

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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CLARION ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	John Andersen, Chair of Members Ben Turner Peter Fraser Tim Bishop
Trustees	Peter Fraser, Chair of Trustees Michael Cole John Organ (resigned 31 December 2019) Peter Hardy James Wright Patricia Bell Steven Gray Sadie Lofthouse James Adams, Headteacher Shirley Gates Donna Harris
Company registered number	08347874
Company name	Clarion Academy Trust
Principal and registered office	Kittens Lane Loddon Norwich Norfolk NR14 6JU
Chief executive officer	Mr J Adams
Senior management team	Mr J Adams, Headteacher Mrs A Hambley, Headteacher Mr M Quantrill, Standards Officer Mr A Walker, Headteacher Mr P Collins, CFO / Business Manager (resigned 31 August 2020) Mr R Li-Rocchi, Head of School (Hobart) (appointed 01 September 2019) Mr P Kirby, Estates Manager (appointed 01 September 2019) Mr G Ginn, CFO (appointed 1 September 2020)
Independent auditors	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds TSB Bank Plc
16 Gentlemans Walk
Norwich
Norfolk

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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Clarion Academy Trust Limited (The Trust or the Charitable Company) for the year ended 31 August 2020. 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 and Pakefield High School serving Pakefield, Carlton Colville and the surrounding area.

Hobart High School has a capacity of 820 and a roll of 654. Thurlton Primary has a capacity of 105 with current roll of 55 in the 2020 census. Pakefield High School joined the Trust on 1st April 2019 and serves Pakefield, South Lowestoft and the surrounding area. This school has a capacity of 900 and a roll of 736.

Structure, governance and management

a. Constitution

The Trust is a 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 Trust Resources Committee.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section.

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 and Officers' 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

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 school 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 Resources 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 Resources 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

Trade union facility time

The Trust had no employees who were relevant union officials during the year.

Trade union facilities time was outsourced to Norfolk County Council who were paid £3,292 for costs associated with the outsourcing of trade union activities in the year ended 31 August 2020.

Trade Union Facility time was also paid to Suffolk County Council of £396 in the year ended 31 August 2020.

Cancellation of one of the services and addition to other will occur on eventual renewal.

h. 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 Interest 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

The Trust does not have a formal sponsor.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

Last academic year was dominated by the Covid (C19) crisis. It is anticipated that this will continue to be the case for much, if not all of this year.

With that in mind, the Trust and its schools will be predominantly 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 'catch-up' 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Hobart High School

The 2020-21 School Improvement & Development Plan (SIDP) objectives aim to build on the aims set out for the previous year. The objectives are similar, partly because in the absence of GCSE exams evaluation is extremely challenging, and partly because the objectives remain the core priorities for improvement. These are summarised in the table 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. It is not reliable to use Centre Assessed Grades (CAG) from 2020 to assess if we have had positive impacts on progress, including that for key groups. The remaining four objectives will all support the achievement of objective one.

- 2) To develop the quality of education at Hobart high school through evidence-based research CPD and robust QA.

This objective will focus on a range of strands that will aim to improve teaching standards. It includes sub-objectives linked to the following:

- Metacognition - developing student's ability to organise and effectively manage their learning independently;
- Reviewing and updating assessment opportunities within schemes of work;
- Ensuring curriculum leaders use quality assurance to improve teaching and learning at department level.

- 3) Ensure that our curriculum offer is successfully implemented and embedded in the classroom.

The key drive during 2020-21 will be to transition from curriculum intent to implementation, and to monitor / judge impact. It will include the following foci:

- All departments to have appropriate schemes of work (SoWs) in place that drive effective curriculum delivery.
- Curriculum recovery planning led by subject leaders is used to build on home learning during C19 and embed threshold concepts.
- Curriculum map updating ensures aligning to SOW and amendments / annotations linked to C19 year 11 curriculum changes.

- 4) To ensure intervention based on assessment evidence is used effectively to improve outcomes for students with gaps in knowledge and / or understanding, including where C19 has had most negative impact.

Successful use of government catch up funding will be pivotal in the year ahead given the partial closure of schools from March to July. Utilisation of the National Tutoring Programme (NTP) will be supplemented through the appointment of someone on a fixed term contract to lead on organisation, supervision and support for the NTP programme. Other sub-objectives linked to headline objective include:

- To ensure that calendared dept. interventions are informed by assessment, and planned to include monitoring of impact.
- To redefine the working practices and role of Raising Achievement Group (RAG) including the use and prior distribution of data and departmental contributions.
- To introduce the use of current grades at data points that supplement predicted grades and better inform intervention decisions.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- 5) Further develop strategies for monitoring and supporting student and staff well-being, including in response to the impacts of C19.

