

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 8
Governance Statement	9 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 19
Independent Reporting Accountant's Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 53

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Jacqui Burke Mrs Alison Allen Mr Perry Huntley Mr David Middlebrook
Trustees	Mr Edwin Barnes (resigned 8 December 2021) Mr Gavin Coombs (resigned 21 September 2021) Mrs Caren Earp, Head Teacher and Accounting Officer Mr Perry Huntley, Chair of Trustees Rev Shaun Speller Mrs Tracy Molyneux Mrs N Matthiae Mr Dean Langton (appointed 11 May 2022) Mr Graham Hayward
Company registered number	07996350
Company name	Poppy Hill Church of England Multi Academy Trust
Principal and registered office	Church Road Henlow Bedfordshire SG16 6AN
Chief Executive Officer	Mrs Caren Earp
Senior Leadership Team	Mrs Caren Earp, Head Teacher and Accounting Officer Mr Stephen Carrington, Deputy Head Teacher Miss Naomi Chalkley, Deputy Head Teacher Mrs Margaret Newman, Assistant Head Teacher Mrs Amanda Salzen, Business Manager Mrs Jodie Gregory, Assistant Head Teacher Mrs Karen Evans, Operations Manager Mrs Susan Jones, SENDCO Mrs Nicola Farrington-Sharp, Assistant Head Teacher
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank 1 Bancroft Hitchin Hertfordshire SG5 1JQ

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors

Stone King
91 Charterhouse Street
London
EC1M 6HR

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Reports of Poppy Hill Church of England Multi Academy Trust (the Charitable Company or the 'Trust') for the period 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates as an independent Church of England academy sponsored by St Albans Diocese, for pupils aged 4 to 14 (school years reception – 9).

The catchment areas for the Trust are the local villages of Clifton, Henlow, Meppershall, Henlow Parish and Langford. Henlow do attract pupils to the School from out of catchment, such as Arlesey, Biggleswade, Lower Stondon, Shefford, and Stotfold. Some pupils in Year 8 currently transfer to other local upper schools but this will change as the move to 2 tier education happens in the next few years.

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

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

Structure, Governance and Management

Constitution

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

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

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Method of Recruitment and Appointment or Election of Trustees

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

The structure of the Trust consists of two senior levels: the Board of Trustees and the Head Teacher leading the Senior Team.

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

The Board of Trustees focus on three core functions:

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

The Board of Trustees has established a Local Governing Body which covers both Schools. The Board of Trustees and Local Governing Body have their own terms of reference detailing their responsibilities to the Trust and the Head Teacher (The Accounting Officer).

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

The Board of Trustees meet seven times a year.

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

Arrangements for setting pay and remuneration of key management personnel

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

The Board of Trustees' role in relation to other key leadership pay determinations is to:

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

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

Connected Organisations including Related Party Relationships

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Poppy Hill Church of England Multi Academy Trust to provide education for pupils of all abilities between the ages of 4 and 16 with an emphasis on creating an environment where individuals have an opportunity to fulfil their potential in terms of personal, emotional and intellectual growth. The Trust additionally aims to share its facilities with the local community where possible, and encourage wider community engagement whenever practicable.

The main objectives of the Trust during the year ended 31 August 2022 are summarised below:

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

Objectives, Strategies and Activities

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

At Henlow Church of England Academy, Ofsted drew attention to the fact that our values permeate every aspect of our work. This was particularly noticeable in the ways that our pupils raised money for charity throughout the year despite the Covid-19 restrictions. A wide range of charities are selected by the pupils and the fundraising often involves a determined and collaborative effort to help others. Their willingness to involve themselves in charitable events reflects an understanding of and empathy for the diverse range of needs in our local and wider community. The school community raised in excess of £2,400 in this academic year.

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

The prayer table hosted some vibrant displays throughout the year and the prayer garden is currently undergoing refurbishment so that it can continue to be used by staff and students as an area for quiet reflection.

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

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

The pupils constantly demonstrate enthusiasm, commitment and a willingness to engage with all of the sporting opportunities on offer. Many of our achievements were recognised at the Annual Sports Awards. Both individual and team achievements were celebrated in a memorable ceremony.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

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

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

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

Public Benefit

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

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

"To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education."

