

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 13
<b>Governance Statement</b>	14 - 18
<b>Statement on Regularity, Propriety and Compliance</b>	19
<b>Statement of Trustees' Responsibilities</b>	20
<b>Independent Auditors' Report on the Financial Statements</b>	21 - 24
<b>Independent Reporting Accountant's Report on Regularity</b>	25 - 26
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	27
<b>Balance Sheet</b>	28 - 29
<b>Statement of Cash Flows</b>	30
<b>Notes to the Financial Statements</b>	31 - 61

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	John Andersen, Chair of Members Ben Turner Peter Fraser Tim Bishop John Organ (appointed 18 March 2021)
<b>Trustees</b>	Peter Fraser, Chair of Trustees Michael Cole Peter Hardy James Wright Patricia Bell Steven Gray Sadie Lofthouse James Adams, CEO/Accounting Officer Shirley Gates Donna Harris
<b>Company registered number</b>	08347874
<b>Company name</b>	Clarion Academy Trust
<b>Principal and registered office</b>	Kittens Lane Loddon Norwich Norfolk NR14 6JU
<b>Senior management team</b>	Mr J Adams, CEO/Accounting Officer Mrs A Hambley, Headteacher (Thurilton) Mr M Quantrill, Standards Officer Mr A Walker (resigned 31 December 2020), Headteacher (Pakefield) Mr R Li-Rocchi, Head of School (Hobart) Mr D Bagshaw (appointed 1 January 2021), Acting Head of School (Pakefield) Mr P Kirby, Trust Estates Manager
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Bankers**

Lloyds TSB Bank Plc  
16 Gentlemans Walk  
Norwich  
Norfolk  
NR2 1LZ

NatWest  
53 London Road North  
Lowestoft  
Suffolk  
NR32 1BJ

**Solicitors**

Steeles Law LLP  
Lawrence House  
5 St Andrews Hill  
Norwich  
Norfolk  
NR2 1AD

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Clarion Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates Hobart High School for pupils aged 11-16 years, serving the rural catchment area covering Loddon and the surrounding villages south east of Norwich. Thurlton Primary School for pupils aged 5-11 draws its pupils from Thurlton, Norton Subcourse, Raveningham, Thorpe-Next-Haddiscoe and other surrounding villages. Pakefield High School serves Pakefield, Carlton Colville and the surrounding area.

Hobart High School has a capacity of 820 and a roll of 659. Thurlton Primary has a capacity of 105 with current roll of 56 in the 2021 census. Pakefield High School has a capacity of 900 and a roll of 678.

**Structure, governance and management**

**a. Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company is known as Clarion Academy Trust.

The operation of The Trust's schools and employment of staff are the responsibility of the Trustees. The Trust retains control of the schools budget and finances, and monitors these through its Property and Finance Committee. Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the 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.

**c. Trustees' indemnities**

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 £10,000,000 on any one claim.

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

Trustees are appointed for a term of four years and are eligible for re-election. The Articles of Association of the Charitable Company set out the number and type of Trustees of the Academy in paragraphs 50 to 65. The Chief Executive Officer (CEO) is an ex-officio Trustee. Parent and Staff Trustees are elected by parents and staff respectively, or appointed by the Board of Trustees if there are insufficient candidates offering themselves for election. The Members may appoint up to 11 Trustees. The Board of Trustees can appoint Co-opted Trustees.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

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

The Charitable Company is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. The Trust purchases a governor support service from Educator Solutions which enables all Trustees to obtain advice and undertake a wide range of training courses at no cost.

All new Trustees are entitled to an induction into the role, according to their need, which may include introductory sessions, mentoring and formal courses. The induction process will include a meeting with the Chair of Trustees and Chief Executive Officer (CEO); a tour of the schools and the opportunity to meet with students and staff. All Trustees are provided with a range of policy and procedure documents that are appropriate to the role they undertake as Trustees and with particular emphasis on the committee work that they undertake.

**f. Organisational structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least five occasions per year, is responsible for: the strategic direction of the Trust; setting general policy and approving major decisions about the direction of the Trust, including senior appointments. The Board of Trustees approves an annual development plan and reviews progress towards educational objectives and academic results. They also approve major expenditure requests, set the budget for the following year and agree and review the performance objectives of the Chief Executive Officer (CEO) with the School Improvement Partner. The Board of Trustees receives reports from the three Local Governing boards set up to monitor and ensure that the curriculum and teaching and learning is of the highest possible standard. The Trust Property and Finance Committee reports to the Trustees on all Financial and compliance issues making recommendations as appropriate. The terms of reference of the committees are reviewed by the Board of Trustees annually and are published on the Trust website.

The Chief Executive Officer (CEO) is the designated Accounting Officer of the Trust and has overall responsibility for the day to day financial management of the Charitable Company. The Chief Executive Officer (CEO) has delegated responsibility for managing the budget within the agreed Schedule of Delegation as set out in the Finance Policy. The Trust Property and Finance Committee monitor income and expenditure against the annual budgets and a system of financial controls is in place to manage all financial processes and transactions.

The Chief Executive Officer (CEO) directs the Trust at an executive level, implementing policies and reporting to the Board of Trustees. The Chief Executive Officer (CEO) is supported by the Senior Leadership Teams in managing the operation of the Trust, in particular organising staff, resources and pupils. They are responsible for the authorisation of expenditure within agreed budgets and for the appointment of staff following vetting and safeguarding procedures.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

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

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. The Senior Leadership Team is identified as key management personnel.

No Trustees receive any remuneration for their work as Trustees on behalf of the Trust.

The pay of all teaching members of the Senior Leadership Team is in accordance with the nationally agreed Leadership Pay Spine as set out in the Teachers Pay and Conditions Document. The pay of the non-teaching member of the Senior Leadership Team is in accordance with the nationally agreed pay scale set by the National Joint Council for Local Government Services. Within these frameworks, pay and remuneration is decided by a variety of factors, such as the school group size, salary ranges, the level of responsibility of each post, the level of experience of each staff member and performance management outcomes. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment, pay and performance management policies.

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

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. Staff questionnaires have been carried out and staff inset training implemented based on areas of need. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

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

- CAT Equality and Objectives Policy
- CAT Health, Safety and Welfare Policy

In accordance with the Trust's Equality and Objectives policy, the Trust has long-established fair employment practices in the recruitment, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

**i. Related parties and other connected charities and organisations**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. The Trust maintains a Register of Business and Pecuniary Interests that is published on its website and an item requiring declaration of interests is included on the agendas of all meetings of the Board of Trustees and its Committees.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Norfolk County Council
- Educator Solutions
- Maintained Cluster Primary Schools
- Academy Cluster Primary Schools
- Suffolk County Council/Schools Choice
- ASCL
- Norfolk Constabulary
- Educate Norfolk
- Corvus Education Trust

The Trust does not have a formal sponsor.