Staff and student wellbeing are fundamental to ensuring success. The challenges presented by C19 require careful consideration as to how this is achieved. Sub-objectives for the headline include:

- To ensure that staff and students are signposted to the various internal and external support available.
- Write and review individual risk assessments (RAs) to support individual staff wellbeing where required.
- To ensure training takes place to provide the capacity for staff to support the wellbeing of students and of each other.
- Provision of information / training on working practices that support wellbeing in relation to the current C19 situation.

Pakefield High School

- To support staff & student well-being post-closure, ensuring the safe and effective operation of the school and maximum learning effectiveness.
- To improve outcomes –especially progress –to be at least in line with national for all indicators.
- To improve attendance to 95%.
- To improve behaviour leading to an embedded respectful, safe culture.

Thurlton Primary School

With the deficit impact of COVID-19 to many of the pupils learning and attainment and with the introduction of 2 new members of staff 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 pupils attainment levels will be made during the first half of the term: Catch up programmes will be quickly in place to support the necessary pupils. Normal school interventions will support the majority – for those pupils, where COVID-19 has had a significant negative impact on their learning, a specific Catch-up programme will be implemented, devised (in consultation with the class teacher) and delivered by a teacher, specifically employed.
- The Year 6 cohort is the largest year group in school: They are also the last remaining cohort that had inconsistent teaching and disruption to their learning in Reception through to Year 2. A teacher, dedicated to teaching Year 6 pupils only has been employed for three mornings per week (four mornings in Autumn first half term). The focus of the teaching is Reading, Writing and Maths. The Year 6 pupils will join with the Year 4 and 5 pupils for all the other curriculum areas. Both teachers are working together to ensure cohesiveness and continuity in the pupils learning.
- Through whole school CPD to ensure total familiarity with ARE's including Exceeding in EYFS and Greater depth in KS1/2. More stringent/consistent 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- 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 everyday, the Calculations Policy will be in place and shared with Parents/Carers to ensure progression in pupils learning. Targeted Maths interventions will support the progress of pupils.
- To ensure an appropriate timed, entitled and extended breath and depth of curriculum is available to all pupils.
- Timetables will be closely monitored by Subject leaders and the curriculum map will be reviewed and modified to ensure a rich and varied curriculum for all pupils each year. Working with specialist subject leaders within the Trust to develop breadth and depth of subject areas for the pupils.
- Ensure Relationship, Sex, Health Education (RSHE), Social, Moral, Spiritual and Cultural (SMSC) and Religious Education (RE) curriculums are in place and confirm to statutory requirements. RSHE training from 2019-2020 is shared with all new members of staff members. 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.
- Mental Health – 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.

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

All three schools within the Trust remained open throughout lockdown and beyond, providing onsite education to those eligible and remote learning to the remaining pupils.

Engagement was good across all three schools with positive feedback received by Headteachers.

In addition the schools coordinated distribution of free school meals, free school meal vouchers and electronic devices to those who were eligible.

Due to the Covid crisis, no external performance data is available for any of our schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

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 student numbers this is a key performance indicator. Student numbers at Hobart High School at 1st September 2019 were 664 and at 1st September 2020 were 654. 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 2020 – 60. 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.

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. 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.

Another key financial performance indicator is staffing costs as a percentage of total income. The figures for this in 2019/20 have been blurred by the increase in staff transferred into the central Clarion Academy Trust staff team, which has reduced numbers of staff in each school. Trust staff costs are covered by the top slice. The school figures will be used in future years to monitor staff costs when comparable numbers/trends can be obtained.

The Trust Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(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 2020 the Trust received total income of £9,432,909 (2019: £25,893,106). In 2019, there was income of £19,732,713 as a result of the conversion of Pakefield High School (this was made up of funds, assets, liabilities and the pension deficit - which transferred into the Trust). 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 £9,626,666 (2019: £6,540,531) The reserves brought forward from 2018/19 is £31,318,594. This includes; £32,468,266 of restricted fixed asset funds, £237,512 from general restricted funds, (£2,431,000) deficit in the pension reserve and £1,043,816 unrestricted funding. The carry forward for 2019/20 is £736,776 restricted funding (excluding the £3,176,000 deficit in relation to the pension), £1,042,549 of unrestricted funding, and £32,129,512 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 £3,176,000, 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 Finance and Resources 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 £1,042,549 (2019: £1,043,816). 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 (2019: £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 31 August 2020 was £1,779,325 (2019: £1,281,328)

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £2,355,589, which includes cash and bank accounts, along with the treasury account (2019: £1,575,533). 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. Investment policy

A Treasury Management (Investment Policy) is reviewed annually by the Trust Resources Committee and was considered at the meeting in March 2020.

