE options. To support pupils' learning of 'the basics' we have included the options of book club and extra English. Lastly, to support an active healthy lifestyle we have included practical based subjects such as officiating and fitness - these are also both aspects of the GCSE PE course.

Our staff also arrange a wide variety of educational visits to engage, motivate and inspire pupils by taking learning outside the classroom. Unfortunately due to the Covid-19 epidemic we were not able to offer any of our usual trips until the end of the academic year.

Facilities Enhancements

Facilities maintenance is excellent and a refurbishment programme is planned annually to ensure that financial commitments are planned whilst setting annual and multi-year budgets. Larger scale infrastructure costs are also taken into account to ensure that there are no unexpected repair / replacement expenditure.

The new extension at Henlow Church of England Academy is due to be completed early in the 2021/22 academic year and the refurbishment of the older buildings commenced in August 2021. The works will enable us to offer a full secondary curriculum in the coming years.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues 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 Statement of Accounting Policies.

Financial Review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Schools also receive other grants from the EFA such as Pupil Premium and Covid Catch up Funding. Funding is received from the Local Authority to meet the needs of pupils with Special Educational Needs Statements.

During the year, the Trust received total funding of £8,006,475 compared to total resources expended of £4,763,893 to give a surplus for the year of £3,005,582.

Taking into account the surplus brought forwards from last year, the Trust has £6,093,974 in accumulated reserves carried forwards.

The Trustees consider an appropriate level of reserves to be in the order of 1-2 months' total expenditure, to insulate the Trust in the event of EFA funding becoming interrupted, and the carry forwards at 31 August 2021 is considered to be in line with that objective.

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TRUSTEES' REPORT (CONTINUED)
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Reserves Policy

The Trusts 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of the Trusts purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trusts objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £280,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust set a balanced budget for the 2020/21 academic year. A balanced budget has been set for 2021/22 with the intention to increase the reserves over the next 3 years.

The Trust's current level of free reserves is £207,139.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to a deficit of £1,510,444.

Investment Policy

The Trust has not undertaken any investments of reserve funds during the financial year. Therefore the Trust does not have an investment policy in place. The majority of unofficial fund balances are retained in higher rate deposit accounts.

Principal Risks and Uncertainties

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Trusts internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Trust Body will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Trust, and the challenges which may arise as a result of local and national uncertainties.

A risk register, covering low, medium and high level risks, is maintained at Trust level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The Trusts approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the Trust. In addition, the Head Teacher and Head of School incorporate risk management in their self assessment reports and quality improvement plans.

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Outlined below is a description of the principal risk factors that may affect the Trust. However, not all factors are within the Trust's control and other factors besides those listed below may also adversely affect the Trust.

1. Government funding

The Trust has considerable reliance on continued Government funding through the Education Skills Funding Agency (ESFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the Trust is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the School budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS 17.

The Trust takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable. The current deficit, as reported by Hyman Robinson, Actuarial Assessors, stands at £2,287,000.

3. Pupil Strategy

The schools seek to maintain their popularity with current and prospective pupils by:

- ensuring the Schools deliver high quality education and training;
- At Henlow, maintaining outstanding success rates and good inspection outcomes (Good Ofsted September 2019); and SIAMS Outstanding June 2017: whilst supporting Meppershall to improve their inspection outcomes.
- investing in its teaching staff and resources.
- extending the age range of the Schools in line with Central Bedfordshire Councils plans

With ongoing commitment to quality, the Schools provide excellent opportunities for pupils of all abilities and is proud of its reputation as an institution which supports pupils to achieve their best in an environment which is safe, caring and focuses on its Christian ethos.

This places the Schools in an excellent position to attract new pupils.

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TRUSTEES' REPORT (CONTINUED)
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Plans for Future Periods

- Pedagogy – staff involved in the full range of CPD activities
- Pupil Premium – continue our focus on the impact of this resource
- Development of leadership at all levels - including NPQs
- Collaboration – in a range of ways with our feeder lower schools and other neighbouring lowers
- Developing independence – through options in Years 7 8 and 9
- Stretching the most able and supporting appropriately
- A focus on the fully rounded individual – highlight our ethos
- The feeling of success – continue to develop the rewards systems
- Meaningful performance review – trialling a new system for use across the MAT
- Continuing with our development of the curriculum for all year groups, including GCSE
- Interpreting national freedoms and making the right choices across the MAT
- Public Relations – newsletter, “school gates” and local press for the new MAT
- Becoming the school of choice for ALL of our community
- An explicit focus on the extended age range: curriculum, ethos and facilities.
- Ensuring we provide quality remote education for pupils who are not able to be in school due to the current Covid-19 era.