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees' Report, incorporating a strategic report, was approved by the Board of Directors on 15 December 2022 and signed on its behalf by:

.....
Mrs Caren Earp
Headteacher

.....
Mr Perry Huntley
(Chair of Trustees)

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Poppy Hill Church of England Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Its purpose includes to monitor, evaluate and review policy and performance in relation to financial management, ensure compliance with all reporting and regulatory requirements, receive management reports from the Executive Head Teacher, Responsible Officer and Auditors, and approve and challenge the annual budget. There were no issues of concern for the Committee to consider during the financial year. The Committee is fully informed of the Trusts financial progress throughout the year, and is committed to regular challenge and support to ensure that decisions are taken which will not pose a risk to the financial viability, educational progress, safeguarding of pupils, and delivery of the key priorities of the Schools.

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

Trustee	Meetings attended	Out of a possible
Mr Edwin Barnes	1	2
Mr Gavin Coombs	0	1
Mrs Caren Earp, Head Teacher and Accounting Officer	7	7
Mr Perry Huntley, Chair of Trustees	7	7
Rev Shaun Speller	7	7
Mrs Tracy Molyneux	7	7
Mrs N Matthiae	7	7
Mr Dean Langton	2	2
Mr Paul Hayward	5	7

Review of year:

Poppy Hill Multi Academy Trust Trustees have had some changes during the 2021/22 academic year. Two Trustees members have resigned and a new Trustee has been recruited as Director of HR. We continue to recruit for the two remaining positions.

The Local Governing Body Committee continues to cover both Henlow CE Academy and Meppershall CE Academy.

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

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The local area continues on the journey to become a two tier educational structure. Henlow CE Academy and its feeder schools were the first to start their conversion to Primary/Secondary. Henlow CE Academy accepted its first year 9 pupils and the lower schools had their first year 5 pupils. To accommodate this change the original middle school areas of Henlow CE Academy have undergone extensive refurbishment this year to accommodate the GCSE curriculum. This was funded by Central Bedfordshire Council.

The Board regularly reviews the data from the Schools to ensure it provides quality information for them to make informed decisions. For example, the finance reports are reviewed monthly with the Director of Finance and the CFO and amendments made if required.

The Board of Trustees continues to focus on the future of the Schools as a priority whilst looking for opportunities to expand the Trust.

Governance reviews:

When the multi academy trust was formed in April 2021 the Board underwent a full independent external review. The Board completed the School Resource Management Self Assessment in March 2022 and is due to assess its effectiveness with an independent external review in the 2022/23 academic year.

Conflicts of interest

Poppy Hill Church of England Multi Academy Trust has created a complete register of interests which is regularly reviewed and maintained. This is held and maintained by the CFO. The financial software that the Trust uses enables us to indicate which suppliers are highlighted on the register of interests. Should one of these suppliers be used the CFO will be informed and take the required steps.

All Trustees are given the opportunity at the beginning of each meeting to declare if they have any interests.

Any third party related transactions are referred to the ESFA in accordance with the Academies Handbook.

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

Improving educational outcomes for our students remains the key priority. The Trust has taken the following steps to ensure continued improvement in our delivery of education and improve our pupils' aspirations and attainment. The Trust is committed to supporting our pupils achieve their potential through a varied curriculum offer, an extensive range of extra-curricular activities, and embedding our core values to develop the whole person and best prepare them for higher education, and future employment opportunities.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The Accounting Officer has delivered improved value for money during the year by:

Reviewing operations to maximise resources

Development of middle leaders and delivery of targeted CPD to ensure continued high quality of teaching is maintained across both Schools and all curriculum areas:

- New initiatives are costed and budgeted appropriately to maximise benefit from funding.
- Efficient deployment of staff across the Trust to provide value for money in terms of quality of teaching, quality of learning and teacher / student ratio and curriculum management. For example, class sizes have been closely monitored and a review of the current structure undertaken to ensure that appropriate staffing levels were appropriate to curriculum costings.