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 Finance and Resources 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 Resources 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;
- **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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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:

- Ensure standards are high and improving.
- Explore opportunities for cross-Trust development of teaching and learning.
- Establish a CPD programme for central Trust staff so that they are well trained, informed and able to accelerate the development of the Trust.
- Explore further opportunities for developing more efficient practices.
- Sustainably grow the MAT.

Funds held as custodian on behalf of others

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

Auditor

Insofar as the Trustees are aware:

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

The 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 was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

Peter Fraser
Chair of Trustees

CLARION ACADEMY TRUST
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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
John Organ	1	2
Peter Hardy	5	6
James Wright	5	6
Patricia Bell	6	6
Steven Gray	6	6
Sadie Lofthouse	5	6
James Adams, CEO	6	6
Shirley Gates	4	6
Donna Harris	5	6

Review of the year

- Budget and staffing issues have been a major focus with pressures especially in the first full year for Pakefield but we successfully managed these with the overall level of reserves now satisfactory;
- Issues with the quality and timing of financial information to Trustees, now resolved following action by the CE to restructure and reallocate key roles;
- Covid impact and managing it;
- School/academic performance.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance review

In accordance with the DfE Governance Handbook 2019 and Financial Handbook 2019 Trustees and Trust staff work with Internal and External Auditors to ensure their statutory duties and compliance requirements are fulfilled. In addition, other specific issues are identified and audited. Any resulting recommendations for improvements are evaluated and their implementation is monitored. For example, the 2019/20 Internal Audit Report included a recommendation that consideration be given to appoint a fifth Trust Member. This was adopted and has been implemented.

The impact of the Covid-19 pandemic continues to have significant implications across the Trust impacting on the health and well-being of students and staff adding to increasing pressures on the Trust's budget. This is being carefully monitored and action to minimise any risks this presents is being taken. To date, infection rates within our schools have been low and although an ongoing threat continues, the closing of any school has been avoided.

New curriculum delivery practices have been adopted especially during periods of 'lockdown' resulting in greater use of the Trust IT infrastructure to deliver 'on-line' teaching. The response from all staff and students, their families and carers during this continuing crisis has been commendable and helped mitigate against the loss of time in school with face-to-face classroom teaching and other learning and social opportunities. The Internal Auditors recommended the Risk Register be updated in light of the events that Covid-19 has produced and this has been adopted.

The assimilation of Pakefield High School into the Trust and the challenging need to address their significant budget shortfall has required substantial Trust intervention. The budget has been stabilised, the historic budget deficit has been cleared and an in-year surplus is forecast. Other interventions are being introduced to address the potential impact surrounding uncertainty over projected student numbers for the following years.

Changes to the support staff roles and responsibilities were introduced to improve service levels and financial efficiencies. Overall business management, finance and Information Technology functions were rationalised leading to the introduction of a clearly defined and single Trust-wide accountability structure. The Trust Scheme of Delegation was the subject of review and changes introduced to reflect DfE guidance and suggestions or recommendations from external advisors engaged by the Trust. Two successful bids for capital funding support were made to the Educational Skills and Funding Agency (ESFA) for the replacement of old and in-efficient boilers at Hobart High School together with security fencing at Thurlton Primary School. This provided the Trust with a valuable opportunity to work with an ESFA Advisor and help identify potential areas for efficiency savings. The resulting report is being used to guide the Trust with their future planning and the Advisor continues to be a point of reference.

Trustees Board and Local Governing Bodies are subject of annual Skills Audits aimed at ensuring their membership offer a diverse range of relevant business experience and community links. Based on the NGA model the results are collated annually by the Trust Clerk and reviewed by a Trust Committee to ensure and skills gaps or training needs can be identified. The present skillset includes backgrounds in Education, Human Resources, Accountancy, Law, Business Management and Consultancy.