Funds Held as Custodian Trustee on Behalf of Others

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2021 and signed on its behalf by:

Mrs C Earp
Headteacher

Mr P Huntley
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Poppy Hill Church of England Multi 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 Executive 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 Poppy Hill Church of England Multi 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 6 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
Mrs Alison Allen	3	4
Mr Edwin Barnes	4	6
Mr Gavin Coombs	6	6
Rev Patsy Critchley	2	4
Mrs Caren Earp, Head Teacher and Accounting Officer	6	6
Mrs Karen Evans	3	4
Mr Paul Hayward	4	6
Mr Perry Huntley, Chair of Trustees	5	6
Rev Shaun Speller	4	6
Mrs Tracy Molyneux	5	6
Mrs Julia Cave	3	4
Mrs Nicola Cooper	2	4
Mrs N Matthiae	4	6
Mr David Middlebrook	1	4

Review of year:

In July 2020 Henlow Church of England Academy was approached by the Department of Education, Regional Schools' Commissioner and the Diocese of St Albans to convert to a multi academy trust status to assist Meppershall Church of England Academy with the outcomes at their school following an 'Inadequate' Ofsted rating. This change happened on 1st April 2020 when the Poppy Hill Church of England Multi Academy Trust was formed.

From 1st April 2021 an additional Member was recruited and a previous Trustee moved to the position within the new Local Governing Body Committee. This single committee covers both Schools.

We continue to have a good mix of skills within our Trustee team covering the main areas such as finance, health & safety, curriculum and church ethos amongst others. A skills audit is undertaken annually to ensure that there is experience in all areas.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

As well the challenge to become a multi academy trust, the area is in the process of changing to 2 tier educational structure. 2021/22 academic year will be the first year that Henlow CfE Academy has year 9 students. Henlow CE Academy is undergoing expansion in its facilities to accommodate a GCSE curriculum. This is being funded by Central Bedfordshire Council.

The Trust Board continues to focus on the future of the Schools as a key priority.

During the Covid-19 epidemic the Trustees continued with virtual meetings this academic year. They ensured that Henlow CE Academy continued to offer high quality teaching and learning throughout the year and that Meppershall CE Academy is supported fully in raising their practices to return to the same standard as Henlow.

Governance reviews:

As part of the change to a multi academy trust a full governance review was undertaken by an external consultant formed to ensure that it meets the criteria set out by the ESFA and is of most benefit to school improvement.

The Academy Business Committee is a sub-committee of the main Board of Trustees. The Academy Business Committee is also attended by all Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to curriculum delivery and personnel management, comply with regulatory requirement and receive management reports from the Head Teacher and senior leaders in relation to pupil performance, safeguarding and human resource management. The Committee also has responsibility for agreeing staffing levels and curriculum policies for the Schools. Ensuring compliance with all of the regulations relating safer recruitment practices and the safeguarding of pupils is also a responsibility of this Committee. The Committee met six times during the year.

Attendance during the year at meetings was as follows:

Committee Member	Meetings attended	Out of a possible
Mrs Alison Allen	0	6
Mr Edwin Barnes	4	6
Mrs Gavin Coombs	4	6
Mr Perry Huntley	3	6
Rev Patsy Critchley	5	6
Mrs Tracy Molyneux	4	6
Mr Paul Hayward	6	6
Rev Shaun Speller	2	6
Mrs Caren Earp	6	6
Mrs Karen Evans	6	6
Mr David Middlebrook	4	6
Mrs Nathalie Matthiae	3	4
Mrs Nicola Cooper	3	4
Mrs Julia Cave	2	4
Mrs Jacqui Burke	1	6

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the 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 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 has delivered improved value for money during the year by:

- Shared contracts across the Trust were reviewed to ensure best value for money services. E.g. Diocese Service Level Agreement – A discount was sought as we are now a MAT
- Careful planning of staffing across the MAT to minimise costs incurred when staff are on long term sick.
- Timetabling and recruitment across the Trust have been the focus for setting new 2021/22 budget to ensure staffing costs are sustainable while the Schools transfer to two tier.

