

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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CLARION ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | John Andersen, Chair of Members Ben Turner (resigned 17 October 2022) Peter Fraser Tim Bishop John Organ |
| Trustees | Peter Fraser, Chair of Trustees Michael Cole Peter Hardy James Wright Patricia Bell Steven Gray Sadie Lofthouse James Adams, CEO/Accounting Officer Shirley Gates Donna Harris (resigned 12 October 2022) |
| Company registered number | 08347874 |
| Company name | Clarion Academy Trust |
| Principal and registered office | Kittens Lane Loddon Norwich Norfolk NR14 6JU |
| Senior management team | Mr J Adams, CEO/Accounting Officer Mrs A Hambley, Headteacher (Thurilton) Mr M Quantrill, Standards Officer Mrs R Clarke, CFO (Appointed 1 September 2021) Mr R Li-Rocchi, Head of School (Hobart) Mr D Bagshaw, Acting Head of School (Pakefield) Mr P Kirby, Trust Estates Manager |
| Independent auditors | Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR |

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

Bankers

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

NatWest
53 London Road North
Lowestoft
Suffolk
NR32 1BJ

Solicitors

Ashtons Legal
Trafalgar House
4 Meridian Way
Norwich
Norfolk
NR7 0TA

CLARION ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Clarion Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

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

Hobart High School has a capacity of 820 and a roll of 667. Thurlton Primary has a capacity of 105 with current roll of 57 in the 2022 census. Pakefield High School has a capacity of 900 and a roll of 672.

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one loss.

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed for a term of four years and are eligible for re election. The Articles of Association of the Charitable Company set out the number and type of Trustees of the Academy in paragraphs 50 to 65. The Chief Executive Officer (CEO) is an ex officio Trustee. The Members may appoint up to 11 Trustees and seeks those committed to promoting the ethos and aims of the Trust. The Board of Trustees can appoint up to three Co-opted Trustees.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

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

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

f. Organisational structure

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

The Board of Trustees, which meets on at least five occasions per year, is responsible for: the strategic direction of the Trust; setting general policy and approving major decisions about the direction of the Trust, including senior appointments. The Board of Trustees approves an annual development plan and reviews progress towards educational objectives and academic results. They also approve major expenditure requests, set the budget for the following year and agree and review the performance objectives of the Chief Executive Officer (CEO) with the School Improvement Partner. The Board of Trustees receives reports from the three Local Governing boards set up to monitor and ensure that the curriculum and teaching and learning is of the highest possible standard. Careful consideration is given to all strategic planning and decision making throughout the structure, this includes, but is not limited to, the work of the Property and Finance, HR and Standards committees. The terms of reference of the committees are reviewed by the Board of Trustees annually and are published on the Trust website.

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

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

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

Structure, governance and management (continued)

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

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

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

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

h. Trade union facility time

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

Trade union facilities time was outsourced to Norfolk County Council and Suffolk County Council who were paid a total of £4,411 for costs associated with the outsourcing of trade union activities in the year ended 31 August 2022.

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

i. Related parties and other connected charities and organisations

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

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

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

The Trust does not have a formal sponsor.

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

Objectives and activities

a. Objects and aims

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

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

With that in mind, we will be focusing on:

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

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

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Hobart High School

1) The 2022-23 School Improvement & Development Plan (SIDP) objectives reflect our priorities in teaching and learning development and commit to the continuation of our journey in embedding awareness and understanding of diversity and ensuring that there is a drive to engage with some of our more challenging youngsters and to ensure that all students make good progress, particularly boys, students on the SEN register and those in receipt of pupil premium funding. This objective is making good progress but remains a key focus.

2) To further develop, progress and embed key aspects of teaching and learning, including aspects of assessment and Rosenshine's Principles of Instruction. As in previous years, the second objective continues to focus on teaching and learning. Our work to introduce Rosenshine's Principles began last year, and our work this year will continue so key aspects of these pedagogical approaches are embedded. Subject leaders have been tasked with reviewing aspects of assessment within their curriculum, including synoptic elements within summative assessments. Sub-objectives within this objective:

- To further embed effective questioning within T&L, including as a driver for diagnostic and formative assessment that informs planning and interventions.
- To develop clarity and standardisation of approach in how key stage 3 assessment is used to update data tracking.
- To further embed impactful modelling within T&L, including the use of metacognitive approaches and strategic removal of scaffolding.
- To use Rosenshine's Principles of Instruction (RPI) to further review and refine learning activities within schemes of work.

3) To implement and embed strands of the EEF secondary literacy guidance report, in particular reading and use of disciplinary language. Literacy across the curriculum will remain a headline SIDP objective for three years. Department leaders will consider and develop reading strategies within their departments, and CPD will be used to develop understanding of effective practice. It will include the following sub-objectives:

- To introduce and develop effective disciplinary approaches to reading across departments.
- To ensure department leaders embed approaches to disciplinary literacy that align with the school literacy policy.
- To develop a culture of reading for pleasure across the school.

4) To further embed understanding and acceptance of diversity both within our curriculum delivery and enrichment offer. This objective builds on our progress from last year, which featured as one of our CPD pathways. Key themes linked to the headline objective:

- To embed learning opportunities that encourage understanding and reflection of diversity within schemes of work and resource development.
- To further embed and broaden opportunities for students to lead on diversity themes through various enrichment opportunities.

5) To provide staff with a range of strategies that effectively support SEN students with a dyslexic profile and ensure there is clear emerging evidence they are being implemented and impactful within delivery of the curriculum.

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

Objectives and activities (continued)

Objective 5 will be supported through one of our CPD pathways led by our SENCO, and aims to ensure staff further develop their teaching approaches to support this key group. Sub-objectives linked to the headline:

- To develop the consistency of IEP use so it informs effective planning and pedagogy.
- To embed strategies that ensure written learning materials are more accessible to dyslexic profile learners.
- To refine the way the progress of dyslexic profile learners is monitored.

6) To utilise a variety of pastoral approaches that will support and improve the engagement of some of our most challenging students.

This priority aims to develop the approaches used to support students who are not engaging with aspects of school life including learning in lessons and access to enrichment. Sub-objectives for the headline are:

- To develop and refine the use of restorative conversations by staff.
- To review the ways mentoring is used to support students and adapt our practice accordingly.
- To continue effectively publicising the support services offered and expand provision as necessary.
- To further develop approaches that support individuals with poor attendance through further use of tutors, heads of year (HoY) and other staff as necessary.
- To seek opportunities that will expand our enrichment offer and ensure it is accessed by key groups.