**Objectives and activities**

**a. Objects and aims**

As set out in the Articles of Association, the Trust's object is to advance for the public benefit education in the United Kingdom, and;

- to establish high quality teaching, learning and assessment;
- to provide a full and diverse curriculum and other activities;
- to provide an environment where every child and every member of staff matters;
- the provision of community facilities

With that in mind, we will be focusing on:

- The safe opening of all schools and ensuring that the curriculum can be delivered as fully as possible.
- Identifying any gaps in learning, particularly in key groups and using the Recovery Premium funding and the National Tutor Programme to address these gaps.
- Identifying any mental health issues with the staff and pupil/student bodies and supporting as fully as possible.

We are also entering into a strategic partnership with Corvus Education Trust. Corvus is a local Trust with four primary/infant schools. It is hoped that the Trusts will merge to form a new Trust within the next 12-18 months. During that time, we look to develop links and closer working relationships. Both Trusts will share a CEO.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

**Hobart High School**

The 2021-22 School Improvement & Development Plan (SIDP) objectives reflect our priorities in teaching and learning development (objectives 2 and 3), recovery / support in relation to C19 (objectives 4 and 6), and re-establishing a consistent approach to behaviour management (objective 5). These are summarised and elaborated on in the points below:

- 1) Ensure that all students make good progress, particularly boys and those in receipt of pupil premium funding (impact).

This objective remains in place from 2019-20 and 2020-21. It is not reliable to use Centre Assessed Grades from 2020 or Teacher Assessed Grades from 2021 to assess if we have had positive impacts on progress, including that for key groups. The remaining five objectives will all support the achievement of objective one.

- 2) To further develop and progress key aspects of T&L, including assessment and Rosenshine's Principles of Instruction.

The second objective is focused on the development and improvement of teaching and learning. Rosenshine's Principles are widely recognised as vital strands in underpinning clear instructions and effective questioning in teaching. There will also be developments on the ways in which we assess students in a purposeful and valid fashion. It includes the following sub-objectives:

- To ensure assessments informing intervention and planning are valid and reliable.
- To further develop student's ability to organise and effectively manage their learning independently (metacognition guidance section 6).
- To use Rosenshine's principles of instruction to review schemes of work and refine teaching.
- To ensure curriculum leaders use QA to improve T&L at department level.

- 3) To ensure that our curriculum offer embraces diversity, and that curricula are successfully implemented and sequenced in the classroom.

During the last two years, an important area of development has been curriculum – with intent the focus of 2020-21 (writing of curriculum maps) and a shift to implementation last year (schemes of work). For 2021-22, implementation of curriculum will continue to be at the heart of department progression through further development of sequencing and inclusion of diversity in the curriculum. It will include the following sub-objectives:

- To develop a culture of seizing opportunities to embrace diversity across the curriculum.
- To develop staff confidence in discussing diversity themes with students as they arise within curriculum delivery.
- To ensure there is consistency in curriculum sequencing within departments both within lessons and over scheme of work units.

- 4) To implement a range of strategies, including interventions based on assessment, that support a COVID 19 recovery plan.

The DfE have continued to fund schools in support of 'catch up' linked to the C19 situation. The National Tutoring Programme (NTP) will continue to be utilised through online provision and we will look to source school based tutors. Department/subject calendared after school intervention will remain in place and there will be emphasis on assessing impact. Key themes linked to the headline objective include:

- To ensure there is evaluation of impact for calendared interventions through assessments within sessions.
- To further develop NTP provision including establishing a new provider.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Objectives and activities (continued)**

- To build a programme of school led tutoring through use of the DfE funding.
  - To expand our offer of support for students who have struggled to engage during the C19 period
  - To ensure a proactive approach is taken to engaging key students' participation in enrichment activities
- 5) To successfully embed the school wide approach to behaviour and positive cultures ('respect').

Aspects of the C19 situation made behaviour management more challenging in the school. The respect approach being adopted will establish consistent expectations, routines and a strong climate for learning. A number of sub-objectives below have been actioned for the start of the school year.

- Finalisation through consultation of the respect behaviour management approach and guidance booklet for staff.
  - Use of CPD and communications/dept time to develop a consistent whole school approach.
  - Use of QA evidence to review and monitor consistency of approach and put actions in place as required.
  - To further develop restorative approaches within our practice.
- 6) Further develop strategies for monitoring and supporting student and staff well-being, including in response to the impacts of C19.

Staff and student wellbeing remains a headline objective on our SIDP, and there are a variety of linked actions. Sub-objectives for the headline are:

- Continue to explore and develop opportunities that contribute towards staff wellbeing
- Signposting to internal and external support for staff and students' wellbeing

**Pakefield High School**

The 2021-22 School Improvement and Development Plan reflects and builds on learning points from the summer outcomes of KS4 and evaluation of the previous SIDP and SEF. The plan is based on the school working on three broad strategic areas, Achieve, Connect and Nurture.

**Achieve**

- Ensure the sequencing of the curriculum across all subjects is robust and enables all students to build their knowledge and skills so they make progress.
- Develop teaching through CPD and reciprocal coaching so it is at the highest level and all teachers reflect on and improve their practice.
- Increase the level of challenge in lessons for all students.
- Ensure standards of behaviour and attendance are as strong as they can be.
- Review our pupil premium plan to close the gap in achievement.
- Fully implement the SEND review plan.
- Implement plans for assessment at KS3.
- Develop a clear simple strategy for homework.
- Use catch up funding strategically to support specific students and monitor its impact over time.

**Connect**

- Develop stronger links with local Primary Schools, Colleges and 6th Forms.
- Improve careers provision and links with local employers are embedded within the curriculum.
- Further improve clear, consistent communication with parents.
- Continue to develop links between subjects.
- Leads across the Trust.

**Nurture**

- Support the mental and physical health of students and staff.
- Develop understanding and respect of diversity and difference with staff and students.
- Push extracurricular activities so all students can participate.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Objectives and activities (continued)**

**Thurlton Primary School**

With the continuing impact of COVID-19 to many of the pupil's learning and attainment the aims of the school remain similar to last year: That all pupils receive a high-quality, broad education that promotes their development to prepare them for the opportunities, responsibilities and experiences of later life: To increase the number of pupils making expected or more than expected progress and achieving the expected or greater depth standard in Reading, Writing and Maths.