Trustees recognise the increasing importance of conducting regular financial and risk management audits. As a consequence, it has reviewed the Terms of Reference for their sub-committees resulting in the introduction of a specific Audit Committee to provide Trustee greater oversight of this key function. Continued development of data management systems and analysis of individual school performance, including student attendance is managed by the Trust Data Manager. This is proving to be an invaluable and key to driving forward improvement and increasingly allows for greater scrutiny by Trustees and Governors by holding the CEO and senior leaders to account in their ongoing effort to improve overall teaching standards and learning outcomes for all students.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Property and Finance Committee is 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
Patricia Bell	7	8
Peter Fraser	8	8
James Adams, CEO	8	8
Peter Hardy	6	8
John Organ	2	2
Steven Gray	6	8

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.

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:

- Securing CIF funding for a boiler replacement project at Hobart High School which is expected to reduce fuel costs by approximately 20%.
- The central finance function of the Trust has been able to reduce staff costs by £21k by restructuring when existing staff have left.
- Support from the CEO and central Trust functions has enabled the appointment of a Head of School at Hobart High School instead of a Headteacher.
- The Broadband service was tendered on behalf of the Trust during the year which offers many benefits:
 - Cost reduction;
 - Improved consistency and efficiency;
 - Doubled speed for Hobart;
 - Around 8 x improved speed for Thurlton Primary with intermittent connection drops eliminated.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk (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 has decided to employ 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
- HR file reviews
- Internal controls
- Proper and regular use of funds
- Financial management and monitoring
- Financial oversight
- Financial planning

Three times per year, the internal auditor reports 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 annual 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. The main key finding was with regards to the preparation of Management Accounts, which had not been produced in full each month in line with the Academies Financial Handbook. The Trust was already aware of this and had liaised with the DfE to confirm that the matter had been rectified following personnel changes. The Trust was fully compliant from July 2020. The Trust is working with and has benefited from the advice and guidance of a School Resource Management Advisor. The CEO has reviewed this advice and made recommendations to the Board of Trustees.

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the internal auditor;
- the work of the external auditors;
- the 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 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 10 December 2020 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that 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: 10 December 2020

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2020 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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report (including the Strategic Report and Directors' Report), the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (including the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report (including the Strategic Report and Directors' Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

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

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.

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

Use of our report

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

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

18 December 2020

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 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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)**

Approach

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

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

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

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

The work undertaken to draw our conclusion 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 complies with the framework of authorities;
- 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Chartered Accountants
Statutory Auditors

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

Date: 18 December 2020

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Assets transferred on conversion		-	-	-	-	19,732,713
Other donations and capital grants		1,875	69,981	391,998	463,854	190,112
Charitable activities	4	1,961	8,881,687	-	8,883,648	5,852,252
Other trading activities	5	69,302	11,665	-	80,967	111,236
Investments	6	4,440	-	-	4,440	6,793
Total income		77,578	8,963,333	391,998	9,432,909	25,893,106
Expenditure on:						
Charitable activities	7	76,179	8,838,561	711,926	9,626,666	6,540,531
Total expenditure		76,179	8,838,561	711,926	9,626,666	6,540,531
Net income/ (expenditure)		1,399	124,772	(319,928)	(193,757)	19,352,575
Transfers between funds	18	(2,666)	21,492	(18,826)	-	-
Net movement in funds before other recognised gains/(losses)		(1,267)	146,264	(338,754)	(193,757)	19,352,575
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(392,000)	-	(392,000)	(647,000)
Net movement in funds		(1,267)	(245,736)	(338,754)	(585,757)	18,705,575

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,043,816	(2,193,488)	32,468,266	31,318,594	12,613,019
Net movement in funds	(1,267)	(245,736)	(338,754)	(585,757)	18,705,575
Total funds carried forward	<u>1,042,549</u>	<u>(2,439,224)</u>	<u>32,129,512</u>	<u>30,732,837</u>	<u>31,318,594</u>

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

The notes on pages 33 to 62 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	31,985,055	32,428,835
Current assets			
Debtors	15	604,652	356,921
Investments	16	535,217	-
Cash at bank and in hand		1,820,372	1,575,533
		2,960,241	1,932,454
Creditors: amounts falling due within one year	17	(1,036,459)	(611,695)
		1,923,782	1,320,759
Net current assets		1,923,782	1,320,759
Total assets less current liabilities		33,908,837	33,749,594
Defined benefit pension scheme liability	24	(3,176,000)	(2,431,000)
Total net assets		30,732,837	31,318,594
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	32,129,512	32,468,266
Restricted income funds	18	736,776	237,512
		32,866,288	32,705,778
Restricted funds excluding pension asset	18	32,866,288	32,705,778
Pension reserve	18	(3,176,000)	(2,431,000)
		29,690,288	30,274,778
Total restricted funds		29,690,288	30,274,778
Unrestricted income funds		1,042,549	1,043,816
Total funds		30,732,837	31,318,594