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 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 Poppy Hill Church of England Multi 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the 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 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 Academy Business 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; and
- identification and management of risks.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Directors has decided to buy-in an internal audit service from Susan Baker at Henlow Academy CE Academy & Justine McCarthy at Meppershall CE Academy to carry out a programme of internal checks

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

- Monthly advances from the Department of Education have been processed and agree with the schedule sent to the School by the ESFA
- Ensure all monies collected are properly recorded on the accounting system and authorised appropriately, ensuring separation of duties.
- Review control account reconciliations to ensure they have been correctly prepared and authorised

On a termly basis, each Internal Auditor reports to the Board of Trustees through the Academy Business Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditors have delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the External Auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the senior leaders within the 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 Academy Business 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 Directors on 7 December 2021 and signed on their behalf by:

Mrs C Earp
Headteacher

Mr P Huntley
Chair of Trustees

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Poppy Hill Church of England Multi Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

Mrs Caren Earp
Accounting Officer
Date: 7 December 2021

POPPY HILL CHURCH OF ENGLAND MULTI 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on 8 December 2021 and signed on its behalf by:

Mr Perry Huntley
Chair of Trustees

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of Poppy Hill Church of England Multi Academy Trust (the '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 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 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 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.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY HILL CHURCH OF ENGLAND MULTI 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY HILL CHURCH OF ENGLAND MULTI 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:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board Assurance Reporting and the Internal Scrutiny Reports.

We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POPPY
HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST (CONTINUED)**

Use of our report

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

10 December 2021

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POPPY HILL
CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 13 March 2019 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 Poppy Hill Church of England Multi 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 Poppy Hill Church of England Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Poppy Hill Church of England Multi 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 Poppy Hill Church of England Multi Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Henlow Church of England Academy's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Poppy Hill Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 19 March 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 Trust's income and expenditure.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POPPY HILL
CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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.

Price Bailey LLP
Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 10 December 2021

POPPY HILL CHURCH OF ENGLAND MULTI 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	2	(17,565)	(307,534)	4,015,712	3,690,613	392,402
Charitable activities	3	52,846	4,125,664	-	4,178,510	3,390,214
Other trading activities	4	93,223	-	-	93,223	34,515
Investments	5	169	-	-	169	157
Total income		<u>128,673</u>	<u>3,818,130</u>	<u>4,015,712</u>	<u>7,962,515</u>	<u>3,817,288</u>
Expenditure on:						
Charitable activities	6	72,806	4,047,024	132,524	4,252,354	3,591,251
Total expenditure		<u>72,806</u>	<u>4,047,024</u>	<u>132,524</u>	<u>4,252,354</u>	<u>3,591,251</u>
Net (expenditure)/ income		55,867	(228,894)	3,883,188	3,710,161	226,037
Transfers between funds	17	-	(19,997)	19,997	-	-
Net movement in funds before other recognised gains/(losses)		<u>55,867</u>	<u>(248,891)</u>	<u>3,903,185</u>	<u>3,710,161</u>	<u>226,037</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(237,000)	-	(237,000)	(428,000)
Net movement in funds		<u>55,867</u>	<u>(485,891)</u>	<u>3,903,185</u>	<u>3,473,161</u>	<u>(201,963)</u>
Reconciliation of funds:						
Total funds brought forward	17	151,272	(1,113,346)	4,050,466	3,088,392	3,290,355
Net movement in funds		55,867	(485,891)	3,903,185	3,473,161	(201,963)
Total funds carried forward		<u>207,139</u>	<u>(1,599,237)</u>	<u>7,953,651</u>	<u>6,561,553</u>	<u>3,088,392</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07996350

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	7,397,279	4,050,466
		7,397,279	4,050,466
Current assets			
Debtors	14	750,650	515,641
Cash at bank and in hand		1,381,589	334,147
		2,132,239	849,788
Creditors: amounts falling due within one year	15	(371,965)	(261,862)
		1,760,274	587,926
Net current assets			
Creditors: amounts falling due after more than one year	16	(309,000)	(272,000)
		8,848,553	4,366,392
Net assets excluding pension liability			
Defined benefit pension scheme liability	24	(2,287,000)	(1,278,000)
		6,561,553	3,088,392
Total net assets			
		6,561,553	3,088,392
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	7,953,651	4,050,466
Restricted income funds	17	687,763	164,654
		8,641,414	4,215,120
Restricted funds excluding pension liability	17	8,641,414	4,215,120
Pension reserve	17	(2,287,000)	(1,278,000)
		6,354,414	2,937,120
Total restricted funds			
Unrestricted income funds	17	207,139	151,272
		6,561,553	3,088,392
Total funds			
		6,561,553	3,088,392

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 26 to 57 were approved by the Trustees, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

Mrs C Earp
Headteacher

Mr P Huntley
Chair of Trustees

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07996350

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	464,921	481,560
Cash flows from investing activities			
	20	582,521	(285,614)
Change in cash and cash equivalents in the year		1,047,442	195,946
Cash and cash equivalents at the beginning of the year		334,147	138,201
Cash and cash equivalents at the end of the year	21, 22	<u>1,381,589</u>	<u>334,147</u>

The notes on pages 29 to 57 form part of these financial statements

POPPY HILL CHURCH OF ENGLAND MULTI 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the 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.