- Rigorous assessments of pupil attainment levels have been made during the first half of the term: We have employed a School led Tutor to deliver the Catch up programmes and pupils have been identified to access the initial intervention. The specifics of the interventions have been devised in consultation with the class teacher. With all classes now have full time (if not 95%) TA time normal school interventions will support the majority. Rigorous, planned and regular interventions have been taking place since the week beg 13th September. All are due for review this week (wk beg 11.10.21)
- A whole school focus for the school is the sequencing and progression of learning throughout the curriculum. Working with a variety of outside agencies including other local school, National College and VNET the sequencing and progression of subjects is being reviewed, knowledge, skills vocabulary and resources grids are being developed and Effective Subject :Leadership training is being accessed by the entire school, either face to face sessions, virtual live training or via Zoom recordings. We will continue to be more stringent/consistent in our use of assessment grids, next steps and up marking with greater focus on extended writing/writing for purpose in more curriculum areas than just English.
- Focus on developing SPaG lessons and Talk for Writing type approach to extend vocabulary will all enable a greater number of pupils to achieve expected/greater depth in writing. Whole School training and developing a manifest for Writing across the school has begun with all staff being involved in the process – this will be ongoing across the year.
- Raising the quality of language acquisition in MATHS in order that all pupils acquire, embed and apply vocabulary and skills and increase the number of pupils making expected or more than expected progress. Targeted Talking Maths sessions at least 3 times a week and targeted Maths interventions will support the progress of pupils.
- To develop the fluency of Reading and to support the vocabulary of writing The Power of Reading programme was purchased by the Trust. Training for one staff member has begun and all classes have used at least one book from the programme. Its suitability for Thurlton Primary and the impact the programme has on the pupils learning will be monitored and reviewed regularly throughout the year.
- Ensure our Life Skills (encompassing Relationship, Sex, Health Education (RSHE), Social, Moral, Spiritual and Cultural (SMSC) Personal, Social, Health and Emotional (PSHE) and Religious Education (RE) curriculums are in place and conform to statutory requirements. Regular CPD and monitoring to ensure these areas are embedded in the curriculum and staff are confident in the delivery of these sessions. Greater emphasis on British Values and discussions/class assemblies are linked to current affairs.
- Good Mental Health of pupils, staff and Parents/Carers remains a priority for the school– clear extensive coverage within the curriculum to ensure that our pupils remain in good mental health – that they know how and where to access support to help them and they have a vital role to play in the support of others. Mental Health training is being undertaken by one of the TA's.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Objectives and activities (continued)**

**c. Public benefit**

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The catchment area is as stated in the introduction to this report.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. As funding is based on pupil numbers this is a key performance indicator. Trustees review pupil numbers and consider the budgetary impact of any changes.

Student numbers at Hobart High School at 1st September 2020 were 654 and at 1st September 2021 were 659. However, following several years of a falling roll, student numbers are expected to stabilise and begin to increase. The fall in student numbers was consistent with the Norfolk County Council student demographic data set.

Thurlton Primary School numbers remain low as at 1st September 2021 – 56. Despite the low numbers the Trustees are supporting the school in maintaining three full classes to ensure that we can offer a quality experience for the pupils. Pleasingly, the numbers in Reception increased significantly. This gives optimism for the future viability of the school.

Pakefield High School joined us on the 1st April 2019 with a roll of 826 but as predicted this fell significantly in September 2019 to 750. September 2020 numbers reduced again to 736 and September 2021 numbers were 678. As numbers are unlikely to return to those in 2018-19, plans are being made to address the financial position that this could lead to in coming years. The SLT structure has already been streamlined with the appointment of a Head of School rather than Headteacher. A full restructure is planned for this year.

Another key financial performance indicator is staffing costs as a percentage of total expenditure. For Hobart High School, the percentage is 75.62%. For Thurlton Primary School this is 64.81% and for Pakefield High School 75.07%. For secondary academies the national average is 76.50% and for primary academies it is 76.40%. Trust staff costs are covered by the top slice which may influence the ratio. The school figures will be used in future years to monitor staff costs when comparable numbers/trends can be obtained.

Other financial key performance indicators monitored by the Trust Board are management and senior leadership costs, agency supply costs, supply teaching costs via payroll, non-staffing spend and self-generated income. All are calculated as a percentage of total revenue income.

**b. Going concern**

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

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2021 the Trust received total income of £9,109,045 (2020: £9,432,909). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £9,799,531 (2020: £9,626,666) with reserves brought forward from 2019/20 of £30,732,837. This includes; £32,129,512 of restricted fixed asset funds, £736,776 from general restricted funds, (£3,176,000) deficit in the pension reserve and £1,042,549 unrestricted funding. The carry forward for 2020/21 is £1,155,544 restricted funding (excluding the £4,622,000 deficit in relation to the pension), £1,044,312 of unrestricted funding, and £31,476,495 restricted fixed assets funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £4,622,000, included in the restricted funds noted above. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**a. Reserves policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via financial monitoring reports received by the Property and Finance Committee. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,044,312 (2020: £1,042,549). This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

In previous years, the Trustees have made a decision to designate unrestricted balances of Hobart High School for future capital projects, and of these total unrestricted funds as highlighted above, £435,770 (2020: £435,770) is available to cover future increases in costs and expenditure that may arise from these future capital projects. The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31st August 2021 was £2,199,856 (2020: £1,779,325).

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £2,602,545, which includes cash and bank accounts, along with the treasury account (2020: £2,355,589). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee/Business Manager reports and attempt to hold a minimum of £125,000 to cover short term cash flow variances.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**b. Investment policy**

A Treasury Management (Investment Policy) is reviewed annually by the Trust Property and Finance Committee and was considered at the meeting in June 2021.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk.

The Board of Trustees retains responsibility for approving the Treasury Management (Investment) Policy and authorising the opening of all bank and other financial institution accounts. The treasury management function and setting investment strategy is delegated to the Property and Finance Committee and the day to day implementation of the agreed investment strategy is the responsibility of the Accounting Officer.

The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

**c. Principal risks and uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to risks are monitored on behalf of the Trustees by the Trust Property and Finance Committee at meetings. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the Education and Skills Funding Agency (ESFA), and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable **reliance on continued Government funding** through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- **Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- **Reputational** - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- **Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- **Staffing** - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

- **Fraud and mismanagement of funds** - The Trust has appointed an independent internal auditor to carry out independent and external checks on financial systems and records as required by the Trust Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- **Financial instruments** - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- **Defined benefit pension liability** - as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each school have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

### **Fundraising**

The Academy Trust only held small fundraising events during the year. The Covid crisis meant that it was not possible for Hobart High School to hold its annual Fun Run in aid of The Big C charity. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

### **Plans for future periods**

The Clarion Improvement and Development plan informs the strategic direction of the Trust. The main aims are:

- Standards and Provision.
- Develop the strategic partnership and explore working towards a merger.
- Identify areas for joint working leading to more efficient provision and practices.
- Covid 19 Recovery.
- Trust Specific Objectives – Preparing for Ofsted.

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

The Trust does not hold funds as a custodian trustee on behalf of others.

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

Insofar as the Trustees are aware:

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

The auditors, Price Bailey LLP, are willing to continue in office and a decision on the appointment of auditors will be made at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on its behalf by:

**Peter Fraser**  
(Chair of Trustees)

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Clarion 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
Peter Fraser, Chair of Trustees	6	6
Michael Cole	4	6
Peter Hardy	5	6
James Wright	6	6
Patricia Bell	6	6
Steven Gray	6	6
Sadie Lofthouse	4	6
James Adams, CEO/Accounting Officer	6	6
Shirley Gates	4	6
Donna Harris	5	6

**Review of the year**

- Budget and staffing issues have continued to be a major focus, these were successfully managed and resulted in the overall level of reserves now satisfactory;
- The quality and timing of financial information to Trustees has continued to be good following action by the CEO to restructure and reallocate key roles;
- Covid impact and managing it, including the added pressure of delivering a testing capacity in the secondary schools
- School/academic performance. There has been no external data. Internal data, including GCSE TAGs show an improving picture across all schools.