The financial statements on pages 29 to 62 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:

Peter Fraser
Chair of Trustees

The notes on pages 33 to 62 form part of these financial statements.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	651,764	234,221
Cash flows from investing activities	21	128,292	137,201
Change in cash and cash equivalents in the year		780,056	371,422
Cash and cash equivalents at the beginning of the year		1,575,533	1,204,111
Cash and cash equivalents at the end of the year	22, 23	<u>2,355,589</u>	<u>1,575,533</u>

The notes on pages 33 to 62 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 2020

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 2019 to 2020 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 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.

Following the year end the Academy Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

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.

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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £5,000 (2019: £2,000) 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	- 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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. 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. 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 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.

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 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.

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.

Assets on conversion

The valuation of the land and buildings on conversion is a material estimate in the financial statements. The amount is based on the valuation carried out by a third party independent valuer.

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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations					
Assets transferred on conversion to academy	-	-	-	-	19,732,713
	-	-	-	-	19,732,713
Donations	1,875	69,981	-	71,856	81,812
Capital Grants	-	-	391,998	391,998	108,300
Subtotal	1,875	69,981	391,998	463,854	190,112
	1,875	69,981	391,998	463,854	19,922,825
Total 2019	201,748	(533,188)	20,254,265	19,922,825	

In 2019, income transferred on conversion was £19,732,713, of which £201,748 was unrestricted and £19,530,965 was restricted.

In 2019, income from donations was £81,812 which was all restricted.

In 2019, income from capital grants was £108,300 which was all restricted.

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,769,368	7,769,368	5,392,590
Other DfE/ESFA grants	-	974,497	974,497	288,979
Start up grants	-	-	-	25,000
	-	8,743,865	8,743,865	5,706,569
Other government grants				
Local authority grants	700	123,659	124,359	143,311
	700	123,659	124,359	143,311
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	14,163	14,163	-
	-	14,163	14,163	-
Other funding				
Catering income	1,261	-	1,261	2,372
	1,261	-	1,261	2,372
	1,961	8,881,687	8,883,648	5,852,252
Total 2019	2,372	5,849,880	5,852,252	

In 2019, income from DfE/ESFA grants was £5,706,569 which was all restricted.

In 2019, income from other government grants was £143,311 which was all restricted.

In 2019, other income from the academy trust's educational operations amounted to £2,372 which was all unrestricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	24,304	-	24,304	37,027
Other income	24,084	11,665	35,749	34,918
Music lessons	20,914	-	20,914	39,291
	<u>69,302</u>	<u>11,665</u>	<u>80,967</u>	<u>111,236</u>
Total 2019	<u>71,945</u>	<u>39,291</u>	<u>111,236</u>	

In 2019, income from rental and other sources was £71,945 which was all unrestricted. Income from music lessons was £39,291 which was all restricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	4,440	4,440	6,793
	<u>6,793</u>	<u>6,793</u>	
Total 2019	<u>6,793</u>	<u>6,793</u>	

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	6,276,627	-	572,787	6,849,414	4,557,312
Allocated support costs	901,161	688,709	1,187,382	2,777,252	1,983,219
	<u>7,177,788</u>	<u>688,709</u>	<u>1,760,169</u>	<u>9,626,666</u>	<u>6,540,531</u>
Total 2019	<u>4,817,089</u>	<u>863,041</u>	<u>860,401</u>	<u>6,540,531</u>	

In 2019, direct expenditure consisted of £4,166,862 staff costs and £390,450 other costs.

In 2019, support expenditure consisted of £650,227 staff costs, £863,041 premises costs and £469,951 other costs.

In 2020, of the total expenditure, £76,179 (2019: £75,990) was to unrestricted funds, £8,838,561 (2019: £5,979,773) was to restricted funds and £711,926 (2019: £484,768) was to restricted fixed asset funds.