Collaboration

- Educational outcomes have been improved through effective collaboration with the local learning community, particularly through sharing good practices with an improved focus of delivery of high quality continued professional development. Specialist teachers of MFL, PE and English continue to deliver 1 hour of teaching per week at local feeder lower schools. The Head Teachers meet regularly to share ideas, improve collaborative approaches and discuss local context, especially in light of the move to 2 tier across Central Bedfordshire Council.

Targeted Improvement

There has been huge investment in the management information system to develop a robust tracking and reporting system for monitoring pupil progress. This ensures that we can continue to use data so that staff can continue to extend pupils' learning. We have employed experienced, high quality staff to support our school improvement agenda, and we involve all staff in focussing on the pupils' learning, encouraging creativity and innovation in delivering the curriculum.

Focus on our Pupils' individual needs

At Henlow CE Academy we have a Deputy Head Teacher with the remit of pupil engagement and progress and a Pastoral Intervention Leader to offer pastoral support to our pupils alongside an external school Counsellor. They both support the Head of School at Meppershall.

- We continue to fund the role of Pupil Premium Lead to monitor the achievement of this group of pupils.
- Investment in internal modifications to continue to promote high quality teaching spaces which meets the needs of the curriculum on offer and movement in pupil numbers.

Financial Governance and Challenge

- The Board of Trustees effectively oversees the financial management of the Trust through effective challenge to ensure that procurement processes are robust and secure value for money.
- The Trustees meet regularly to receive monitoring reports, review the financial position, and challenge decisions.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Effective Procurement

- Contracts are renegotiated or not renewed if they prove not to be good value for money to ensure quality and effectiveness is achieved, e.g. Cleaning Contract, Grounds Maintenance.
- High value contracts with a period of 3 – 5 years (eg. Grounds Maintenance, Insurance) are reviewed and compared against the market to ensure that these are still competitive.

Reviewing Controls and Managing Risk

- Budget monitoring reports are presented to the Trustees on a regular basis, with any significant variances explained and closely monitored and reviewed, to ensure there is no significant impact on anticipated out-turn.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Poppy Hill Church of England Multi Academy Trust for the year ended 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is reviewed by the Board of Trustees.

The risk and control framework

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

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

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

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

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

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

The internal audit review has been delivered in a timely manner, with scheduled visits satisfactorily undertaken as planned. Reports were presented to the relevant committee and there were no material control issues arising as a result of the reviewer's work.

Review of effectiveness

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

- the work of the Internal Auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditor;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Academy Business Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Directors on 15 December 2022 and signed on their behalf by:

.....
Mrs Caren Earp
Headteacher

.....
Mr Perry Huntley
Chair of Trustees

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Poppy Hill Church of England Multi Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2021.

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

Mrs Caren Earp
Accounting Officer
Date: 15 December 2022

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Directors on 13 December 2022 and signed on its behalf by:

.....
Mr Perry Huntley
Chair of Trustees

.....
Mrs Caren Earp
Head Teacher

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

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

Opinion

We have audited the financial statements of Poppy Hill Church of England Multi Academy Trust (the 'Trust') for the year ended 31 August 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Use of our Report

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

19 December 2022

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

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

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Poppy Hill Church of England Multi Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Poppy Hill Church of England Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Poppy Hill Church of England Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Poppy Hill Church of England Multi Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Poppy Hill Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 19 March 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP
Chartered Accountants
Statutory Auditors

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

Date: 19 December 2022

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	2	17,336	286,150	2,271,947	2,575,433	3,690,613
Other trading activities		70,228	-	-	70,228	93,223
Investments	5	172	-	-	172	169
Charitable activities		68,573	4,882,463	-	4,951,036	4,178,510
Total income		156,309	5,168,613	2,271,947	7,596,869	7,962,515
Expenditure on:						
Charitable activities		31,419	4,957,795	701,070	5,690,284	4,252,354
Total expenditure		31,419	4,957,795	701,070	5,690,284	4,252,354
Net (expenditure)/ income		124,890	210,818	1,570,877	1,906,585	3,710,161
Transfers between funds	17	(247,155)	-	247,155	-	-
Net movement in funds before other recognised gains/(losses)		(122,265)	210,818	1,818,032	1,906,585	3,710,161
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	2,274,000	-	-	2,274,000	(237,000)
Net movement in funds		2,151,735	210,818	1,818,032	4,180,585	3,473,161
Reconciliation of funds:						
Total funds brought forward		207,139	(1,599,237)	7,953,651	6,561,553	3,088,392
Net movement in funds		2,151,735	210,818	1,818,032	4,180,585	3,473,161
Total funds carried forward		2,358,874	(1,388,419)	9,771,683	10,742,138	6,561,553

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

The notes on pages 25 to 53 form part of these financial statements.