In accordance with the DfE Governance Handbook 2020 and the Academy Trust Handbook 2021 Trustees and Trust staff worked with Internal and External Auditors to ensure their statutory duties and compliance requirements were fulfilled. In addition, other specific issues were identified and audited. Any resulting recommendations for improvements were evaluated and their implementation was or is being monitored through to a conclusion.

Across all Trust schools the impact from the Covid pandemic continued to place significant and unprecedented pressure upon all staff, students, their families and carers. Every effort was made to mitigate against the disruption this caused to the delivery of the curriculum including the on-going use of the Trusts I.T. infrastructure especially for the individuals who had to self-isolate. Collectively, the manner in which our school communities have responded has been highly commendable but the journey towards full recovery remains a challenge.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Adding to the already challenging and uncertain environment, Year 11 students nationally were unable to sit their GCSE examinations this year. Results were formulated using teacher based assessments. The controversy surrounding the uncertainties over this decision with the impact this had on staff and student well-being required careful management. School leaders and teaching staff responded in an incredibly professional and supportive manner and monitored by Trustees and Governors, the systems and practices they used were as robust as possible and followed available guidance.

The programme of audits and governance reviews continued throughout the year and Trustees are extremely grateful for the support given by the Auditors and our Trust support staff through this difficult period. Earlier changes introduced to improve the Trust's financial position and service levels to schools, together with other measures including the provision of support grants to offset some of the additional Covid costs, has meant a stable budget position has been maintained. Capital Investment has continued with projects being delivered on all school sites. In response to statutory guidance and changes in working practice the Trust Scheme of Delegation was reviewed and amended on a regular basis. Under their delegated responsibilities, local Governors continued to exercise their role by supporting their school leaders and by holding them to account for their school's overall performance.

Through our Trust and Individual School and development Improvement Plans our focus on improving standards of teaching and learning, improving outcomes for students and improving overall behaviour has been maintained. Each school leader's attention is aimed at achieving these goals. Maintaining higher levels of Parent and Carer engagement with schools has been very challenging and staff are to be congratulated on what has been achieved.

As the year progressed, Trustees were encouraged by the development of partnership arrangements with the CORVUS Education Trust. From September 2021, Clarion's C.E.O. will be employed jointly and act for both Trusts establishing ways these arrangements can be progressed. A merger of the Trusts is an option under consideration.

The Property and Finance Committee is also a sub-committee of the main Board of Trustees. Its purpose is to address financial matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Peter Fraser	6	6
Peter Hardy	6	6
Patricia Bell	6	6
Steven Gray	6	6
James Adams	6	6

**Audit Committee**

A separate Audit Committee has not been set up and internal audit and scrutiny is managed through an agenda item in each Property and Finance Committee meeting. The Trustee responsible for internal audit/scrutiny takes control of the meeting at that agenda item. Minutes form part of the main meeting minutes. Each year a range of audits are agreed and reported upon. The Trustees are considering whether a separate Audit Committee will be required as the Trust aims to grow.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

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

- Competition appropriate to the complexity of the procurement, through quotations and tenders, to ensure best quality goods and services are secured in the most cost-effective way.
- Review of staffing structures.
- Appointment of a Head of School at Pakefield High School instead of a Headteacher.
- Using national procurement frameworks.
- Reviewing and conducting tender processes for managed print service, grounds maintenance and water hygiene services, resulting in appointing single contractors for all schools within the Trust.
- Starting to align contract end dates (e.g. catering contract) to obtain economies of scale when recontracting on a trust wide basis.
- Tendering of trust HR and payroll services provision.
- Submission of grant applications to support costs of staff development and sporting facilities.
- Appraisalment of all software licences prior to renewal.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Clarion Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

The Board of Trustees employs Lovewell Blake LLP as internal auditor.

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

- Income system walkthroughs
- Payroll system control testing
- Risk Register
- Registers of Interest
- HR file reviews
- Internal controls
- Proper and regular use of funds
- Review of budgets and Management Accounts
- Financial management and monitoring
- Financial oversight & Planning
- Safeguarding
- GDPR
- Marketing and Pupil Numbers

Three times per year, the internal auditor submits a report to the Board of Trustees through the Property and Finance committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned. There were no material control issues arising from the programme of works.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

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

- 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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

On discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress.

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

Approved by order of the members of the Board of Trustees on 9 December 2021 and signed on their behalf by:

**Peter Fraser**  
Chair of Trustees

**James Adams**  
Accounting Officer

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**James Adams**  
Accounting Officer  
Date: 9 December 2021

**CLARION 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 (including the Strategic Report and Directors' Report) and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 9 December 2021 and signed on its behalf by:

**Peter Fraser**  
Chair of Trustees

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CLARION ACADEMY TRUST**

**Opinion**

We have audited the financial statements of Clarion Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CLARION 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; and
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

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

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CLARION 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 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 meetings and other relevant sub-committees of the Board 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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our Auditors' Report.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CLARION ACADEMY TRUST (CONTINUED)**

**Use of our report**

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

**John Warren BSc FCA (Senior Statutory Auditor)**

for and on behalf of

**Price Bailey LLP**

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

21 December 2021

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CLARION  
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 August 2018 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 Clarion 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 Clarion Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Clarion 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 Clarion Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Clarion Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2018 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 Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust.
- Evaluation of the general control environment of the Academy 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.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CLARION  
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

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

Reporting Accountant  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR

Date: 21 December 2021

**CLARION 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 £
<b>Income from:</b>						
Donations and capital grants	3	2,500	(21,521)	66,715	47,694	463,854
Other trading activities		44,171	13,998	-	58,169	80,967
Investments	6	1,691	-	-	1,691	4,440
Charitable activities		2,343	8,999,148	-	9,001,491	8,883,648
<b>Total income</b>		<u>50,705</u>	<u>8,991,625</u>	<u>66,715</u>	<u>9,109,045</u>	<u>9,432,909</u>
<b>Expenditure on:</b>						
Charitable activities		48,942	9,004,157	746,432	9,799,531	9,626,666
<b>Total expenditure</b>		<u>48,942</u>	<u>9,004,157</u>	<u>746,432</u>	<u>9,799,531</u>	<u>9,626,666</u>
<b>Net income/(expenditure)</b>		1,763	(12,532)	(679,717)	(690,486)	(193,757)
Transfers between funds	18	-	(26,700)	26,700	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>1,763</u>	<u>(39,232)</u>	<u>(653,017)</u>	<u>(690,486)</u>	<u>(193,757)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(988,000)	-	(988,000)	(392,000)
<b>Net movement in funds</b>		<u>1,763</u>	<u>(1,027,232)</u>	<u>(653,017)</u>	<u>(1,678,486)</u>	<u>(585,757)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,042,549	(2,439,224)	32,129,512	30,732,837	31,318,594
Net movement in funds		1,763	(1,027,232)	(653,017)	(1,678,486)	(585,757)
<b>Total funds carried forward</b>		<u>1,044,312</u>	<u>(3,466,456)</u>	<u>31,476,495</u>	<u>29,054,351</u>	<u>30,732,837</u>