8. Charitable Activities

	2020 £	2019 £
Direct costs - educational operations	6,849,414	4,557,312
Support costs - educational operations	2,777,252	1,983,219
	<u>9,626,666</u>	<u>6,540,531</u>

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Analysis of support costs

	2020	2019
	£	£
Support staff costs	901,161	650,227
Depreciation	711,927	484,768
Technology costs	162,762	114,817
Premises costs	688,709	462,157
Legal costs - on conversion	-	10,596
Legal costs - other	3,988	737
Other support costs	286,936	243,012
Governance costs	21,769	16,905
	<u>2,777,252</u>	<u>1,983,219</u>
	<u>2,777,252</u>	<u>1,983,219</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	21,176	8,532
Depreciation of tangible fixed assets	711,926	484,768
Fees paid to auditors for:		
- audit	10,955	9,820
- other services	5,928	5,035
	<u>10,955</u>	<u>9,820</u>
	<u>10,955</u>	<u>9,820</u>

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,139,997	3,585,726
Social security costs	492,597	338,619
Pension costs	1,435,222	755,736
	<u>7,067,816</u>	<u>4,680,081</u>
Agency staff costs	96,622	126,087
Staff restructuring costs	13,350	10,921
	<u>7,177,788</u>	<u>4,817,089</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	7,016
Other restructuring costs	13,350	3,905
	<u>13,350</u>	<u>10,921</u>

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

Included in staff restructuring costs is 1 non-statutory/non-contractual payment of £1,126 (2019: 1 payment of £7,016).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	98	75
Administration and support	113	78
Management	6	4
	<u>217</u>	<u>157</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	-
	2	1

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 £612,827 (2019: £363,646).

Included in the above are employer pension contributions of £96,084 (2019: £48,547) and employer national insurance contributions of £54,790 (2019: £33,647).

11. Central services

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

- Human resources
- Financial services
- Educational support services
- IT services
- Other services (Legal, Trade Union, Governor 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 43%
- Pakefield 53%
- Thurlton 4%

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Hobart High School	265,963	196,165
Thurlton Primary School	26,679	17,808
Pakefield High School	336,422	107,461
Total	629,064	321,434

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NOTES TO THE FINANCIAL STATEMENTS
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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:

		2020	2019
		£	£
James Adams, Chief Executive Officer	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses totalling £1,436 were reimbursed or paid directly to 1 Trustee (2019 - £1,075 to 1 Trustee) in relation to reimbursement for travel costs.

13. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Freehold land and property £	Leasehold land and property £	Plant and machinery £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2019	19,990,000	13,653,313	249,304	312,737	253,544	34,458,898
Additions	-	740	181,637	64,453	21,316	268,146
At 31 August 2020	<u>19,990,000</u>	<u>13,654,053</u>	<u>430,941</u>	<u>377,190</u>	<u>274,860</u>	<u>34,727,044</u>
Depreciation						
At 1 September 2019	160,000	1,528,227	107,236	75,046	159,554	2,030,063
Charge for the year	384,000	232,040	21,997	39,615	34,274	711,926
At 31 August 2020	<u>544,000</u>	<u>1,760,267</u>	<u>129,233</u>	<u>114,661</u>	<u>193,828</u>	<u>2,741,989</u>
Net book value						
At 31 August 2020	<u><u>19,446,000</u></u>	<u><u>11,893,786</u></u>	<u><u>301,708</u></u>	<u><u>262,529</u></u>	<u><u>81,032</u></u>	<u><u>31,985,055</u></u>
At 31 August 2019	<u><u>19,830,000</u></u>	<u><u>12,125,086</u></u>	<u><u>142,068</u></u>	<u><u>237,691</u></u>	<u><u>93,990</u></u>	<u><u>32,428,835</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	862	7,213
Other debtors	35,612	3,657
Prepayments and accrued income	499,441	149,099
VAT recoverable	68,737	196,952
	<u>604,652</u>	<u>356,921</u>

16. Current asset investments

	2020 £	2019 £
Unlisted investments	<u>535,217</u>	<u>-</u>

The current asset investment relates entirely to a treasury account, which matures on the 18 June 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	433,261	302,201
Other taxation and social security	118,929	120,392
Other creditors	121,535	106,502
Accruals and deferred income	362,734	82,600
	1,036,459	611,695
	1,036,459	611,695
	2020 £	2019 £
Deferred income at 1 September 2019	56,621	30,729
Resources deferred during the year	69,223	56,621
Amounts released from previous periods	(56,621)	(30,729)
	69,223	56,621
	69,223	56,621

At the balance sheet date, included in deferred income were amounts relating to deposits for future school trips, rates relief from the ESFA and donations received for future trips.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
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>
General funds						
Unrestricted funds	608,046	77,578	(76,179)	(2,666)	-	606,779
Total Unrestricted funds	<u>1,043,816</u>	<u>77,578</u>	<u>(76,179)</u>	<u>(2,666)</u>	<u>-</u>	<u>1,042,549</u>
Restricted general funds						
General Annual Grant (GAG)	184,530	7,769,368	(7,315,491)	23,492	-	661,899
Other DfE/ESFA grants	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
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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
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>
Total Restricted funds	<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>
Total funds	<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>

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.