Pakefield High School

The 2022-23 School Improvement and Development Plan reflects and builds on learning points from the summer outcomes of KS4 and evaluation of the previous SIDP and SEF. The plan is based on the school working on three broad strategic areas, Achieve, Connect and Nurture.

Achieve

- The overall quality of education is at least good.
- Marking and feedback follows school policy consistently across all subject areas, including student response to marking.
- Lessons are inclusive; providing support and stretch and challenge.
- Students can articulate what they are learning and why.
- Whole school Intervention strategy informed by assessment so that it is targeted, timebound and evaluable.
- Proportion of students achieving 4+ & 5+ En/Ma is in line with national.
- Students across all Science pathways make positive progress.
- The curriculum is successfully adapted for SEND students across all subject areas.
- Outcomes for SEND students and in year data report positive progress.
- Valid, purposeful, and reliable assessment embedded across the curriculum.
- Timely assessment strategies used to enable responsive pedagogy.
- Effective assessment used to accurately inform reporting and intervention to improve student outcomes.

Connect

- Students numbers in year 7 continue to rise year of year with the aim of hitting our PAN of 180 for September 2024.
- All 8 Gatsby benchmarks are being met and each student has access to a range of careers opportunities and events throughout the year.
- The proportion of students classed as NEET is lower than that found nationally.

Nurture

- Reduction of suspensions to in line with national
- Calm, safe and purposeful culture continued and acknowledged by stakeholders
- Students feel safe and behaviour is at least good overall
- Attendance is at least in line with the national for secondary schools.

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

Objectives and activities (continued)

Thurlton Primary School

The 2022-2023 School Improvement Plan reflects and builds the achievements of our pupils in Summer 2022 and our Ofsted Inspection January 2022 (Requires Improvement).

With the impact of COVID-19 still evident, the aims of the school remain similar to last year: That all pupils receive a high-quality, broad education that promotes their development to prepare them for the opportunities, responsibilities and experiences of later life. As such, the SIP for 2022-2023 will focus on the following areas;

- To increase the number of pupils making expected or more than expected progress and achieving the expected or greater depth standard in English (with a particular focus on writing).

Though our results in English, especially Reading, across the age ranges was good there needs to be greater focus on focus on extended writing/writing for purpose in more curriculum areas than just English.

SPaG, especially spelling continues to area of concern. There will be a high focus on developing a whole school approach to spelling.

CPD for phonics (RWInc) for all staff will ensure that pupils knowledge and application of sounds will remain Good in the school.

Developing a spine of books which pupils will have access to will also be a priority, as will the training and implementation of the Power of Reading type approach to extend vocabulary will all enable a greater number of pupils to achieve expected/greater depth in writing.

- To increase the number of pupils making expected or more than expected progress and achieving the expected or greater depth standard in Maths.

Raising the quality of language acquisition in MATHS in order that all pupils acquire, embed and apply vocabulary and skills and increase the number of pupils making expected or more than expected progress. Targeted Talking Maths sessions at least 3 times a week and targeted Maths interventions will support the progress of pupils.

- Continue to develop and provide a broad and balanced CURRICULUM with appropriate progression and assessment of subjects, ensuring schemes of work, assessment opportunities, progression and monitoring is embedded in all subjects.

The main focus for the school continues to be the sequencing and progression of learning throughout the curriculum. The majority of subjects have a progression of learning in place with specific vocabulary, skills and knowledge.

Assessment grids end of unit assessments are being used in KS1 & KS2 but there is a need for all staff to be more stringent/consistent in their use of assessment grids.

From discussion with pupils during monitoring sessions (in all subjects) Next steps and Up Marking needs to be embedded in all classes and a clearer understanding of what denotes a specific curriculum area is needed. We have already started this by removing Topic from our timetables and timetabling in discrete subjects and ensuring that pupils are aware which curriculum area is being covered in each session.

Working with IST (Inclusive Schools Trust) will support the school in this area.

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

Objectives and activities (continued)

Ensure our Life Skills (encompassing Relationship, Sex, Health Education (RSHE), Social, Moral, Spiritual and Cultural (SMSC) Personal, Social, Health and Emotional (PSHE) and Religious Education (RE) curriculums are embedded in the curriculum and staff are confident in the delivery of these sessions. Greater emphasis on British Values and discussions/class assemblies are linked to current affairs and greater emphasis on the language of these subjects is a priority (pupils understand and can identify Tolerance but do not have a firm understanding of the term).

Good Mental Health of pupils, staff and the community remains a priority for the school – clear extensive coverage within the curriculum to ensure that our pupils remain in good mental health – that they know how and where to access support to help them and they have a vital role to play in the support of others.

c. Public benefit

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

Wherever possible each school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational, sporting, arts and other opportunities.

Strategic report

Achievements and performance

a. Key performance indicators

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

Student numbers at Hobart High School at 1st September 2021 were 645 and at 1st September 2022 were 667. This increase in pupil numbers is consistent with the Norfolk County Council data set and are set to continue increasing in future years. This increase is predicted to be manageable within current class and staffing structures.

Thurlton Primary School numbers remain low as at 1st September 2022 at 57. Despite the low numbers the Trustees are supporting the school in maintaining three full classes to ensure that we can offer a quality experience for the pupils. Numbers have shown a small year on year increase, and local data suggests these numbers remaining stable in future years.

Pakefield High School September 2021 pupil numbers were 686, with a slight reduction to 672 in September 2022. Local authority demographic data suggests that numbers will increase in future years. A Staffing restructure has been undertaken and staffing and class structures are being regularly reviewed to ensure suitability.

Another key financial performance indicator is staffing costs as a percentage of total expenditure. For Hobart High School, the percentage is 79.5%. For Thurlton Primary School this is 72.2% and for Pakefield High School 76.4%. For secondary academies the national average is 76.5% and for primary academies it is 76.4%. Central Trust staff costs are covered by the top slice which may influence the ratio. The school figures will be used in future years to monitor staff costs when comparable numbers/trends can be obtained.