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

The notes on pages 31 to 61 form part of these financial statements.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08347874**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	31,437,683	31,985,055
		<u>31,437,683</u>	<u>31,985,055</u>
<b>Current assets</b>			
Debtors	15	324,447	604,652
Investments	16	435,198	535,217
Cash at bank and in hand		2,167,347	1,820,372
		<u>2,926,992</u>	<u>2,960,241</u>
Creditors: amounts falling due within one year	17	(688,324)	(1,036,459)
		<u>2,238,668</u>	<u>1,923,782</u>
<b>Net current assets</b>		<u>2,238,668</u>	<u>1,923,782</u>
<b>Total assets less current liabilities</b>		<u>33,676,351</u>	<u>33,908,837</u>
<b>Net assets excluding pension liability</b>		<u>33,676,351</u>	<u>33,908,837</u>
Defined benefit pension scheme liability	24	(4,622,000)	(3,176,000)
<b>Total net assets</b>		<u><u>29,054,351</u></u>	<u><u>30,732,837</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	31,476,495	32,129,512
Restricted income funds	18	1,155,544	736,776
		<u>32,632,039</u>	<u>32,866,288</u>
Restricted funds excluding pension asset	18	32,632,039	32,866,288
Pension reserve	18	(4,622,000)	(3,176,000)
		<u>28,010,039</u>	<u>29,690,288</u>
<b>Total restricted funds</b>	18	<u>28,010,039</u>	<u>29,690,288</u>
<b>Unrestricted income funds</b>	18	<u>1,044,312</u>	<u>1,042,549</u>
<b>Total funds</b>		<u><u>29,054,351</u></u>	<u><u>30,732,837</u></u>

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08347874**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

The financial statements on pages 27 to 61 were approved by the Trustees, and authorised for issue on 09 December 2021 and are signed on their behalf, by:

**Peter Fraser**  
Chair of Trustees

The notes on pages 31 to 61 form part of these financial statements.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	151,154	651,764
<b>Cash flows from investing activities</b>	21	95,802	128,292
<b>Change in cash and cash equivalents in the year</b>		246,956	780,056
Cash and cash equivalents at the beginning of the year		2,355,589	1,575,533
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>2,602,545</u>	<u>2,355,589</u>

The notes on pages 31 to 61 form part of these financial statements

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Clarion Academy Trust is a private company limited by guarantee incorporated in England and Wales and registered at the following address: Hobart High School, Kittens Lane, Loddon, Norwich, Norfolk, NR14 6JU. The place of business is at each of the individual school sites within the Trust.

The financial statements are prepared in pounds sterling and rounded to the nearest pound.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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

**1.4 Interest receivable**

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

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

• **Charitable activities**

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

**1.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

Freehold land	-	not depreciated
Freehold property	-	2% straight line
Leasehold land	-	over the term of the lease being 125 years
Leasehold property	-	2% straight line
Artificial turf pitch (included in leasehold property)	-	10% straight line
Computer equipment	-	25% straight line
Plant and machinery	-	15% reducing balance
Furniture and fixtures	-	15% reducing balance

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.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Investments**

Current asset investments consist of cash equivalents (on deposit) with a maturity date of less than one year.

**1.8 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.

**1.9 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.

**1.10 Liabilities**

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

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Redundancy and termination payments**

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date;
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.13 Pensions**

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

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

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

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

**1.14 Fund accounting**

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

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

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

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

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

Pension valuation

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

Depreciation

Depreciation is a material estimate which is calculated based on the estimated useful economic life of the assets.

Critical areas of judgment:

No judgments were made in the preparation of these financial statements.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Donations</b>					
Donations	2,500	15,479	50,295	68,274	71,856
Transferred liability	-	(37,000)	-	(37,000)	-
<b>Total donations</b>	<u>2,500</u>	<u>(21,521)</u>	<u>50,295</u>	<u>31,274</u>	<u>71,856</u>
Capital Grants	-	-	16,420	16,420	391,998
<b>Subtotal</b>	<u>-</u>	<u>-</u>	<u>16,420</u>	<u>16,420</u>	<u>391,998</u>
	<u>2,500</u>	<u>(21,521)</u>	<u>66,715</u>	<u>47,694</u>	<u>463,854</u>
Total 2020	<u><u>3,330</u></u>	<u><u>68,526</u></u>	<u><u>391,998</u></u>	<u><u>463,854</u></u>	

The (£37,000) transferred liability is in relation to the LGPS pension deficit in respect of catering staff transferred-in from Norse Eastern on the 6 November 2020.

In 2020, income from donations was £71,856 of which £1,875 was unrestricted and £69,981 was unrestricted.

In 2020, income from capital grants was £391,998 which was all restricted fixed asset.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**4. Funding for the academy trust's provision of education**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,784,734	7,784,734	7,769,368
Other DfE/ESFA grants				
Pupil premium	-	403,042	403,042	393,988
Rates reclaim	-	53,095	53,095	54,048
PE grant	-	16,570	16,570	16,550
UIFSM	-	27,550	27,550	23,594
Year 7 catch up	-	115,360	115,360	25,919
Teacher threshold	-	389,098	389,098	404,676
Others	-	35,100	35,100	55,722
	-	8,824,549	8,824,549	8,743,865
<b>Other Government grants</b>				
Local authority grant	-	112,547	112,547	124,359
	-	112,547	112,547	124,359
<b>Other income from the academy trust's provision of education</b>	2,343	-	2,343	1,261
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	56,503	56,503	-
	-	56,503	56,503	-
<b>COVID-19 additional funding (non- DfE/ESFA)</b>				
Coronavirus Job Retention Scheme grant	-	5,549	5,549	14,163
	-	5,549	5,549	14,163
	2,343	8,999,148	9,001,491	8,883,648
<b>Total 2020 as restated</b>	1,261	8,882,387	8,883,648	

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**4. Funding for the academy trust's provision of education (continued)**

Included in other DfE/ESFA grants is summer school and teacher training totalling £35,100 (2020 - teacher training).

Included in other income from the academy trust's educational operations is catering income.

In 2020, income from DfE/ESFA grants was £8,743,865 which was all restricted. Income from other government grants was £124,359 which was all restricted. Income from CJRS was £14,163 which was all restricted. Other income from the academy trust's provision of education amounted to £1,261 which was all unrestricted.

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

The academy received £56,503 of funding for Catch-up Premium and costs incurred in respect of this funding totalled £56,503.

The academy furloughed its Music tutors (a maximum of 7 at any point) under the government's CJRS. The funding received of £5,549 (2020: £14,163) relates to staff costs which are included within note 10 below as appropriate.

**5. Income from other trading activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	282	-	282	24,304
Other income	38,664	13,998	52,662	35,749
Music lessons	5,225	-	5,225	20,914
	<u>44,171</u>	<u>13,998</u>	<u>58,169</u>	<u>80,967</u>
Total 2020	<u>69,302</u>	<u>11,665</u>	<u>80,967</u>	

In 2020, rental income was £24,304 which was all unrestricted. Other income was £35,749 of which £24,084 was unrestricted and £11,665 was restricted. Income from music lessons was £20,914 which was all unrestricted.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**6. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	1,691	1,691	4,440
	<u>1,691</u>	<u>1,691</u>	<u>4,440</u>
Total 2020	<u>4,440</u>	<u>4,440</u>	

In 2020, investment income was all unrestricted.