POPPY HILL CHURCH OF ENGLAND MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07996350

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	9,468,375	7,397,279
		<u>9,468,375</u>	<u>7,397,279</u>
Current assets			
Debtors	14	860,893	750,650
Cash at bank and in hand		1,462,893	1,381,589
		<u>2,323,786</u>	<u>2,132,239</u>
Creditors: amounts falling due within one year	15	(421,023)	(371,965)
Net current assets		1,902,763	1,760,274
Creditors: amounts falling due after more than one year	16	(309,000)	(309,000)
Net assets excluding pension liability		11,062,138	8,848,553
Defined benefit pension scheme liability	24	(320,000)	(2,287,000)
Total net assets		<u><u>10,742,138</u></u>	<u><u>6,561,553</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	9,771,683	7,953,651
Restricted income funds	17	1,205,581	687,763
		<u>10,977,264</u>	<u>8,641,414</u>
Restricted funds excluding pension liability	17	10,977,264	8,641,414
Pension reserve	17	(320,000)	(2,287,000)
Total restricted funds	17	10,657,264	6,354,414
Unrestricted income funds	17	84,874	207,139
Total funds		<u><u>10,742,138</u></u>	<u><u>6,561,553</u></u>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:

.....
Mrs C Earp
Headteacher

.....
Mr P Huntley
Chair of Trustees

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	435,792	464,921
Cash flows from investing activities			
	20	(354,488)	582,521
Change in cash and cash equivalents in the year		81,304	1,047,442
Cash and cash equivalents at the beginning of the year		1,381,589	334,147
Cash and cash equivalents at the end of the year	21, 22	1,462,893	1,381,589

The notes on pages 25 to 53 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

1.2 Company Status

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

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

1.3 Fund accounting

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.5 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 Going concern

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

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

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. The Trust has recognised a site improvement asset in line with the Academies Accounts Direction 2019 to 2020 guidance, given where the site is not recognised as land and buildings within the financial statements.

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

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

Depreciation is provided on the following bases:

Leasehold Improvements	- 2% to 5% straight line
Fixtures and fittings	- 10% to 25% straight line
Computer Equipment	- 10% to 33% straight line
Motor vehicles	- 25% straight line

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

1.8 Operating leases

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Interest receivable

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

1.15 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.16 Right to Occupy

The Trust operates from land and buildings provided rent free by the Diocese of St Albans. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £155,000 (2021 - £155,000) per annum, on this basis a donation from the Diocese of £155,000 (2021 - £155,000) is shown in the accounts together with a notional expense of the same amount. In addition, included in both debtors and creditors is a donation in kind receivable of £464,000 (2021 - £464,000) which represents the commitment by the Diocese to provide the land and buildings rent free for a further 36 months, and the requirement to pay the future rental expenses.

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

1.17 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2020 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	17,336	1,372	-	18,708	(344,946)
Donation in kind	-	155,000	-	155,000	155,000
Capital grants	-	-	2,271,947	2,271,947	3,868,462
Educational trip contributions	-	129,778	-	129,778	12,097
Total 2022	<u>17,336</u>	<u>286,150</u>	<u>2,271,947</u>	<u>2,575,433</u>	<u>3,690,613</u>
Total 2021	<u>(17,565)</u>	<u>(307,534)</u>	<u>4,015,712</u>	<u>3,690,613</u>	

In 2021, income from donations was (£474,631), all of which was restricted.

In 2021, income from donation in kind was £155,000 of which all was restricted.

In 2021, capital grants of £3,868,462 were in relation to restricted fixed assets.