Henlow Church of England Academy meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company Status

The Trust is a Company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Registered Office is Church Road, Henlow, Bedfordshire, SG16 6AN.

1.3 Fund accounting

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

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

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

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

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Income

All incoming resources are recognised when the 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 Trust has provided the goods or services.

• **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, 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 Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.5 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

1. Accounting policies (continued)

1.6 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

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. The Trust has recognised a site improvement asset in line with the Academies Accounts Direction 2019 to 2020 guidance, given where the site is not recognised as land and buildings within the financial statements.

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

Depreciation is provided on all tangible fixed assets other than 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 Improvements	- 50 years straight line
Fixtures and fittings	- 25% straight line
Computer Equipment	- 33% straight line
Motor vehicles	- 25% straight line

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

1.8 Operating leases

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

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(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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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 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 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 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 Interest receivable

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

1.15 Taxation

The 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 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.

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

1. Accounting policies (continued)

1.16 Right to Occupy

The Trust operates from land and buildings provided rent free by the Diocese of St Albans. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £155,000 (2020 - £136,000) per annum, on this basis a donation from the Diocese of £155,000 (2020 - £136,000) is shown in the accounts together with a notional expense of the same amount. In addition, included in both debtors and creditors is a donation in kind receivable of £464,000 (2020 - £408,000) which represents the commitment by the Diocese to provide the land and buildings rent free for a further 36 months, and the requirement to pay the future rental expenses.

The basis for the valuation above is Insurance value informed by replacement cost.

1.17 Critical accounting estimates and areas of judgement

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

2. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	(17,565)	(474,631)	147,250	(344,946)	221,465
Donation in kind	-	155,000	-	155,000	136,000
Capital grants	-	-	3,868,462	3,868,462	12,573
Educational trip contributions	-	12,097	-	12,097	22,364
Total 2021	<u>(17,565)</u>	<u>(307,534)</u>	<u>4,015,712</u>	<u>3,690,613</u>	<u>392,402</u>
Total 2020	<u>-</u>	<u>379,829</u>	<u>12,573</u>	<u>392,402</u>	

In 2020, income from donations was £221,465, all of which was restricted.

In 2020, income from donation in kind was £136,00 of which all was restricted.

In 2020, capital grants of £12,573 were in relation to restricted fixed assets.

In 2020, educational trip contributions were £22,364 of which all was restricted.

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

3. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,084,280	3,084,280	2,546,198
Other DfE/ESFA grants				
Pupil premium	-	172,429	172,429	155,174
Teachers pay grant	-	42,356	42,356	36,872
Teachers pension grant	-	125,392	125,392	108,464
Other DfE/ESFA grants	-	77,693	77,693	56,970
Trust sponsorship funding	-	70,000	70,000	-
	-	-	3,572,150	2,903,678
Other Government grants				
Local Authority grants	-	468,034	468,034	449,948
	-	468,034	468,034	449,948
Other funding				
Catering income	52,846	-	52,846	36,588
	52,846	-	52,846	36,588
COVID catch up premium and mass testing	-	85,480	85,480	-
Total 2021	52,846	4,125,664	4,178,510	3,390,214
Total 2020	36,588	3,353,626	3,390,214	

In 2020, income from DfE/ESFA grants was £2,903,678 of which all was restricted.

In 2020, income from other Government grants was £449,948 of which all was restricted.

In 2020, income from catering was £36,588 of which all was unrestricted.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Trust's funding for Universal Infant Free School Meals, Teachers pay grant, Teachers pension grant, Trust sponsorship funding 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.

The Trust received £85,480 of funding for catch-up premium and costs incurred in respect of this funding totalled £18,600, with the remaining £66,880 to be spent in 2021/22.

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

4. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	86,828	86,828	27,493
Other income	6,395	6,395	7,022
Total 2021	93,223	93,223	34,515
Total 2020	34,515	34,515	

In 2020, lettings income was £27,493 of which all was unrestricted.