**7. Expenditure**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision of Education:					
Direct costs	6,393,964	-	488,217	6,882,181	6,895,327
Allocated support costs	1,182,577	536,408	1,198,365	2,917,350	2,731,339
	<u>7,576,541</u>	<u>536,408</u>	<u>1,686,582</u>	<u>9,799,531</u>	<u>9,626,666</u>
Total 2020	<u>7,177,788</u>	<u>688,709</u>	<u>1,760,169</u>	<u>9,626,666</u>	

In 2020, direct expenditure consisted of £6,276,627 staff costs and £572,787 other costs.

In 2020, support expenditure consisted of £901,161 staff costs, £688,709 premises costs and £1,187,382 other costs.

In 2021, of the total expenditure, £48,942 (2020: £76,179) was to unrestricted funds, £9,004,157 (2020: £8,838,561) was to restricted funds and £746,432 (2020: £711,926) was to restricted fixed asset funds.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**8. Charitable Activities**

	2021 £	2020 £
Direct costs - educational operations	6,882,181	6,849,414
Support costs - educational operations	2,917,350	2,777,252
	<u>9,799,531</u>	<u>9,626,666</u>

**Analysis of support costs**

	2021 £	2020 £
Support staff costs	1,182,577	901,161
Depreciation	746,432	711,927
Technology costs	176,409	162,762
Premises costs	536,408	688,709
Legal costs	4,630	3,988
Other support costs	248,321	286,936
Governance costs	22,573	21,769
	<u>2,917,350</u>	<u>2,777,252</u>

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

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	17,978	21,176
Depreciation of tangible fixed assets	746,432	711,926
Fees paid to auditors for:		
- audit	12,434	10,955
- other services	6,235	5,928
	<u>772,079</u>	<u>750,085</u>

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,326,909	5,139,997
Social security costs	512,607	492,597
Pension costs	1,509,213	1,435,222
	<u>7,348,729</u>	<u>7,067,816</u>
Agency staff costs	186,536	96,622
Staff restructuring costs	41,276	13,350
	<u>7,576,541</u>	<u>7,177,788</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Other restructuring costs	41,276	13,350
	<u>41,276</u>	<u>13,350</u>

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

In 2021 there are no non-statutory/non-contractual payments (2020: 1 payment of £1,126 included in staff restructuring costs).

**c. Staff numbers**

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

	2021 No.	2020 No.
Teachers	86	98
Administration and support	117	113
Management	11	6
	<u>214</u>	<u>217</u>

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**10. Staff (continued)**

**d. 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	5	4
In the band £70,001 - £80,000	2	-
In the band £90,001 - £100,000	1	2
	<u>          </u>	<u>          </u>

**e. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £618,060 (2020 - £612,827).

Educator Solutions were appointed in the year, in respect of the CFO role (as agreed in advance with the ESFA). The total cost for this service was £25,500.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**11. Central services**

The academy trust has provided the following central services to its academies during the year:

- Central staff team costs for management, HR, finance, estates, IT
- Human resources & payroll
- Media relations & reputation management
- Business support
- IT software
- Critical incident support
- Other services (legal, trade union facilities, governance training, advice & support, insurance, marketing)
- Health & safety advice services, musculoskeletal injury rehabilitation support, counselling support line
- Audit & accountancy
- GDPR support
- Training

The academy trust charges for these services on the following basis:

Central costs which cover management and trust staff costs are charged to each academy based on 6% of total GAG income. Other recharges are on a pupil percentage basis.

- Hobart 45%
- Pakefield 51%
- Thurlton 4%

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Hobart High School	298,043	265,963
Thurlton Primary School	35,141	26,679
Pakefield High School	369,427	336,422
<b>Total</b>	<u>702,611</u>	<u>629,064</u>

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**12. Trustees' remuneration and expenses**

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

		2021	2020
		£	£
James Adams, Headteacher	Remuneration	90,000 - 95,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £1,436).

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**14. Tangible fixed assets**

	Freehold land and property £	Long-term leasehold property £	Furniture and fixtures £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	19,990,000	13,654,053	377,190	430,941	274,860	34,727,044
Additions	-	98,825	7,250	-	92,985	199,060
At 31 August 2021	<u>19,990,000</u>	<u>13,752,878</u>	<u>384,440</u>	<u>430,941</u>	<u>367,845</u>	<u>34,926,104</u>
<b>Depreciation</b>						
At 1 September 2020	544,000	1,760,267	114,661	129,233	193,828	2,741,989
Charge for the year	384,000	233,590	37,842	42,123	48,877	746,432
At 31 August 2021	<u>928,000</u>	<u>1,993,857</u>	<u>152,503</u>	<u>171,356</u>	<u>242,705</u>	<u>3,488,421</u>
<b>Net book value</b>						
At 31 August 2021	<u><u>19,062,000</u></u>	<u><u>11,759,021</u></u>	<u><u>231,937</u></u>	<u><u>259,585</u></u>	<u><u>125,140</u></u>	<u><u>31,437,683</u></u>
At 31 August 2020	<u><u>19,446,000</u></u>	<u><u>11,893,786</u></u>	<u><u>262,529</u></u>	<u><u>301,708</u></u>	<u><u>81,032</u></u>	<u><u>31,985,055</u></u>

**15. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	13,127	862
Other debtors	5,933	35,612
Prepayments and accrued income	233,634	499,441
VAT recoverable	71,753	68,737
	<u>324,447</u>	<u>604,652</u>

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**16. Current asset investments**

	2021 £	2020 £
Unlisted investments	435,198	535,217
	<u>435,198</u>	<u>535,217</u>

The current asset investment of £435,195 is held in a 92 day deposit account. There is no fixed maturity date.

The prior year current asset investment related entirely to a treasury account, which matured on 18 June 2021.