In 2021, educational trip contributions were £12,097 of which all was restricted.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Funding for the Trust's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,623,516	3,623,516	3,084,280
Other DfE/ESFA grants				
Other DfE/ESFA Grants	-	136,224	136,224	77,693
Teachers pay grant	-	-	-	42,356
Teachers pension grant	-	-	-	125,392
Pupil premium	-	206,946	206,946	172,429
Trust sponsorship funding	-	-	-	70,000
	-	3,966,686	3,966,686	3,572,150
Other Government grants				
Local Authority Grants	-	915,777	915,777	468,034
	-	915,777	915,777	468,034
Other funding				
Catering income	68,573	-	68,573	52,846
	68,573	-	68,573	52,846
COVID catch up premium and mass testing	-	-	-	85,480
	68,573	4,882,463	4,951,036	4,178,510
Total 2022	68,573	4,882,463	4,951,036	4,178,510
Total 2021	52,846	4,125,664	4,178,510	

In 2021, income from DfE/ESFA grants was £3,572,150 of which all was restricted.

In 2021, income from other Government grants was £468,034 of which all was restricted.

In 2021, income from catering was £52,846 of which all was unrestricted.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	21,190	21,190	86,828
Other income	6,303	6,303	6,395
Sale of services	42,735	42,735	-
Total 2022	70,228	70,228	93,223
Total 2021	93,223	93,223	

In 2021, lettings income was £86,828 of which all was unrestricted.

In 2021, other income was £6,395 of which all was unrestricted.

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	172	172	169
Total 2021	169	169	

In 2021, all investment income was in relation to unrestricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
:					
Direct costs	2,548,155	2,756	468,212	3,019,123	2,409,892
Allocated support costs	1,450,537	618,993	601,631	2,671,161	1,842,462
Total 2022	<u><u>3,998,692</u></u>	<u><u>621,749</u></u>	<u><u>1,069,843</u></u>	<u><u>5,690,284</u></u>	<u><u>4,252,354</u></u>
Total 2021	<u><u>3,270,919</u></u>	<u><u>267,344</u></u>	<u><u>714,091</u></u>	<u><u>4,252,354</u></u>	

In 2022, of the total expenditure, £31,419 (2021 - £72,806) was from unrestricted funds, £4,957,795 (2021 - £4,047,024) was from restricted funds and £701,070 (2021 - £123,545) was from restricted fixed asset funds.

In 2021, direct expenditure consisted of £2,150,986 staff costs and £2,351 premises costs and £256,555 other costs.

In 2021, support expenditure consisted of £1,119,933 staff costs, £264,993 premises costs and £457,536 other costs.

7. Charitable activities

	2022 £	2021 £
Direct costs	3,019,123	2,409,892
Support costs	2,671,161	1,842,462
	<u>5,690,284</u>	<u>4,252,354</u>
Analysis of support costs		
Support staff costs	1,450,537	1,119,933
Depreciation	387,486	123,545
Loss on disposal of fixed assets	168,025	-
Premises costs	225,113	141,448
Other support costs	422,997	419,259
Governance costs	17,003	13,886
Professional Services	-	24,391
	<u>2,671,161</u>	<u>1,842,462</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Net expenditure

Net expenditure for the year includes:

	2022 £	2021 £
Operating lease rentals	30,130	29,509
Depreciation of tangible fixed assets	387,486	123,545
Loss on disposal of fixed assets	168,025	-
Fees paid to Auditors for:		
- Audit	9,200	8,000
- Other services	7,725	6,720
	392,565	145,274

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,761,908	2,280,657
Social security costs	263,509	216,737
Pension costs	923,232	717,776
	3,948,649	3,215,170
Agency staff costs	50,043	55,749
	3,998,692	3,270,919

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	46	39
Management	4	3
Administration, support and other staff	66	48
	116	90

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	1
In the band £90,001 - £100,000	1	1
	1	1

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £546,634 (2021 - £602,501).