In 2020, other income was £7,022 of which all was unrestricted.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	169	169	157
Total 2020	157	157	

In 2020, all investment income was in relation to unrestricted funds.

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

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Direct costs	2,150,986	2,351	256,555	2,409,892	2,163,976
Support costs	1,119,933	264,993	457,536	1,842,462	1,427,275
Total 2021	<u>3,270,919</u>	<u>267,344</u>	<u>714,091</u>	<u>4,252,354</u>	<u>3,591,251</u>
Total 2020	<u>2,706,287</u>	<u>209,518</u>	<u>675,446</u>	<u>3,591,251</u>	

In 2021, of the total expenditure, £72,806 (2020 - £49,496) was from unrestricted funds, £4,047,024 (2020 - £3,489,060) was from restricted funds and £123,545 (2020 - £52,695) was from restricted fixed asset funds.

In 2020, direct expenditure consisted of £1,927,513 staff costs and £236,463 other costs.

In 2020, support expenditure consisted of £778,774 staff costs, £209,518 premises costs and £438,983 other costs.

7. Charitable activities

	2021 £	2020 £
Direct costs	2,409,892	2,163,976
Support costs	1,842,462	1,427,275
	<u>4,252,354</u>	<u>3,591,251</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	1,119,933	778,774
Depreciation	123,545	52,695
Premises costs	141,448	158,561
Other support costs	419,259	365,691
Governance costs	13,886	47,819
Professional Services	24,391	23,735
	<u>1,842,462</u>	<u>1,427,275</u>

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

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	29,509	29,509
Depreciation of tangible fixed assets	123,545	52,695
Fees paid to Auditors for:		
- Audit	8,000	5,440
- Other services	6,720	5,320
	238,474	92,264

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,280,657	1,961,405
Social security costs	216,737	182,984
Pension costs	717,776	547,864
	3,215,170	2,692,253
Agency staff costs	55,749	14,034
	3,270,919	2,706,287

Other staff costs comprise £55,749 of agency costs.

	2021 £	2020 £
Settlement agreements	-	5,391
	-	5,391

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

9. Staff (continued)

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	39	38
Management	3	2
Administration, support and other staff	48	42
	90	82
	90	82

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	-
In the band £90,001 - £100,000	1	1
	1	1
	1	1

d. Key management personnel

The key management personnel of the 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 Trust was £602,501 (2020 - £570,415).

Employer national insurance contributions included within key management personnel remuneration was £50,788 (2020 - £48,330)

Employer pension contributions included within key management personnel remuneration was £105,222 (2020 - £101,342)

10. Central services

No central services were provided by the Trust to its Academies during the year and no central charges arose. All central costs are shared between the two Academies on an appropriate apportionment basis.

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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 Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Mrs Caren Earp, Head Teacher and Accounting Officer	Remuneration	90,000 - 95,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs Sheree Gudgin	Remuneration		10,000 - 15,000
	Pension contributions paid		0 - 5,000
Mrs Susan Jones	Remuneration		15,000 - 20,000
	Pension contributions paid		0 - 5,000
Mrs Karen Evans	Remuneration	10,000 - 15,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
Mrs Nicola Cooper	Remuneration	15,000 - 20,000	
	Pension contributions paid	0 - 5,000	
Mrs Julia Cave	Remuneration	25,000 - 30,000	20,000 - 25,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

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 Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 30 April 2021 is included in the total insurance cost.

The Trust has opted into the Department of Education's risk protection arrangement (RPA) from May 2020, an alternative to insurance where the UK Government funds cover the losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Building Improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	4,517,329	98,453	156,662	16,610	4,789,054
Additions	3,268,430	-	54,680	-	3,323,110
On transfer of Academy	161,234	4,810	15,750	-	181,794
Disposals	-	(5,450)	-	-	(5,450)
At 31 August 2021	<u>7,946,993</u>	<u>97,813</u>	<u>227,092</u>	<u>16,610</u>	<u>8,288,508</u>
Depreciation					
At 1 September 2020	504,909	90,794	139,410	3,475	738,588
Charge for the year	92,658	8,070	18,664	4,153	123,545
From transfer of Academy	20,877	1,542	12,127	-	34,546
On disposals	-	(5,450)	-	-	(5,450)
At 31 August 2021	<u>618,444</u>	<u>94,956</u>	<u>170,201</u>	<u>7,628</u>	<u>891,229</u>
Net book value					
At 31 August 2021	<u><u>7,328,549</u></u>	<u><u>2,857</u></u>	<u><u>56,891</u></u>	<u><u>8,982</u></u>	<u><u>7,397,279</u></u>
At 31 August 2020	<u><u>4,012,420</u></u>	<u><u>7,659</u></u>	<u><u>17,252</u></u>	<u><u>13,135</u></u>	<u><u>4,050,466</u></u>