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 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

Other DfE/ESFA grants

This represents other DfE and ESFA grants towards the provision of education, including Pupil Premium funding.

Other government grants

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

Start up and improvement grant

This includes a grant received in the year in respect of the take on of Pakefield High School. The grant was spent on costs in relation to professional fees and staff time dedicated to the conversion and take on process.

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 £32,129,512 at 31 August 2020, and the total fixed assets on the balance sheet are £31,985,055. The difference of £144,457 relates to accrued CIF funding where the expenditure has not yet been incurred or unspent DFC.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Central Trust	742	(27,109)
Hobart High School	929,030	974,021
Thurlton Primary School	65,853	26,767
Pakefield High School	783,700	307,649
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,779,325	1,281,328
Restricted fixed asset fund	32,129,512	32,468,266
Pension reserve	(3,176,000)	(2,431,000)
	<hr/>	<hr/>
Total	30,732,837	31,318,594
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Central Trust	235,606	252,684	76,877	52,151	617,318	394,263
Hobart High School	2,517,087	266,783	270,891	414,953	3,469,714	3,394,198
Thurlton Primary School	196,352	18,103	18,227	79,150	311,832	353,350
Pakefield High School	3,045,960	244,591	303,414	568,910	4,162,875	1,727,952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	5,995,005	782,161	669,409	1,115,164	8,561,739	5,869,763
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The LGPS pension adjustment totalling £353,000 (2019: £186,000) has also been excluded from the above summary.

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

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Designated funds						
Designated funds						
Emergency fund	125,000	-	-	-	-	125,000
Artificial Turf Pitch Maintenance / Resurfacing	150,000	-	-	-	-	150,000
Premises Capital Improvement and Maintenance Fund	200,000	-	-	(39,230)	-	160,770
	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>(39,230)</u>	<u>-</u>	<u>435,770</u>
General funds						
Unrestricted funds	401,178	282,858	(75,990)	-	-	608,046
Total Unrestricted funds	<u>876,178</u>	<u>282,858</u>	<u>(75,990)</u>	<u>(39,230)</u>	<u>-</u>	<u>1,043,816</u>

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	23,990	5,392,590	(5,232,050)	-	-	184,530
Other DfE/ESFA grants	-	288,979	(280,528)	-	-	8,451
Other government grants	-	143,311	(143,311)	-	-	-
Start up grants	-	25,000	(25,000)	-	-	-
Educational visits	36,312	74,504	(66,285)	-	-	44,531
Other restricted	-	46,599	(46,599)	-	-	-
CIF income - not capitalised	71,457	-	-	(71,457)	-	-
Pension reserve	(983,000)	(615,000)	(186,000)	-	(647,000)	(2,431,000)
	<u>(851,241)</u>	<u>5,355,983</u>	<u>(5,979,773)</u>	<u>(71,457)</u>	<u>(647,000)</u>	<u>(2,193,488)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	12,282,871	20,145,965	(443,150)	179,643	-	32,165,329
DfE/ESFA capital grants	47	108,300	-	(68,956)	-	39,391
Capital expenditure from GAG	305,164	-	(41,618)	-	-	263,546
	<u>12,588,082</u>	<u>20,254,265</u>	<u>(484,768)</u>	<u>110,687</u>	<u>-</u>	<u>32,468,266</u>
Total Restricted funds	<u>11,736,841</u>	<u>25,610,248</u>	<u>(6,464,541)</u>	<u>39,230</u>	<u>(647,000)</u>	<u>30,274,778</u>
Total funds	<u><u>12,613,019</u></u>	<u><u>25,893,106</u></u>	<u><u>(6,540,531)</u></u>	<u><u>-</u></u>	<u><u>(647,000)</u></u>	<u><u>31,318,594</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	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)
Total	<u>1,042,549</u>	<u>(2,439,224)</u>	<u>32,129,512</u>	<u>30,732,837</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	32,428,835	32,428,835
Current assets	1,043,816	849,207	39,431	1,932,454
Creditors due within one year	-	(611,695)	-	(611,695)
Provisions for liabilities and charges	-	(2,431,000)	-	(2,431,000)
Total	<u>1,043,816</u>	<u>(2,193,488)</u>	<u>32,468,266</u>	<u>31,318,594</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(193,757)	19,352,575
Adjustments for:		
Depreciation	711,926	484,768
Loss on disposal of tangible assets	-	17
Dividends, interest and rents from investments	(4,440)	(6,793)
(Increase)/decrease in debtors	(247,731)	(217,556)
(Increase)/decrease in creditors	424,764	276,223
Capital grants from DfE and other capital income	(391,998)	(108,300)
Defined benefit pension scheme cost less contributions payable	353,000	186,000
Donated assets from local authority on conversion	-	(20,347,713)
Defined benefit pension scheme obligation taken on conversion	-	615,000
Net cash provided by operating activities	651,764	234,221