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

Strategic report (continued)

Achievements and performance (continued)

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

Education KPIs - External Data

Hobart High School

Grade 5 English and Maths = 46%

Progress 8 = -0.21

Pupils remaining in education for two terms post 16 = 93% (89% national)

Pakefield High School

Grade 5 English and Maths = 32%

Progress 8 = -0.66

Pupils remaining in education for two terms post 16 = 93% (89% national)

Thurlton Primary School

EYFS – GLD = 81%

KS1 RWM = 64%

KS2 RWM = 50%

b. Going concern

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

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received total income of £9,796,949 (2021: £9,109,045). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £10,303,161 (2021: £9,799,531) with reserves brought forward from 2020/21 of £29,054,351. This includes; £31,476,495 of restricted fixed asset funds, £1,155,544 from general restricted funds, (£4,622,000) deficit in the pension reserve and £1,044,312 unrestricted funding. The carry forward for 2021/22 is £1,568,160 restricted funding (excluding the £402,000 deficit in relation to the pension), £1,036,984 of unrestricted funding, and £31,218,995 restricted fixed assets funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £402,000, included in the restricted funds noted above. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £4,622,000 resulting from the application of actuarial assumptions and does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

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

a. Reserves policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,036,984 (2021: £1,044,312). This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

In previous years, the Trustees have made a decision to designate unrestricted balances of Hobart High School for future capital projects, and of these total unrestricted funds as highlighted above, £515,756 (2021: £435,770) is available to cover future increases in costs and expenditure that may arise from these future capital projects. The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31st August 2022 was £2,605,144 (2021: £2,199,856).

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £3,018,337, which includes cash and bank accounts, along with the treasury account (2021: £2,602,545). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee/Business Manager reports and attempt to hold a minimum of £125,000 to cover short term cash flow variances.

b. Investment policy

A Treasury Management (Investment Policy) is reviewed annually by the Trust Property and Finance Committee and was considered at the meeting in March 2022.

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

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

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

c. Principal risks and uncertainties

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

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

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

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

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

Strategic and reputational
Operational
Safeguarding
Human resource
Compliance
Financial
Property
ICT

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

Emerging risks Identified:

- **Recruitment** – ensure good support is available for existing staff through Wellbeing services and CPD. Use national frameworks to reduce costs of supply.
- **Rising costs, specifically energy** – carry out value for money reviews of goods and services and an energy audit to consider ways to reduce usage.

Fundraising

Reduced Covid-19 pandemic impacts have allowed for greater fundraising opportunities and activities. The Academy Trust does not engage in fundraising for core activities, but individual schools within the Trust undertake events to raise money for charities and other causes. These tend to take the form of non-uniform days and sponsored activities. Over the course of the year Hobart High School raised £2,210, Pakefield High School raised a total of £3,074 and Thurlton Primary School were able to raise £405. These funds were donated to selection of national and local causes.

The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. All fundraising conforms to all relevant standards and during the year no complaints or issues have arisen as a result of the fundraising event.

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

Plans for future periods

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

- Standards and Provision
 - Ensure outcomes are in line with national figures.
 - Ensure teaching and learning is of a consistently high standard.
 - Ensure that pupils and students are able to access high quality enrichment.
- Merger of CAT and CET.
- Improve standards of literacy, particularly reading (KS3/4) and writing (KS1/2)

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2022 and signed on its behalf by:

Peter Fraser
(Chair of Trustees)

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| Peter Fraser, Chair of Trustees | 6 | 6 |
| Michael Cole | 6 | 6 |
| Peter Hardy | 4 | 6 |
| James Wright | 6 | 6 |
| Patricia Bell | 5 | 6 |
| Steven Gray | 4 | 6 |
| Sadie Lofthouse | 5 | 6 |
| James Adams, CEO/Accounting Officer | 6 | 6 |
| Shirley Gates | 5 | 6 |
| Donna Harris | 3 | 6 |

Conflicts of interest:

The Trust is committed to undertaking all of its activities to the highest possible standards of propriety and Members, Trustees, Local Governors and employees are expected to act fairly, honestly and with integrity, and apply the Seven Principles of Public Life.

The Trust has a Probity Policy, Whistleblowing Policy and a Business Interests, Gifts and Hospitality Policy in place to ensure that all employees, governors, trustees and members are aware of the standards expected of them as holders of public office and the procedures to follow should they have concerns of any irregularity.

Trustees, governors and Key Management Personnel are required to complete Declarations of Interest annually. A register is compiled from the information supplied on the forms and is used to avoid any conflicts of interest when considering requests for new suppliers, reviewing tender submissions or other financial transactions. Attendees are asked to declare any business or pecuniary interests at the start of all Local Governing Body, Trustee and Members meetings and these are recorded in the minutes. The relevant person will be asked to remove themselves from the meeting and refrain from discussion, decision and voting on the matter.

All employees have a duty to advise the CEO in writing of all relationships of a business or private nature with contractors and suppliers of goods and services and of any financial or non-financial interests which could be considered to conflict with the trust's interests.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Rigorous systems of internal control are maintained at all times and are subject to regular external review. All finance staff are alert to unusual events or transactions which are reported and investigated.

Related Party transactions will be reported to the ESFA in accordance with the Academy Handbook.

The trust worked collaboratively with Corvus Education Trust for the year which also operates within DfE guidelines and the Academy Handbook regulations. The CEO has reviewed CET policies and procedures to ensure compliance.

Review of the year

- Effective management of the Trust budget with the attendant challenges continued to be a primary focus. Across all Trust schools as the impact of the Covid pandemic subsided, staff and students were able to return to school full-time. Focus and resources were targeted at mitigating against the resulting and prolonged disruption caused to the delivery of education and the impact upon the health and well-being of students and staff. While monitoring progress, Trustees were impressed and grateful for the positive and energetic manner in which the whole school community responded and with how effective measures were introduced to re-establish a safe and calm learning environment within our schools.
- In accordance with the DfE Governance Handbook 2021/2022 and the Academy Trust Handbook 2021, Trustees and Trust staff worked with Internal and External Auditors to ensure their statutory duties and compliance requirements were fulfilled. The quality and timing of financial information to Trustees had continued to be of a high standard. A programme of audits and governance reviews continued throughout the year and Trustees are extremely grateful for the advice and support given by the Auditors and our Trust support staff. Throughout the year a sound budget position was maintained, inherited deficits from schools joining the Trust were eradicated but significant inflationary pressures remained, especially those resulting from increasing and volatile energy costs.
- Overall, a stable budget position has been maintained throughout this challenging year. Capital Investment supported by successful Condition Improvement Fund (CIF) funding bids continued with projects being delivered on all school sites. In response to statutory guidance and changes in working practice the Trust Scheme of Delegation was reviewed and amended on a regular basis. Under their delegated responsibilities, local Governors continued to exercise their role by supporting their school leaders and holding them to account for their school's overall performance.
- The quality of education, behaviour and overall academic performance was regularly scrutinised by the Trust Standards Committee who continued to be provided with comprehensive and key performance data. Despite initial uncertainty, Year 11 students sat their GCSE examinations, something not possible since 2019 as the Covid related school closures took hold.