Employer national insurance contributions included within key management personnel remuneration was £47,570 (2021 - £50,788)

Employer pension contributions included within key management personnel remuneration was £95,210 (2021 - £105,222)

10. Central services

No central services were provided by the Trust to its Schools during the year and no central charges arose.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Mrs Caren Earp, Head Teacher and Accounting Officer	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 30 April 2022 is included in the total insurance cost.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Tangible fixed assets

	Building Improvement £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	7,946,993	97,813	227,092	16,610	8,288,508
Additions	2,559,732	31,962	29,618	5,295	2,626,607
Disposals	(195,378)	-	-	-	(195,378)
At 31 August 2022	10,311,347	129,775	256,710	21,905	10,719,737
Depreciation					
At 1 September 2021	618,444	94,956	170,201	7,628	891,229
Charge for the year	342,599	13,275	26,577	5,035	387,486
On disposals	(27,353)	-	-	-	(27,353)
At 31 August 2022	933,690	108,231	196,778	12,663	1,251,362
Net book value					
At 31 August 2022	9,377,657	21,544	59,932	9,242	9,468,375
At 31 August 2021	7,328,549	2,857	56,891	8,982	7,397,279

The Academy has recognised a site improvement asset in line with the Academies Accounts Direction 2021 to 2022 guidance, given where the original property is not recognised as land and buildings within the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Debtors

	2022 £	2021 £
Due after more than one year		
Donation in kind	309,000	309,000
	309,000	309,000
Due within one year		
Trade debtors	6,011	760
VAT recoverable	125,008	198,104
Prepayments and accrued income	265,874	87,786
Donation in kind	155,000	155,000
	860,893	750,650

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	11,897	-
Other taxation and social security	128,069	52,770
Other creditors	205,614	271,314
Accruals and deferred income	75,443	47,881
	421,023	371,965
	2022 £	2021 £
Deferred income at 1 September 2021	13,979	967
Resources deferred during the year	6,039	13,979
Amounts released from previous periods	(13,979)	(967)
	6,039	13,979

Resources deferred in the year relate to ESFA funding received in advance for the 2022/23 academic year.

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

	2022 £	2021 £
Other creditors	309,000	309,000
	309,000	309,000

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds	207,139	156,309	(31,419)	(247,155)	-	84,874
Restricted general funds						
GAG	536,569	3,623,516	(3,051,282)	-	-	1,108,803
Other DfE/ESFA grants	66,880	136,224	(203,104)	-	-	-
School fund	84,314	-	(200)	-	-	84,114
LA grants	-	915,777	(915,777)	-	-	-
Pupil Premium	-	206,946	(194,282)	-	-	12,664
Educational visits	-	129,778	(129,778)	-	-	-
Right to occupy	-	155,000	(155,000)	-	-	-
Restricted donations	-	1,372	(1,372)	-	-	-
Pension reserve	(2,287,000)	-	(307,000)	-	2,274,000	(320,000)
	<u>(1,599,237)</u>	<u>5,168,613</u>	<u>(4,957,795)</u>	<u>-</u>	<u>2,274,000</u>	<u>885,581</u>
Restricted fixed asset funds						
Devolved Formula Capital	16,289	19,214	(33,065)	-	-	2,438
Other capital grants	540,083	2,252,733	(112,494)	(2,379,452)	-	300,870
Restricted fixed asset fund	7,397,279	-	(555,511)	2,626,607	-	9,468,375
	<u>7,953,651</u>	<u>2,271,947</u>	<u>(701,070)</u>	<u>247,155</u>	<u>-</u>	<u>9,771,683</u>
Total Restricted funds	<u>6,354,414</u>	<u>7,440,560</u>	<u>(5,658,865)</u>	<u>247,155</u>	<u>2,274,000</u>	<u>10,657,264</u>
Total funds	<u><u>6,561,553</u></u>	<u><u>7,596,869</u></u>	<u><u>(5,690,284)</u></u>	<u><u>-</u></u>	<u><u>2,274,000</u></u>	<u><u>10,742,138</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

Unrestricted funds

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

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DfE/ESFA grants

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

Pupil Premium

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

Other government grants

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

Educational visits

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

Right to occupy

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

Pension reserve

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

Restricted fixed assets fund

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

DfE/ESFA capital grants

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

Devolved formula capital (DFC)