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	4,440	6,793
Purchase of tangible fixed assets	(268,146)	(179,640)
Capital grants from DfE Group	391,998	108,300
Local authority balance received on conversion	-	201,748
Net cash provided by investing activities	128,292	137,201

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,385,462	1,142,510
Notice deposits (less than 3 months)	434,910	433,023
Cash investments	535,217	-
Total cash and cash equivalents	2,355,589	1,575,533

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,575,533	244,839	1,820,372
Liquid investments	-	535,217	535,217
	<u>1,575,533</u>	<u>780,056</u>	<u>2,355,589</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 2016.

Contributions amounting to £121,535 were payable to the schemes at 31 August 2020 (2019 - £106,398) 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 £812,222 (2019 - £395,146).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £397,000 (2019 - £271,000), of which employer's contributions totalled £319,000 (2019 - £217,000) and employees' contributions totalled £ 78,000 (2019 - £54,000). 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Principal actuarial assumptions

(Norfolk County Council / Suffolk County Council)

	2020 %	2019 %
Rate of increase in salaries	2.90 / 2.60	2.60 / 2.60
Rate of increase for pensions in payment/inflation	2.20 / 2.30	2.30 / 2.30
Discount rate for scheme liabilities	1.70 / 1.90	1.90 / 1.90
Inflation assumption (CPI)	2.20 / 2.30	2.30 / 2.30

The commutation rate for Norfolk County Council/Suffolk County Council was 50%/25% (2019: 50%/25%) pre April 2008 and increased to 75%/63% (2019: 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:

	2020 Years	2019 Years
Retiring today		
Males	21.7 / 21.9	21.1 / 21.3
Females	23.9 / 24.1	23.5 / 23.5
Retiring in 20 years		
Males	22.8 / 22.7	22.4 / 22.3
Females	25.5 / 25.6	25.0 / 24.9

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.5%	(173,524)	(119,100)
Discount rate -0.5%	173,524	119,100
Mortality assumption - 1 year increase	53,392	31,760
Mortality assumption - 1 year decrease	(53,392)	(31,760)
CPI rate +0.5%	146,828	103,220
CPI rate -0.5%	(146,828)	(103,220)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,857,540	1,603,840
Bonds	1,115,760	1,082,250
Property	360,660	489,060
Cash and other liquid assets	164,040	77,850
Total market value of assets	3,498,000	3,253,000

The actual return on scheme assets was £(122,000) (2019 - £161,000).

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

	2020 £	2019 £
Current service cost	(623,000)	(347,000)
Past service cost	-	(20,000)
Interest income	66,000	67,000
Interest cost	(115,000)	(103,000)
Total amount recognised in the Statement of Financial Activities	(672,000)	(403,000)

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

	2020 £	2019 £
At 1 September	5,684,000	2,996,000
Conversion of academy trusts	-	1,446,000
Current service cost	623,000	347,000
Interest cost	115,000	103,000
Employee contributions	78,000	54,000
Actuarial losses	204,000	741,000
Benefits paid	(30,000)	(23,000)
Past service costs	-	20,000
At 31 August	6,674,000	5,684,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	3,253,000	2,013,000
Conversion of academy trusts	-	831,000
Interest income	66,000	67,000
Actuarial (losses)/gains	(188,000)	94,000
Employer contributions	319,000	217,000
Employee contributions	78,000	54,000
Benefits paid	(30,000)	(23,000)
At 31 August	<u>3,498,000</u>	<u>3,253,000</u>

25. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	4,104	15,077
Later than 1 year and not later than 5 years	2,292	6,629
	<u>6,396</u>	<u>21,706</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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.