As the year progressed, Trustees continued to support the development of partnership arrangements with CORVUS Education Trust. Appointed in the role in September 2021, the C.E.O. continued to be employed and act for both Trusts with levels of cooperation and joint working increasing as the year progressed. A merger of the two Trusts was sanctioned by the Department for Education and subject to due process and final Trustee approval, there are plans for this to happen during 2023.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| Peter Fraser | 6 | 6 |
| Peter Hardy | 4 | 6 |
| Patricia Bell | 6 | 6 |
| Steven Gray | 5 | 6 |
| James Adams | 6 | 6 |

Audit Committee

A separate Audit Committee has not been set up and internal audit and scrutiny is managed through an agenda item in each Property and Finance Committee meeting. The Trustee responsible for internal audit/scrutiny takes control of the meeting at that agenda item. Minutes form part of the main meeting minutes. The focus for this year was a review of governance both at Trust Board and Local Governing Body level. The Trustees are considering whether a separate Audit Committee will be required as the Trust aims to grow.

Review of value for money

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

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

- Competition appropriate to the complexity of the procurement, through quotations and tenders, to ensure best quality goods and services are secured in the most cost effective way. Ensuring all contracts awarded are fully reviewed by the Property & Finance Committee.
- Review of staffing to ensure that staffing levels are appropriate, resulting in restructure in one school.
- Using national procurement frameworks where possible
- Continuing to align contract end dates to obtain economies of scale when contracting on a trust wide basis.
- Successful application for CIF funding to replace windows at Hobart High School which will generate savings on energy and improve the environment for staff and students.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Clarion Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process an agenda item at each meeting held.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Lovewell Blake LLP as internal auditor, whilst also engaging in peer review and the services of other professional bodies. This was considered to be the most appropriate way to ensure that each area of focus was reviewed by an expert in that field. One of the main topics for scrutiny during the year was the quality of education provided by the Trust. The Trust is striving to ensure that Clarion Academy Trust is synonymous with high quality education to ensure long-term financial stability. The reviews carried out during 2021-22 are:

- VNET Education - three reviews of Quality of Education for Thurlton Primary School and deep dives for Hobart High School.
- Corvus Education Trust – quality assurance exercise on the primary curriculum
- Regional Schools Commissioner – quality assurance provided by Inclusive Schools Trust
- Data Protection Education – GDPR
- Lovewell Blake - Governance

The internal auditor is directed by and reports to the Property and Finance Committee, via the appointed audit Trustee. The internal auditor and other reviewers have delivered their schedule of work as planned and made their recommendations, none of which amounted to a material control issue.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on their behalf by:

Peter Fraser
Chair of Trustees

James Adams
Accounting Officer

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Clarion Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

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

James Adams
Accounting Officer
Date: 8 December 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on its behalf by:

Peter Fraser
Chair of Trustees

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Clarion Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust.
- We 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our Auditors' Report.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

Use of our report

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

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

16 December 2022

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 19 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 Clarion 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 Clarion Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Clarion Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Clarion Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Clarion Academy Trust's funding agreement with the Secretary of State for Education 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 academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Reporting Accountant
Price Bailey LLP
Chartered Accountants
Statutory Auditors

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

Date: 16 December 2022

CLARION 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 | 3 | 61,878 | 3,176 | 455,617 | 520,671 | 47,694 |
| Other trading activities | 5 | 130,236 | - | - | 130,236 | 58,169 |
| Investments | 6 | 900 | - | - | 900 | 1,691 |
| Charitable activities | 4 | 4,361 | 9,140,781 | - | 9,145,142 | 9,001,491 |
| Total income | | 197,375 | 9,143,957 | 455,617 | 9,796,949 | 9,109,045 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 204,703 | 9,348,792 | 749,666 | 10,303,161 | 9,799,531 |
| Total expenditure | | 204,703 | 9,348,792 | 749,666 | 10,303,161 | 9,799,531 |
| Net expenditure | | (7,328) | (204,835) | (294,049) | (506,212) | (690,486) |
| Transfers between funds | 18 | - | (36,549) | 36,549 | - | - |
| Net movement in funds before other recognised (losses) | | (7,328) | (241,384) | (257,500) | (506,212) | (690,486) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 26 | - | 4,874,000 | - | 4,874,000 | (988,000) |
| Net movement in funds | | (7,328) | 4,632,616 | (257,500) | 4,367,788 | (1,678,486) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,044,312 | (3,466,456) | 31,476,495 | 29,054,351 | 30,732,837 |
| Net movement in funds | | (7,328) | 4,632,616 | (257,500) | 4,367,788 | (1,678,486) |
| Total funds carried forward | | 1,036,984 | 1,166,160 | 31,218,995 | 33,422,139 | 29,054,351 |

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

The notes on pages 32 to 62 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------|-------------|
| Fixed assets | | | |
| Tangible assets | 14 | 30,776,700 | 31,437,683 |
| | | 30,776,700 | 31,437,683 |
| Current assets | | | |
| Debtors | 15 | 693,836 | 324,447 |
| Investments | 16 | 435,646 | 435,198 |
| Cash at bank and in hand | | 2,582,691 | 2,167,347 |
| | | 3,712,173 | 2,926,992 |
| Creditors: amounts falling due within one year | 17 | (664,734) | (688,324) |
| Net current assets | | 3,047,439 | 2,238,668 |
| Total assets less current liabilities | | 33,824,139 | 33,676,351 |
| Net assets excluding pension liability | | 33,824,139 | 33,676,351 |
| Defined benefit pension scheme liability | 26 | (402,000) | (4,622,000) |
| Total net assets | | 33,422,139 | 29,054,351 |
| Funds of the academy trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 31,218,995 | 31,476,495 |
| Restricted income funds | 18 | 1,568,160 | 1,155,544 |
| | | 32,787,155 | 32,632,039 |
| Restricted funds excluding pension asset | 18 | 32,787,155 | 32,632,039 |
| Pension reserve | 18 | (402,000) | (4,622,000) |
| | | 32,385,155 | 28,010,039 |
| Total restricted funds | 18 | 32,385,155 | 28,010,039 |
| Unrestricted income funds | 18 | 1,036,984 | 1,044,312 |
| Total funds | | 33,422,139 | 29,054,351 |

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 28 to 62 were approved by the Trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:

Peter Fraser
Chair of Trustees

The notes on pages 32 to 62 form part of these financial statements.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|--------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 467,264 | 151,154 |
| Cash flows from investing activities | 21 | (51,472) | 95,802 |
| Change in cash and cash equivalents in the year | | 415,792 | 246,956 |
| Cash and cash equivalents at the beginning of the year | | 2,602,545 | 2,355,589 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u>3,018,337</u> | <u>2,602,545</u> |

The notes on pages 32 to 62 form part of these financial statements

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

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

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

1.2 Going concern

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

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

1.4 Interest receivable

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

• **Charitable activities**

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

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Investments

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

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

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

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

1.12 Redundancy and termination payments

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

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

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Pension valuation

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

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

Critical areas of judgment:

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | | | | | |
| Donations | 1,492 | 61,562 | - | 63,054 | 68,274 |
| Transferred liability | - | - | - | - | (37,000) |
| Total donations | <u>1,492</u> | <u>61,562</u> | <u>-</u> | <u>63,054</u> | <u>31,274</u> |
| Donations | 60,386 | (58,386) | - | 2,000 | - |
| Capital Grants | - | - | 455,617 | 455,617 | 16,420 |
| Subtotal | <u>60,386</u> | <u>(58,386)</u> | <u>455,617</u> | <u>457,617</u> | <u>16,420</u> |
| | <u>61,878</u> | <u>3,176</u> | <u>455,617</u> | <u>520,671</u> | <u>47,694</u> |
| Total 2021 | <u>15,401</u> | <u>(34,422)</u> | <u>66,715</u> | <u>47,694</u> | |

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

In 2021, income from donations was £68,274 of which £2,500 was unrestricted, £15,479 was restricted and £50,295 was restricted fixed assets.

In 2021, income from capital grants was £16,420 which was all restricted fixed assets.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the academy trust's charitable activities

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Provision of Education | | | | |
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 8,227,104 | 8,227,104 | 7,784,734 |
| Other DfE/ESFA grants | | | | |
| Pupil premium | - | 408,035 | 408,035 | 403,042 |
| Rates reclaim | - | 52,611 | 52,611 | 53,095 |
| PE grant | - | 16,520 | 16,520 | 16,570 |
| UIFSM | - | 13,584 | 13,584 | 27,550 |
| Year 7 catch up | - | - | - | 115,360 |
| Teacher threshold | - | - | - | 389,098 |
| National Tutor Programme funding | - | 38,305 | 38,305 | - |
| School supplementary grant | - | 107,417 | 107,417 | - |
| Others | - | 26,600 | 26,600 | 35,100 |
| | - | 8,890,176 | 8,890,176 | 8,824,549 |
| Other Government grants | | | | |
| Local authority grant | 1,210 | 154,487 | 155,697 | 112,547 |
| | 1,210 | 154,487 | 155,697 | 112,547 |
| Other income from the academy trust's provision of education | | | | |
| | 3,151 | - | 3,151 | 2,343 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up Premium | - | - | - | 56,503 |
| Recovery Premium | - | 59,204 | 59,204 | - |
| Mass Testing | - | 36,914 | 36,914 | - |
| | - | 96,118 | 96,118 | 56,503 |
| COVID-19 additional funding (non-DfE/ESFA) | | | | |
| Coronavirus Job Retention Scheme grant | - | - | - | 5,549 |
| | 4,361 | 9,140,781 | 9,145,142 | 9,001,491 |
| | 4,361 | 9,140,781 | 9,145,142 | 9,001,491 |
| Total 2021 | 3,265 | 8,998,226 | 9,001,491 | |

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the academy trust's charitable activities (continued)

Included in other DfE/ESFA grants is decarbonisation grant, apprenticeship levy and NQT Time Off grant totalling £26,600 (2021 - £35,100).

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

In 2021, income from DfE/ESFA grants was £8,824,549 which was all restricted. Income from other government grants was £112,547 which was all restricted. Income from Catch-up Premium was £56,503 which was all restricted. Income from CJRS was £5,549 which was all restricted. Other income from the academy trust's provision of education amounted to £2,343 which was all unrestricted.

5. Income from other trading activities

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Rental income | 42,003 | - | 42,003 | 282 |
| Other income | 65,618 | - | 65,618 | 52,662 |
| Music lessons | 22,615 | - | 22,615 | 5,225 |
| | <u>130,236</u> | <u>-</u> | <u>130,236</u> | <u>58,169</u> |
| Total 2021 | <u>44,171</u> | <u>13,998</u> | <u>58,169</u> | |

In 2021, rental income was £282 which was all unrestricted. Other income was £52,662 of which £38,664 was unrestricted and £13,998 was restricted. Income from music lessons was £5,225 which was all unrestricted.

6. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 900 | 900 | 1,691 |
| | <u>1,691</u> | <u>1,691</u> | |
| Total 2021 | <u>1,691</u> | <u>1,691</u> | |

In 2021, investment income was all unrestricted.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

| | Staff Costs 2022 £ | Premises 2022 £ | Other 2022 £ | Total 2022 £ | Total 2021 £ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Provision of Education: | | | | | |
| Direct costs | 6,141,700 | - | 1,010,046 | 7,151,746 | 6,882,181 |
| Allocated support costs | 1,307,902 | 599,328 | 1,244,185 | 3,151,415 | 2,917,350 |
| | <u>7,449,602</u> | <u>599,328</u> | <u>2,254,231</u> | <u>10,303,161</u> | <u>9,799,531</u> |
| Total 2021 | <u>7,576,541</u> | <u>536,408</u> | <u>1,686,582</u> | <u>9,799,531</u> | |

In 2021, direct expenditure consisted of £6,393,964 staff costs and £488,217 other costs.

In 2021, support expenditure consisted of £1,182,577 staff costs, £536,408 premises costs and £1,198,356 other costs.