The Academy has recognised a site improvement asset in line with the Academies Accounts Direction 2020 to 2021 guidance, given where the site is not recognised as land and buildings within the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2021 £	2020 £
Due after more than one year		
Donation in kind	309,000	272,000
	309,000	272,000
Due within one year		
Trade debtors	760	6,570
VAT recoverable	198,104	41,479
Prepayments and accrued income	87,786	59,592
Donation in kind	155,000	136,000
	750,650	515,641

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	52,770	40,311
Other creditors	271,314	187,086
Accruals and deferred income	47,881	34,465
	371,965	261,862
	2021 £	2020 £
Deferred income at 1 September 2020	967	-
Resources deferred during the year	13,979	12,399
Amounts released from previous periods	(967)	(11,432)
	13,979	967

Resources deferred in the year relate to ESFA funding received in advance for the 2021/22 academic year.

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

	2021 £	2020 £
Other creditors	309,000	272,000
	309,000	272,000

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds	151,272	128,673	(72,806)	-	-	207,139
Restricted general funds						
GAG	66,184	3,084,280	(2,593,898)	(19,997)	-	536,569
Other DfE/ESFA grants	3,929	400,921	(337,970)	-	-	66,880
Other Government grants	-	468,034	(468,034)	-	-	-
School fund	84,727	57,920	(58,333)	-	-	84,314
Pupil Premium	9,814	172,429	(182,243)	-	-	-
Educational visits	-	12,097	(12,097)	-	-	-
Right to occupy	-	155,000	(155,000)	-	-	-
Restricted donations	-	31,449	(31,449)	-	-	-
Pension reserve	(1,278,000)	(564,000)	(208,000)	-	(237,000)	(2,287,000)
	<u>(1,113,346)</u>	<u>3,818,130</u>	<u>(4,047,024)</u>	<u>(19,997)</u>	<u>(237,000)</u>	<u>(1,599,237)</u>
Restricted fixed asset funds						
DFC	-	18,834	(8,979)	6,434	-	16,289
Other capital grants	-	3,849,628	-	(3,309,545)	-	540,083
Restricted fixed asset fund	4,050,466	147,250	(123,545)	3,323,108	-	7,397,279
	<u>4,050,466</u>	<u>4,015,712</u>	<u>(132,524)</u>	<u>19,997</u>	<u>-</u>	<u>7,953,651</u>
Total Restricted funds	<u>2,937,120</u>	<u>7,833,842</u>	<u>(4,179,548)</u>	<u>-</u>	<u>(237,000)</u>	<u>6,354,414</u>
Total funds	<u><u>3,088,392</u></u>	<u><u>7,962,515</u></u>	<u><u>(4,252,354)</u></u>	<u><u>-</u></u>	<u><u>(237,000)</u></u>	<u><u>6,561,553</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

Unrestricted funds

This represents income received which may be used towards meeting any of the charitable objectives of the Trust.

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

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

Other DfE/ESFA grants

This represents various grants from the DfE and ESFA for the provision of specific services to pupils of the Trust.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Other government grants

This represents allocated funding for special educational needs pupils and funding for the future growth of the Trust.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Schools and the associated costs of running the trips.

Right to occupy

This fund represents the rent free occupation of the land and buildings from the Diocese of St Albans.

Pension reserve

This fund represents the Trust's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from being state controlled schools.

Restricted fixed assets fund

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. The transfer between funds represents fixed assets purchased through capital funding.

DfE/ESFA capital grants

This represents funding received from ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

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17. Statement of funds (continued)

Devolved formula capital (DFC)

This represents funding received from ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

School fund

This fund represents the restricted income activity in relation to the Trust's extra-curricular activity.