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

	2021 £	2020 £
Trade creditors	217,603	433,261
Other taxation and social security	118,428	118,929
Other creditors	133,327	121,535
Accruals and deferred income	218,966	362,734
	<u>688,324</u>	<u>1,036,459</u>
	<u>688,324</u>	<u>1,036,459</u>
	2021 £	2020 £
Deferred income at 1 September 2020	69,223	56,621
Resources deferred during the year	35,421	69,223
Amounts released from previous periods	(69,223)	(56,621)
	<u>35,421</u>	<u>69,223</u>
	<u>35,421</u>	<u>69,223</u>

At the balance sheet date, included in deferred income were amounts relating to rates relief from the ESFA and music/lettings income received in advance.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**18. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Emergency fund	125,000	-	-	-	-	125,000
Artificial Turf Pitch Maintenance / Resurfacing	150,000	-	-	-	-	150,000
Premises Capital Improvement and Maintenance Fund	160,770	-	-	-	-	160,770
	<u>435,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,770</u>
<b>General funds</b>						
Unrestricted funds	606,779	50,705	(48,942)	-	-	608,542
<b>Total Unrestricted funds</b>	<u>1,042,549</u>	<u>50,705</u>	<u>(48,942)</u>	<u>-</u>	<u>-</u>	<u>1,044,312</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	661,899	7,784,734	(7,364,323)	(26,700)	-	1,055,610
Pupil premium	-	403,042	(403,042)	-	-	-
Rates reclaim	-	53,095	(53,095)	-	-	-
PE and sports grant	-	16,570	(5,320)	-	-	11,250
UIFSM	-	27,550	(27,550)	-	-	-
Year 7 catch up	-	115,360	(81,769)	-	-	33,591
Teacher threshold	-	389,098	(389,098)	-	-	-
CJRS	-	5,549	(5,549)	-	-	-
COVID catch-up premium	-	56,503	(56,503)	-	-	-
Other DfE/ESFA	27,841	35,100	(62,941)	-	-	-

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Other government grants	-	112,547	(106,094)	-	-	6,453
Restricted school fund	45,429	12,901	(9,690)	-	-	48,640
Other restricted	1,607	16,576	(18,183)	-	-	-
Pension reserve	(3,176,000)	(37,000)	(421,000)	-	(988,000)	(4,622,000)
	<u>(2,439,224)</u>	<u>8,991,625</u>	<u>(9,004,157)</u>	<u>(26,700)</u>	<u>(988,000)</u>	<u>(3,466,456)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Assets	31,741,971	-	(726,008)	199,060	-	31,215,023
DfE/ESFA capital grants	144,419	16,420	-	(122,065)	-	38,774
Capital expenditure from GAG	243,122	-	(20,424)	-	-	222,698
Donated fixed assets	-	50,295	-	(50,295)	-	-
	<u>32,129,512</u>	<u>66,715</u>	<u>(746,432)</u>	<u>26,700</u>	<u>-</u>	<u>31,476,495</u>
<b>Total Restricted funds</b>	<u>29,690,288</u>	<u>9,058,340</u>	<u>(9,750,589)</u>	<u>-</u>	<u>(988,000)</u>	<u>28,010,039</u>
<b>Total funds</b>	<u><u>30,732,837</u></u>	<u><u>9,109,045</u></u>	<u><u>(9,799,531)</u></u>	<u><u>-</u></u>	<u><u>(988,000)</u></u>	<u><u>29,054,351</u></u>

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

**Emergency Fund**

This is a designated fund, representing the level of free reserves set aside as contingency by the Trustees for any potential unforeseen future requirements.

**Artificial Turf Pitch Maintenance / Resurfacing**

This is a designated fund, set aside maintain the artificial sports pitch and to have it resurfaced when this becomes necessary.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

**Premises Capital Improvement and Maintenance Fund**

This is a designated fund, set aside to use against future capital improvements and maintenance costs to premises.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

**Other DfE/ESFA grants**

This represents Pupil Premium, PE and Sports Grant, Rates Relief, Year 7 Catch Up, UIFSM, Teacher Threshold, CJRS, COVID catch-up premium and other income from DfE / ESFA received in the period. These funds are used to raise achievement and improve outcomes for pupils, or to provide support for pupils from low income families.

The COVID Catch-up Premium, is to be utilised to help pupils catch-up on missed learning, as a result of the impact of COVID.

**Other government grants**

This includes other government grants towards the provision of education, including Local Authority grants.

**Educational visits**

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

**Pension reserve**

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

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 24 based on the year end actuarial valuation.

**Other restricted general funds**

This represents funding received from other bodies towards a specific purpose, including the provision of music lessons and instruments.

**Restricted fixed asset fund**

Restricted fixed asset 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. All assets purchased from the GAG and DfE/ESFA capital grants have been transferred to the restricted fixed asset fund.

The total fixed asset funds are £31,476,495 at 31 August 2021, and the total fixed assets on the balance sheet are £31,437,683. The difference of £38,812 relates to unspent DfC funding where the expenditure has not yet been incurred.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

**DfE/ESFA Capital Grants**

Capital grants, are made up of Devolved Formula Capital which is received by the Trust to use to maintain and improve its buildings and facilities and Conditional Improvement Fund income to be used to improve buildings.

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 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Emergency fund	125,000	-	-	-	-	125,000
Artificial Turf Pitch Maintenance / Resurfacing	150,000	-	-	-	-	150,000
Premises Capital Improvement and Maintenance Fund	160,770	-	-	-	-	160,770
	<u>435,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,770</u>
<b>General funds</b>						
Unrestricted funds	608,046	77,578	(76,179)	(2,666)	-	606,779
<b>Total Unrestricted funds</b>	<u>1,043,816</u>	<u>77,578</u>	<u>(76,179)</u>	<u>(2,666)</u>	<u>-</u>	<u>1,042,549</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	184,530	7,769,368	(7,315,491)	23,492	-	661,899
Other DfE/ESFA	8,451	974,497	(955,107)	-	-	27,841
Other government grants	-	132,332	(132,332)	-	-	-
Educational visits	44,531	64,289	(63,391)	-	-	45,429

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Other restricted	-	22,847	(19,240)	(2,000)	-	1,607
Pension reserve	(2,431,000)	-	(353,000)	-	(392,000)	(3,176,000)
	<u>(2,193,488)</u>	<u>8,963,333</u>	<u>(8,838,561)</u>	<u>21,492</u>	<u>(392,000)</u>	<u>(2,439,224)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Assets	32,165,329	-	(691,502)	268,144	-	31,741,971
DfE/ESFA capital grants	39,391	353,989	-	(248,961)	-	144,419
Capital expenditure from GAG	263,546	-	(20,424)	-	-	243,122
Other government capital grants	-	38,009	-	(38,009)	-	-
	<u>32,468,266</u>	<u>391,998</u>	<u>(711,926)</u>	<u>(18,826)</u>	<u>-</u>	<u>32,129,512</u>
<b>Total Restricted funds</b>	<u>30,274,778</u>	<u>9,355,331</u>	<u>(9,550,487)</u>	<u>2,666</u>	<u>(392,000)</u>	<u>29,690,288</u>
<b>Total funds</b>	<u><u>31,318,594</u></u>	<u><u>9,432,909</u></u>	<u><u>(9,626,666)</u></u>	<u><u>-</u></u>	<u><u>(392,000)</u></u>	<u><u>30,732,837</u></u>

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Central Trust	43,647	742
Hobart High School	1,008,016	929,030
Thurlton Primary School	81,423	65,853
Pakefield High School	1,066,770	783,700
	<u>2,199,856</u>	<u>1,779,325</u>
Total before fixed asset funds and pension reserve	2,199,856	1,779,325
Restricted fixed asset fund	31,476,495	32,129,512
Pension reserve	(4,622,000)	(3,176,000)
	<u>29,054,351</u>	<u>30,732,837</u>
<b>Total</b>	<u><u>29,054,351</u></u>	<u><u>30,732,837</u></u>

**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 £
Central Trust	310,945	232,545	88,477	43,427	675,394	617,318
Hobart High School	2,540,767	360,522	245,092	349,390	3,495,771	3,469,714
Thurlton Primary School	234,162	32,612	13,914	75,579	356,267	311,832
Pakefield High School	2,986,654	329,126	268,941	519,946	4,104,667	4,162,875
	<u>6,072,528</u>	<u>954,805</u>	<u>616,424</u>	<u>988,342</u>	<u>8,632,099</u>	<u>8,561,739</u>
<b>Academy trust</b>	<u><u>6,072,528</u></u>	<u><u>954,805</u></u>	<u><u>616,424</u></u>	<u><u>988,342</u></u>	<u><u>8,632,099</u></u>	<u><u>8,561,739</u></u>

The LGPS pension adjustment totalling £421,000 (2020: £353,000) has also been excluded from the above summary.