In 2022, of the total expenditure, £204,703 (2021: £48,942) was to unrestricted funds, £9,348,792 (2021: £9,004,157) was to restricted funds and £749,666 (2021: £746,432) was to restricted fixed asset funds.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Charitable Activities

| | 2022 £ | 2021 £ |
|--|------------|-----------|
| Direct costs - educational operations | 7,151,746 | 6,882,181 |
| Support costs - educational operations | 3,151,415 | 2,917,350 |
| | 10,303,161 | 9,799,531 |

Analysis of support costs

| | 2022 £ | 2021 £ |
|---------------------|-----------|-----------|
| Support staff costs | 1,307,902 | 1,182,577 |
| Depreciation | 749,522 | 746,432 |
| Technology costs | 175,717 | 176,409 |
| Premises costs | 599,328 | 536,408 |
| Legal costs | 3,940 | 4,630 |
| Other support costs | 295,261 | 248,321 |
| Governance costs | 19,745 | 22,573 |
| | 3,151,415 | 2,917,350 |

9. Net expenditure

Net expenditure for the year includes:

| | 2022 £ | 2021 £ |
|---------------------------------------|-----------|-----------|
| Operating lease rentals | 16,459 | 17,978 |
| Depreciation of tangible fixed assets | 749,522 | 746,432 |
| Loss on disposal of fixed assets | 144 | - |
| Fees paid to auditors for: | | |
| - audit | 10,020 | 12,434 |
| - other services | 6,140 | 6,235 |
| | 16,763 | 35,679 |

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 £ | 2021 £ |
|---------------------------|------------------|------------------|
| Wages and salaries | 5,244,466 | 5,326,909 |
| Social security costs | 509,859 | 512,607 |
| Pension costs | 1,684,158 | 1,509,213 |
| | <u>7,438,483</u> | <u>7,348,729</u> |
| Agency staff costs | 234,534 | 186,536 |
| Staff restructuring costs | 11,119 | 41,276 |
| | <u>7,684,136</u> | <u>7,576,541</u> |

Staff restructuring costs comprise:

| | 2022 £ | 2021 £ |
|---------------------------|---------------|---------------|
| Other restructuring costs | 11,119 | 41,276 |
| | <u>11,119</u> | <u>41,276</u> |

b. Special staff severance payments

In 2022 there are no non-statutory/non-contractual payments (2021: none).

c. Staff numbers

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

| | 2022 No. | 2021 No. |
|----------------------------|-------------|-------------|
| Teachers | 86 | 86 |
| Administration and support | 117 | 117 |
| Management | 10 | 11 |
| | <u>213</u> | <u>214</u> |

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff (continued)

d. 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 | 6 | 5 |
| In the band £70,001 - £80,000 | 2 | 2 |
| In the band £90,001 - £100,000 | 1 | 1 |
| | <u> </u> | <u> </u> |

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £604,196 (2021 - £618,060).

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. Central services

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

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

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

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

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

The actual amounts charged during the year were as follows:

| | 2022 £ | 2021 £ |
|-------------------------|----------------|----------------|
| Hobart High School | 340,835 | 298,043 |
| Thurlton Primary School | 30,432 | 35,141 |
| Pakefield High School | 416,302 | 369,427 |
| Total | <u>787,569</u> | <u>702,611</u> |

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Trustees' remuneration and expenses

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

| | | 2022 | 2021 |
|--------------------------|----------------------------|---------------------|---------------------|
| | | £ | £ |
| James Adams, Headteacher | Remuneration | 95,000 - 100,000 | 95,000 - 100,000 |
| | Pension contributions paid | 20,000 - 25,000 | 20,000 - 25,000 |

During the year, retirement benefits were accruing to 1 Trustees (2021 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2022, expenses totalling £1,559 were reimbursed or paid directly to 1 Trustee (2021 - £NIL). All expenditure reimbursed was in relation to travel and subsistence.

13. Trustees' and Officers' insurance

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

| | Freehold land and property £ | Long-term leasehold property £ | Furniture and fixtures £ | Plant and machinery £ | Computer equipment £ | Total £ |
|--------------------------|---------------------------------------|---|-----------------------------------|-----------------------------|----------------------------|--------------------------|
| Cost or valuation | | | | | | |
| At 1 September 2021 | 19,990,000 | 13,752,878 | 384,440 | 430,941 | 367,845 | 34,926,104 |
| Additions | - | - | - | 6,225 | 82,458 | 88,683 |
| Disposals | - | - | - | (620) | (10,751) | (11,371) |
| At 31 August 2022 | <u>19,990,000</u> | <u>13,752,878</u> | <u>384,440</u> | <u>436,546</u> | <u>439,552</u> | <u>35,003,416</u> |
| Depreciation | | | | | | |
| At 1 September 2021 | 928,000 | 1,993,857 | 152,503 | 171,356 | 242,705 | 3,488,421 |
| Charge for the year | 384,000 | 233,590 | 36,686 | 32,619 | 62,627 | 749,522 |
| On disposals | - | - | - | (476) | (10,751) | (11,227) |
| At 31 August 2022 | <u>1,312,000</u> | <u>2,227,447</u> | <u>189,189</u> | <u>203,499</u> | <u>294,581</u> | <u>4,226,716</u> |
| Net book value | | | | | | |
| At 31 August 2022 | <u><u>18,678,000</u></u> | <u><u>11,525,431</u></u> | <u><u>195,251</u></u> | <u><u>233,047</u></u> | <u><u>144,971</u></u> | <u><u>30,776,700</u></u> |
| At 31 August 2021 | <u><u>19,062,000</u></u> | <u><u>11,759,021</u></u> | <u><u>231,937</u></u> | <u><u>259,585</u></u> | <u><u>125,140</u></u> | <u><u>31,437,683</u></u> |

15. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 15,858 | 13,127 |
| Other debtors | - | 5,933 |
| Prepayments and accrued income | 628,336 | 233,634 |
| VAT recoverable | 49,642 | 71,753 |
| | <u>693,836</u> | <u>324,447</u> |

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16. Current asset investments

| | 2022 £ | 2021 £ |
|----------------------|-----------|-----------|
| Unlisted investments | 435,646 | 435,198 |
| | 435,646 | 435,198 |

The current asset investment of £435,646 (2021: £435,198) is held in a 95 day deposit account. There is no fixed maturity date.

17. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Trade creditors | 215,313 | 217,603 |
| Other taxation and social security | 118,810 | 118,428 |
| Other creditors | 157,145 | 133,327 |
| Accruals and deferred income | 173,466 | 218,966 |
| | 664,734 | 688,324 |
| | 2022 £ | 2021 £ |
| Deferred income at 1 September 2021 | 35,421 | 69,223 |
| Resources deferred during the year | 17,540 | 35,421 |
| Amounts released from previous periods | (35,421) | (69,223) |
| | 17,540 | 35,421 |

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

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

18. Statement of funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|---|--|----------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Emergency fund | 125,000 | - | - | - | - | 125,000 |
| Artificial Turf Pitch Maintenance / Resurfacing | 150,000 | - | - | 100,000 | - | 250,000 |
| Premises Capital Improvement and Maintenance Fund | 160,770 | - | (20,014) | - | - | 140,756 |
| | <u>435,770</u> | <u>-</u> | <u>(20,014)</u> | <u>100,000</u> | <u>-</u> | <u>515,756</u> |
| General funds | | | | | | |
| Unrestricted funds | 608,542 | 197,375 | (184,689) | (100,000) | - | 521,228 |
| Total Unrestricted funds | <u>1,044,312</u> | <u>197,375</u> | <u>(204,703)</u> | <u>-</u> | <u>-</u> | <u>1,036,984</u> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 1,055,610 | 8,227,104 | (7,792,177) | (36,549) | - | 1,453,988 |
| Pupil premium | - | 408,035 | (408,035) | - | - | - |
| Rates reclaim | - | 52,611 | (52,611) | - | - | - |
| PE and sports grant | 11,250 | 16,520 | (9,193) | - | - | 18,577 |
| UIFSM | - | 13,584 | (7,173) | - | - | 6,411 |
| School supplementary | - | 107,417 | (107,417) | - | - | - |
| Year 7 catch up | 33,591 | - | - | - | - | 33,591 |
| National Tutor Programme Funding | - | 38,305 | (38,305) | - | - | - |

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

18. Statement of funds (continued)

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|-------------------------|----------------------------|--------------------------|-------------------------|--------------------------------------|
| Recovery premium | - | 59,204 | (59,204) | - | - | - |
| COVID catch-up premium | - | 36,914 | (36,914) | - | - | - |
| Other DfE/ESFA | - | 26,600 | (26,600) | - | - | - |
| Other government grants | 6,453 | 154,487 | (154,487) | - | - | 6,453 |
| Restricted school fund | 48,640 | 3,176 | (2,676) | - | - | 49,140 |
| Pension reserve | (4,622,000) | - | (654,000) | - | 4,874,000 | (402,000) |
| | <u>(3,466,456)</u> | <u>9,143,957</u> | <u>(9,348,792)</u> | <u>(36,549)</u> | <u>4,874,000</u> | <u>1,166,160</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Assets | 31,215,023 | - | (734,421) | 88,683 | - | 30,569,285 |
| DfE/ESFA capital grants | 38,774 | 455,617 | - | (52,134) | - | 442,257 |
| Capital expenditure from GAG | 222,698 | - | (15,245) | - | - | 207,453 |
| | <u>31,476,495</u> | <u>455,617</u> | <u>(749,666)</u> | <u>36,549</u> | <u>-</u> | <u>31,218,995</u> |
| Total Restricted funds | <u>28,010,039</u> | <u>9,599,574</u> | <u>(10,098,458)</u> | <u>-</u> | <u>4,874,000</u> | <u>32,385,155</u> |
| Total funds | <u><u>29,054,351</u></u> | <u><u>9,796,949</u></u> | <u><u>(10,303,161)</u></u> | <u><u>-</u></u> | <u><u>4,874,000</u></u> | <u><u>33,422,139</u></u> |

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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

Emergency Fund

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

Artificial Turf Pitch Maintenance / Resurfacing

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

Premises Capital Improvement and Maintenance Fund

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

General Annual Grant (GAG)

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

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

Other DfE/ESFA grants

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

Other government grants

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

Educational visits

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

Pension reserve

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

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 26 based on the year end actuarial valuation.

Other restricted general funds

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

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. All assets purchased from the GAG and DfE/ESFA capital grants have been transferred to the restricted fixed asset fund.

The total fixed asset funds are £31,218,995 at 31 August 2022, and the total fixed assets on the balance sheet are £30,776,700. The difference of £442,295 relates to unspent DfC and CIF funding where the expenditure has not yet been incurred.

DfE/ESFA Capital Grants

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

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---|--|---------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Emergency fund | 125,000 | - | - | - | - | 125,000 |
| Artificial Turf Pitch Maintenance / Resurfacing | 150,000 | - | - | - | - | 150,000 |
| Premises Capital Improvement and Maintenance Fund | 160,770 | - | - | - | - | 160,770 |
| | <u>435,770</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>435,770</u> |
| General funds | | | | | | |
| Unrestricted funds | 606,779 | 50,705 | (48,942) | - | - | 608,542 |
| Total Unrestricted funds | <u>1,042,549</u> | <u>50,705</u> | <u>(48,942)</u> | <u>-</u> | <u>-</u> | <u>1,044,312</u> |

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

**Restricted
general funds**

| | | | | | | |
|----------------------------|--------------------|------------------|--------------------|-----------------|------------------|--------------------|
| General Annual Grant (GAG) | 661,899 | 7,784,734 | (7,364,323) | (26,700) | - | 1,055,610 |
| Pupil premium | - | 403,042 | (403,042) | - | - | - |
| Rates reclaim | - | 53,095 | (53,095) | - | - | - |
| PE and sports grant | - | 16,570 | (5,320) | - | - | 11,250 |
| UIFSM | - | 27,550 | (27,550) | - | - | - |
| Year 7 catch up | - | 115,360 | (81,769) | - | - | 33,591 |
| Teacher threshold | - | 389,098 | (389,098) | - | - | - |
| CJRS | - | 5,549 | (5,549) | - | - | - |
| COVID catch-up premium | - | 56,503 | (56,503) | - | - | - |
| Other DfE/ESFA | 27,841 | 35,100 | (62,941) | - | - | - |
| Other government grants | - | 112,547 | (106,094) | - | - | 6,453 |
| Restricted school fund | 45,429 | 12,901 | (9,690) | - | - | 48,640 |
| Other restricted | 1,607 | 16,576 | (18,183) | - | - | - |
| Pension reserve | (3,176,000) | (37,000) | (421,000) | - | (988,000) | (4,622,000) |
| | <u>(2,439,224)</u> | <u>8,991,625</u> | <u>(9,004,157)</u> | <u>(26,700)</u> | <u>(988,000)</u> | <u>(3,466,456)</u> |