Restricted donations

This represents funding received to be used to achieve a specific charitable objective of the Academy.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds	129,508	71,260	(49,496)	-	-	151,272
Restricted funds						
GAG	-	2,546,198	(2,480,014)	-	-	66,184
Other DfE/ESFA grants	-	202,306	(198,377)	-	-	3,929
Other Government grants	67,175	449,948	(215,352)	(301,771)	-	-
School fund	44,855	201,076	(161,204)	-	-	84,727
Pupil Premium	-	155,174	(145,360)	-	-	9,814
Educational visits	-	22,364	(22,364)	-	-	-
Right to occupy	-	136,000	(136,000)	-	-	-
Restricted donations	-	20,389	(20,389)	-	-	-
Pension reserve	(740,000)	-	(110,000)	-	(428,000)	(1,278,000)
	<u>(627,970)</u>	<u>3,733,455</u>	<u>(3,489,060)</u>	<u>(301,771)</u>	<u>(428,000)</u>	<u>(1,113,346)</u>
Restricted fixed asset funds						
DFC	-	12,573	-	(12,573)	-	-
Restricted fixed asset fund	3,788,817	-	(52,695)	314,344	-	4,050,466
	<u>3,788,817</u>	<u>12,573</u>	<u>(52,695)</u>	<u>301,771</u>	<u>-</u>	<u>4,050,466</u>
Total Restricted funds	<u>3,160,847</u>	<u>3,746,028</u>	<u>(3,541,755)</u>	<u>-</u>	<u>(428,000)</u>	<u>2,937,120</u>
Total funds	<u><u>3,290,355</u></u>	<u><u>3,817,288</u></u>	<u><u>(3,591,251)</u></u>	<u><u>-</u></u>	<u><u>(428,000)</u></u>	<u><u>3,088,392</u></u>

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17. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Henlow Church of England Academy	877,753	315,926
Meppershall Church of England Academy	8,546	-
Central services	8,603	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	894,902	315,926
Restricted fixed asset fund	7,953,651	4,050,466
Pension reserve	(2,287,000)	(1,278,000)
	<hr/>	<hr/>
Total	6,561,553	3,088,392
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Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Henlow Church of England Academy	2,023,063	1,068,039	160,447	610,182	3,861,731	3,538,556
Meppershall Church of England Academy	127,923	51,894	9,183	86,681	275,681	-
Central services	-	-	-	(8,603)	(8,603)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trust	2,150,986	1,119,933	169,630	688,260	4,128,809	3,538,556
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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18. 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	-	-	7,397,279	7,397,279
Debtors due after more than one year	-	309,000	-	309,000
Current assets	207,139	1,059,728	556,372	1,823,239
Creditors due within one year	-	(371,965)	-	(371,965)
Creditors due in more than one year	-	(309,000)	-	(309,000)
Provisions for liabilities and charges	-	(2,287,000)	-	(2,287,000)
Total	<u>207,139</u>	<u>(1,599,237)</u>	<u>7,953,651</u>	<u>6,561,553</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,050,466	4,050,466
Debtors due after more than one year	-	272,000	-	272,000
Current assets	151,272	426,516	-	577,788
Creditors due within one year	-	(261,862)	-	(261,862)
Creditors due in more than one year	-	(272,000)	-	(272,000)
Provisions for liabilities and charges	-	(1,278,000)	-	(1,278,000)
Total	<u>151,272</u>	<u>(1,113,346)</u>	<u>4,050,466</u>	<u>3,088,392</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	3,710,161	226,037
Adjustments for:		
Depreciation	123,545	52,695
Capital grants from DfE and other capital income	(3,868,462)	(12,573)
Interest receivable	(169)	(157)
Defined benefit pension scheme movements	208,000	110,000
Defined benefit pension liability received on transfer	564,000	-
(Increase)/decrease in debtors	(235,009)	32,548
Increase in creditors	110,103	73,010
Donated assets	(147,248)	-
Net cash provided by operating activities	464,921	481,560

20. Cash flows from investing activities

	2021 £	2020 £
Interest received	169	157
Notional rent adjustment	37,000	16,000
Purchase of tangible fixed assets	(3,323,110)	(314,344)
Capital grants from DfE Group	18,834	12,573
Capital funding received from others	3,849,628	-
Net cash provided by/(used in) investing activities	582,521	(285,614)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,381,589	334,147

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	334,147	1,047,442	-	1,381,589
Debt due within 1 year	-	-	(37,496)	(37,496)
	<u>334,147</u>	<u>1,047,442</u>	<u>(37,496)</u>	<u>1,344,093</u>

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>3,193,916</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

The 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 Bedford Borough 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 £65,700 were payable to the schemes at 31 August 2021 (2020 - £51,086) 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; and
- 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 £372,365 (2020 - £340,203).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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24. 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 £193,000 (2020 - £134,000), of which employer's contributions totalled £155,000 (2020 - £107,000) and employees' contributions totalled £ 38,000 (2020 - £27,000). The agreed contribution rates for future years are 22.51 per cent for employers and 5.5 - 6.8 per cent for employees.