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**19. 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	-	-	31,437,683	31,437,683
Current assets	1,044,312	1,843,868	38,812	2,926,992
Creditors due within one year	-	(688,324)	-	(688,324)
Provisions for liabilities and charges	-	(4,622,000)	-	(4,622,000)
<b>Total</b>	<u>1,044,312</u>	<u>(3,466,456)</u>	<u>31,476,495</u>	<u>29,054,351</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	-	-	31,985,055	31,985,055
Current assets	1,042,549	1,773,235	144,457	2,960,241
Creditors due within one year	-	(1,036,459)	-	(1,036,459)
Provisions for liabilities and charges	-	(3,176,000)	-	(3,176,000)
<b>Total</b>	<u>1,042,549</u>	<u>(2,439,224)</u>	<u>32,129,512</u>	<u>30,732,837</u>

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(690,486)	(193,757)
<b>Adjustments for:</b>		
Depreciation	746,432	711,926
Capital grants from DfE and other capital income	(16,420)	(391,998)
Dividends, interest and rents from investments	(1,691)	(4,440)
Defined benefit pension scheme cost less contributions payable	458,000	353,000
Decrease/(increase) in debtors	3,454	(247,731)
(Decrease)/increase in creditors	(348,135)	424,764
<b>Net cash provided by operating activities</b>	<b>151,154</b>	<b>651,764</b>

**21. Cash flows from investing activities**

	2021 £	2020 £
Dividends, interest and rents from investments	1,691	4,440
Purchase of intangible assets	(199,060)	(268,146)
Capital grants from DfE Group	293,171	391,998
<b>Net cash provided by investing activities</b>	<b>95,802</b>	<b>128,292</b>

**22. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	2,167,347	1,820,372
Notice deposits	435,198	535,217
<b>Total cash and cash equivalents</b>	<b>2,602,545</b>	<b>2,355,589</b>

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,820,372	346,975	2,167,347
Liquid investments	535,217	(100,019)	435,198
	<u>2,355,589</u>	<u>246,956</u>	<u>2,602,545</u>

**24. Pension commitments**

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

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

Contributions amounting to £132,733 were payable to the schemes at 31 August 2021 (2020 - £121,535) 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.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**24. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £828,755 (2020 - £812,222).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £417,000 (2020 - £397,000), of which employer's contributions totalled £332,000 (2020 - £319,000) and employees' contributions totalled £ 85,000 (2020 - £78,000). The agreed contribution rates for future years are 19.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**24. Pension commitments (continued)**

**Principal actuarial assumptions**

(Norfolk County Council / Suffolk County Council)

	2021 %	2020 %
Rate of increase in salaries	3.60 / 3.60	2.90 / 2.60
Rate of increase for pensions in payment/inflation	2.90 / 2.90	2.20 / 2.30
Discount rate for scheme liabilities	1.65 / 1.65	1.70 / 1.90
Inflation assumption (CPI)	2.90 / 2.90	2.20 / 2.30

The commutation rate for Norfolk County Council/Suffolk County Council was 50%/25% (2020: 50%/25%) pre April 2008 and increased to 75%/63% (2020: 75%/63%) for post April 2008 service.

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 / 22.1	21.7 / 21.9
Females	24.3 / 24.5	23.9 / 24.1
Retiring in 20 years		
Males	23.2 / 26.2	22.8 / 22.7
Females	26.2 / 26.4	25.5 / 25.6

**Sensitivity analysis**

	2021 £000	2020 £000
Discount rate +0.5%	(55,590)	(173,524)
Discount rate -0.5%	55,590	173,524
Mortality assumption - 1 year increase	74,120	53,392
Mortality assumption - 1 year decrease	(74,120)	(53,392)
CPI rate +0.5%	46,325	146,828
CPI rate -0.5%	(46,325)	(146,828)

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**24. Pension commitments (continued)**

**Share of scheme assets**

The academy trust's share of the assets in the scheme was:

	2021 £	2020 £
Equities	1,537,140	1,857,540
Bonds	1,024,760	1,115,760
Property	331,540	360,660
Cash and other liquid assets	120,560	164,040
<b>Total market value of assets</b>	<u><u>3,014,000</u></u>	<u><u>3,498,000</u></u>

The actual return on scheme assets was £676,000 (2020 - £(122,000)).

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

	2021 £	2020 £
Current service cost	(696,000)	(623,000)
Interest income	64,000	66,000
Interest cost	(121,000)	(115,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u><u>(753,000)</u></u>	<u><u>(672,000)</u></u>

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

	2021 £	2020 £
<b>At 1 September</b>	6,674,000	5,684,000
Current service cost	696,000	623,000
Interest cost	121,000	115,000
Employee contributions	85,000	78,000
Actuarial losses	1,600,000	204,000
Benefits paid	(30,000)	(30,000)
Effective business combinations	119,000	-
<b>At 31 August</b>	<u><u>9,265,000</u></u>	<u><u>6,674,000</u></u>

**CLARION ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**24. Pension commitments (continued)**

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

	2021 £	2020 £
<b>At 1 September</b>	3,498,000	3,253,000
Interest income	64,000	66,000
Actuarial gains/(losses)	612,000	(188,000)
Employer contributions	332,000	319,000
Employee contributions	85,000	78,000
Benefits paid	(30,000)	(30,000)
Effective business combinations	82,000	-
<b>At 31 August</b>	<u>4,643,000</u>	<u>3,498,000</u>

**25. Operating lease commitments**

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

	2021 £	2020 £
Not later than 1 year	16,459	4,104
Later than 1 year and not later than 5 years	18,759	2,292
	<u>35,218</u>	<u>6,396</u>

**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.

**CLARION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**27. Related party transactions**

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

The spouse of Steven Gray (Trustee of Clarion Academy Trust) is employed by the Trust as a member of administrative staff on a contract that has been approved by Trustees. This remuneration package is in line with the standard payscale for the role undertaken and her contract of employment is subject to the normal terms and conditions.

The son of Shirley Gates (Trustee of Clarion Academy Trust) is employed by the Trust as a member of administrative staff on a contract that has been approved by Trustees. This remuneration package is in line with the standard payscale for the role undertaken and his contract of employment is subject to the normal terms and conditions.

In addition to this, certain trustees received remuneration and expenses which are disclosed in note 12.

There were no other related party transactions which took place during the financial year.