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

School fund

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

Restricted donations

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds	151,272	128,673	(72,806)	-	-	207,139
Restricted funds						
GAG	66,184	3,084,280	(2,593,898)	(19,997)	-	536,569
Other DfE/ESFA grants	3,929	400,921	(337,970)	-	-	66,880
Other Government grants	-	468,034	(468,034)	-	-	-
School fund	84,727	57,920	(58,333)	-	-	84,314
Pupil Premium	9,814	172,429	(182,243)	-	-	-
Educational visits	-	12,097	(12,097)	-	-	-
Right to occupy	-	155,000	(155,000)	-	-	-
Restricted donations	-	31,449	(31,449)	-	-	-
Pension reserve	(1,278,000)	(564,000)	(208,000)	-	(237,000)	(2,287,000)
	<u>(1,113,346)</u>	<u>3,818,130</u>	<u>(4,047,024)</u>	<u>(19,997)</u>	<u>(237,000)</u>	<u>(1,599,237)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

**Restricted fixed
asset funds**

Devolved Formula Capital	-	18,834	(8,979)	6,434	-	16,289
Other capital grants	-	3,849,628	-	(3,309,545)	-	540,083
Restricted fixed asset fund	4,050,466	147,250	(123,545)	3,323,108	-	7,397,279
	<u>4,050,466</u>	<u>4,015,712</u>	<u>(132,524)</u>	<u>19,997</u>	<u>-</u>	<u>7,953,651</u>
Total Restricted funds	<u>2,937,120</u>	<u>7,833,842</u>	<u>(4,179,548)</u>	<u>-</u>	<u>(237,000)</u>	<u>6,354,414</u>
Total funds	<u><u>3,088,392</u></u>	<u><u>7,962,515</u></u>	<u><u>(4,252,354)</u></u>	<u><u>-</u></u>	<u><u>(237,000)</u></u>	<u><u>6,561,553</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Statement of funds (continued)

Total funds analysis by School

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Henlow Church of England Academy	1,172,672	877,753
Meppershall Church of England Academy	105,777	8,546
Central services	12,006	8,603
	1,290,455	894,902
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	9,771,683	7,953,651
Pension reserve	(320,000)	(2,287,000)
	10,742,138	6,561,553
Total	10,742,138	6,561,553

Total cost analysis by School

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Henlow Church of England Academy	2,173,537	1,077,852	379,657	473,420	4,104,466	3,861,731
Meppershall Church of England Academy	327,618	148,685	26,163	224,244	726,710	275,681
Central services	47,000	224,000	-	32,597	303,597	(8,603)
	2,548,155	1,450,537	405,820	730,261	5,134,773	4,128,809
Trust	2,548,155	1,450,537	405,820	730,261	5,134,773	4,128,809

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	9,468,375	9,468,375
Debtors due after more than one year	-	309,000	-	309,000
Current assets	84,874	1,626,604	303,308	2,014,786
Creditors due within one year	-	(421,023)	-	(421,023)
Creditors due in more than one year	-	(309,000)	-	(309,000)
Provisions for liabilities and charges	-	(320,000)	-	(320,000)
Total	<u>84,874</u>	<u>885,581</u>	<u>9,771,683</u>	<u>10,742,138</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	7,397,279	7,397,279
Debtors due after more than one year	-	309,000	-	309,000
Current assets	207,139	1,059,728	556,372	1,823,239
Creditors due within one year	-	(371,965)	-	(371,965)
Creditors due in more than one year	-	(309,000)	-	(309,000)
Provisions for liabilities and charges	-	(2,287,000)	-	(2,287,000)
Total	<u>207,139</u>	<u>(1,599,237)</u>	<u>7,953,651</u>	<u>6,561,553</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	1,906,585	3,710,161
Adjustments for:		
Depreciation	360,133	123,545
Capital grants from DfE and other capital income	(2,271,947)	(3,868,462)
Interest receivable	(172)	(169)
Defined benefit pension scheme movements	307,000	208,000
Defined benefit pension liability received on transfer	-	564,000
Increase in debtors	(110,243)	(235,009)
Increase in creditors	49,058	110,103
Disposals of fixed assets	195,378	-
Donated assets	-	(147,248)
Net cash provided by operating activities	435,792	464,921

20. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(2,626,607)	(3,323,110)
Capital grants from DfE Group	2,252,733	18,834
Capital funding received from others	19,214	3,849,628
Interest received	172	169
Notional rent adjustment	-	37,000
Net cash (used in)/provided by investing activities	(354,488)	582,521

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,462,893	1,381,589
Total cash and cash equivalents	1,462,893	1,381,589

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,381,589	81,304	1,462,893
Debt due within 1 year	(37,496)	-	(37,496)
	<u>1,344,093</u>	<u>81,304</u>	<u>1,425,397</u>

23. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>217,054</u>	<u>3,193,916</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments

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

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

Contributions amounting to £70,699 were payable to the schemes at 31 August 2022 (2021 - £65,700) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £550,564 (2021 - £372,365).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £209,000 (2021 - £193,000), of which employer's contributions totalled £167,000 (2021 - £155,000) and employees' contributions totalled £ 42,000 (2021 - £38,000). The agreed contribution rates for future years are 22.51 per cent for employers and 5.5 - 6.8 per cent for employees.

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

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.9
Rate of increase for pensions in payment/inflation (CPI)	2.95	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (RPI)	3.25	3.2
Commutation rate	50	50

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

	2022	2021
	Years	Years
Retiring today		
Males	22	21.9
Females	24.4	24.3
Retiring in 20 years		
Males	22.9	22.9
Females	26.1	26.0

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

As at 31 August 2022, the Trust had a pension liability of £320,000 (2021 - £2,287,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(72)	(116)
Discount rate -0.1%	74	119
Mortality assumption - 1 year increase	88	200
Mortality assumption - 1 year decrease	(86)	(192)
CPI rate +0.1%	70	108
CPI rate -0.1%	(68)	(105)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,655,000	1,782,000
Property	628,000	237,000
Cash and other liquid assets	383,000	56,000
Bonds	101,000	476,000
Total market value of assets	2,767,000	2,551,000

The actual return on scheme assets was £12,000 (2021 - £243,000).

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

	2022 £	2021 £
Current service cost	(435,000)	(338,000)
Interest income	44,000	32,000
Interest cost	(80,000)	(55,000)
Total amount recognised in the Statement of Financial Activities	(471,000)	(361,000)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	4,838,000	3,032,000
Current service cost	435,000	338,000
Interest cost	80,000	55,000
Employee contributions	42,000	38,000
Actuarial (gains)/losses	(2,330,000)	448,000
Benefits paid	22,000	(21,000)
Liabilities assumed on settlements	-	948,000
At 31 August	<u>3,087,000</u>	<u>4,838,000</u>

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

	2022 £	2021 £
At 1 September	2,551,000	1,754,000
Interest income	44,000	32,000
Actuarial (losses)/gains	(56,000)	211,000
Employer contributions	167,000	155,000
Employee contributions	42,000	38,000
Benefits paid	22,000	(21,000)
Administration expenses	(3,000)	(2,000)
Settlement prices received	-	384,000
At 31 August	<u>2,767,000</u>	<u>2,551,000</u>

25. Operating lease commitments

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	11,223	15,769
Later than 1 year and not later than 5 years	11,223	22,446
	<u>22,446</u>	<u>38,215</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 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 cease to be a Member.

27. Related party transactions

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

The Trust operates from land and buildings provided rent free by Diocese of St Albans. Under agreements between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate these agreements. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year-end. The Trustees estimate that the cost of renting equivalent buildings would be £155,000 (2021 - £155,000) per annum, on this basis a donation from the Diocese of £155,000 (2021 - £155,000) is shown in the accounts together with a notational expense of the same amount. In addition, included in both debtors and creditors is a donation in kind receivable of £464,000 (2021 - £464,000) which represents the commitment by the Diocese to provide the land and buildings rent free for a further 36 months, and the requirement to pay future rental expenses.

During the year the Trust paid £1,513 (2021 - £1,513) to the Diocese of St Albans with regards to a service level agreement.

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