As described in note 1.17 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.9	3.25
Rate of increase for pensions in payment/inflation (CPI)	2.9	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (RPI)	3.2	3.00
Commutation rate	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 Years	2020 Years
Retiring today		
Males	21.9	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	22.9	23.4
Females	26.0	26.1

As at 31 August 2020, the Trust had a pension liability of £2,287,000 (2020 - £1,278,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

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

24. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(116)	(72)
Discount rate -0.1%	119	74
Mortality assumption - 1 year increase	200	98
Mortality assumption - 1 year decrease	(192)	(95)
CPI rate +0.1%	108	66
CPI rate -0.1%	(105)	(65)
	<u> </u>	<u> </u>

Share of scheme assets

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

	2021 £	2020 £
Equities	1,782,000	1,197,000
Property	237,000	167,000
Cash and other liquid assets	56,000	106,000
Bonds	476,000	284,000
	<u> </u>	<u> </u>
Total market value of assets	<u>2,551,000</u>	<u>1,754,000</u>

The actual return on scheme assets was £243,000 (2020 - £90,000).

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

	2021 £	2020 £
Current service cost	(338,000)	(203,000)
Interest income	32,000	27,000
Interest cost	(55,000)	(40,000)
Administrative expenses	-	(1,000)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	<u>(361,000)</u>	<u>(217,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	3,032,000	2,175,000
Current service cost	338,000	203,000
Interest cost	55,000	40,000
Employee contributions	38,000	27,000
Actuarial losses	448,000	631,000
Benefits paid	(21,000)	(44,000)
Liabilities assumed on settlements	948,000	-
At 31 August	<u>4,838,000</u>	<u>3,032,000</u>

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

	2021 £	2020 £
At 1 September	1,754,000	1,435,000
Interest income	32,000	27,000
Actuarial gains	211,000	203,000
Employer contributions	155,000	107,000
Employee contributions	38,000	27,000
Benefits paid	(21,000)	(44,000)
Administration expenses	(2,000)	(1,000)
Settlement prices received	384,000	-
At 31 August	<u>2,551,000</u>	<u>1,754,000</u>

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	15,769	29,509
Later than 1 year and not later than 5 years	22,446	49,748
	<u>38,215</u>	<u>79,257</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. 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.

27. Related party transactions

Owing to the nature of the 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 Trustee 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Trust operates from land and buildings provided rent free by the Diocese of St Albans. Under agreements between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from year end if it wished to terminate these agreements. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £155,000 (2020 - £136,000) per annum, on this basis a donation from the Diocese of £155,000 (2020 - £136,000) is shown in the accounts together with a notional expense of the same amount. In addition, included in both debtors and creditors is a donation in kind receivable of £464,000 (2020 - £408,000) which represents the commitment by the Diocese to provide the land and buildings rent free for a further 36 months, and the requirement to pay the future rental expenses.

During the year the Trust paid £1,513 (2020 - £1,165) to the Diocese of St Albans with regards to a service level agreement. The Archdeacon of Bedford, Mr David Middlebrook is a Trustee of the Trust. No balance was owing at the year end (2020 - £Nil).

There were no other related party transactions in the year which with the exception of certain Trustee remunerations and expenses already disclosed in note 10.

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

28. Transfer of existing academies into the trust

Meppershall Church of England Academy

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Intangible assets			
Tangible fixed assets			
Long-term leasehold property	824,485	(824,485)	-
Leasehold improvements	140,359	-	140,359
Furniture and equipment	3,268	-	3,268
Computer equipment	3,623	-	3,623
Current assets			
Debtors due within one year	20,646	-	20,646
Cash at bank and in hand	34,935	-	34,935
Liabilities			
Creditors due within one year	(73,146)	-	(73,146)
Pensions			
Pensions - pension scheme assets	384,000	-	384,000
Pensions - pension scheme liabilities	(948,000)	-	(948,000)
Net assets/(liabilities)	<u>390,170</u>	<u>(824,485)</u>	<u>(434,315)</u>

A fair value adjustment was made to the value of long term leasehold property to which the Trust did not have sufficient entitlement to recognise under the terms of the supplementary agreement between the Trust and the Diocese which only gives the Trust the right to occupy the premises previously accounted for a long term leasehold property.