**Restricted fixed
asset funds**

| | | | | | | |
|------------------------------|-------------------|---------------|------------------|---------------|----------|-------------------|
| Restricted Fixed Assets | 31,741,971 | - | (726,008) | 199,060 | - | 31,215,023 |
| DfE/ESFA capital grants | 144,419 | 16,420 | - | (122,065) | - | 38,774 |
| Capital expenditure from GAG | 243,122 | - | (20,424) | - | - | 222,698 |
| Donated fixed assets | - | 50,295 | - | (50,295) | - | - |
| | <u>32,129,512</u> | <u>66,715</u> | <u>(746,432)</u> | <u>26,700</u> | <u>-</u> | <u>31,476,495</u> |

| | | | | | | |
|-------------------------------|-------------------|------------------|--------------------|----------|------------------|-------------------|
| Total Restricted funds | <u>29,690,288</u> | <u>9,058,340</u> | <u>(9,750,589)</u> | <u>-</u> | <u>(988,000)</u> | <u>28,010,039</u> |
|-------------------------------|-------------------|------------------|--------------------|----------|------------------|-------------------|

| | | | | | | |
|--------------------|--------------------------|-------------------------|---------------------------|-----------------|-------------------------|--------------------------|
| Total funds | <u><u>30,732,837</u></u> | <u><u>9,109,045</u></u> | <u><u>(9,799,531)</u></u> | <u><u>-</u></u> | <u><u>(988,000)</u></u> | <u><u>29,054,351</u></u> |
|--------------------|--------------------------|-------------------------|---------------------------|-----------------|-------------------------|--------------------------|

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 £ | 2021 £ |
|--|--------------------------|--------------------------|
| Central Trust | 113,473 | 43,647 |
| Hobart High School | 1,034,261 | 1,008,016 |
| Thurlton Primary School | 53,315 | 81,423 |
| Pakefield High School | 1,404,095 | 1,066,770 |
| | <u>2,605,144</u> | <u>2,199,856</u> |
| Total before fixed asset funds and pension reserve | 2,605,144 | 2,199,856 |
| Restricted fixed asset fund | 31,218,995 | 31,476,495 |
| Pension reserve | (402,000) | (4,622,000) |
| | <u>33,422,139</u> | <u>29,054,351</u> |
| Total | <u><u>33,422,139</u></u> | <u><u>29,054,351</u></u> |

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2022 £ | Total 2021 £ |
|----------------------------|---|--------------------------------------|------------------------------|---|-------------------------|-------------------------|
| Central Trust | 304,957 | 269,297 | 108,159 | 95,162 | 777,575 | 675,394 |
| Hobart High School | 2,532,903 | 352,105 | 370,847 | 371,455 | 3,627,310 | 3,495,771 |
| Thurlton Primary School | 230,468 | 36,247 | 31,585 | 71,093 | 369,393 | 356,267 |
| Pakefield High School | 2,797,731 | 354,374 | 336,739 | 636,373 | 4,125,217 | 4,104,667 |
| | <u>5,866,059</u> | <u>1,012,023</u> | <u>847,330</u> | <u>1,174,083</u> | <u>8,899,495</u> | <u>8,632,099</u> |
| Academy trust | <u><u>5,866,059</u></u> | <u><u>1,012,023</u></u> | <u><u>847,330</u></u> | <u><u>1,174,083</u></u> | <u><u>8,899,495</u></u> | <u><u>8,632,099</u></u> |

The LGPS pension adjustment totalling £654,000 (2021: £421,000) has also been excluded from the above summary.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. 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 | - | - | 30,776,700 | 30,776,700 |
| Current assets | 1,252,298 | 2,017,580 | 442,295 | 3,712,173 |
| Creditors due within one year | (215,314) | (449,420) | - | (664,734) |
| Provisions for liabilities and charges | - | (402,000) | - | (402,000) |
| Total | <u>1,036,984</u> | <u>1,166,160</u> | <u>31,218,995</u> | <u>33,422,139</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 | - | - | 31,437,683 | 31,437,683 |
| Current assets | 1,044,312 | 1,843,868 | 38,812 | 2,926,992 |
| Creditors due within one year | - | (688,324) | - | (688,324) |
| Provisions for liabilities and charges | - | (4,622,000) | - | (4,622,000) |
| Total | <u>1,044,312</u> | <u>(3,466,456)</u> | <u>31,476,495</u> | <u>29,054,351</u> |

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (506,212) | (690,486) |
| Adjustments for: | | |
| Depreciation and loss on disposal of tangible fixed assets | 749,666 | 746,432 |
| Capital grants from DfE and other capital income | (434,546) | (16,420) |
| Dividends, interest and rents from investments | (900) | (1,691) |
| Defined benefit pension scheme cost less contributions payable | 654,000 | 458,000 |
| Decrease in debtors | 28,846 | 3,454 |
| Decrease in creditors | (23,590) | (348,135) |
| Net cash provided by operating activities | 467,264 | 151,154 |

21. Cash flows from investing activities

| | 2022 £ | 2021 £ |
|--|-----------------|---------------|
| Dividends, interest and rents from investments | 900 | 1,691 |
| Purchase of tangible fixed assets | (88,683) | (199,060) |
| Capital grants from DfE Group | 36,311 | 293,171 |
| Net cash (used in)/provided by investing activities | (51,472) | 95,802 |

22. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 2,582,691 | 2,167,347 |
| Notice deposits | 435,646 | 435,198 |
| Total cash and cash equivalents | 3,018,337 | 2,602,545 |

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 2,167,347 | 415,344 | 2,582,691 |
| Liquid investments | 435,198 | 448 | 435,646 |
| | <u>2,602,545</u> | <u>415,792</u> | <u>3,018,337</u> |

24. Contingent assets

The Trust is in the process of claiming compensation from a supplier, to recover costs incurred as result of incorrect employment advice being given. As at the year-end, the Trustees deemed it more likely than not that the Trust's claim would be successful, however the value of the claim had not yet been determined. As at the date of signing, the best estimate of the value of the claim is £76,882.

25. Contingent liabilities

In a recent tribunal (Harper vs Brazel), it was decided by a court that Peripatetic Teachers should be awarded holiday pay. The Trust therefore expect to be liable for historic holiday pay for such staff members. The Trustees consider the likelihood of an outflow of resources to be greater than remote, and as such recognise a contingent liability. The Trustees have engaged the payroll providers to conduct a review of the matter, and to determine the full extent of the possible liability. At the date of signing, the review is not complete. Therefore, it is impracticable to disclose an estimate of the financial effect of the issue.

26. Pension commitments

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

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

Contributions amounting to £122,632 were payable to the schemes at 31 August 2022 (2021 - £132,733) and are included within creditors.

CLARION ACADEMY TRUST
(A Company Limited by Guarantee)

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

26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £781,158 (2021 - £828,755).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £418,000 (2021 - £417,000), of which employer's contributions totalled £331,000 (2021 - £332,000) and employees' contributions totalled £87,000 (2021 - £85,000). The agreed contribution rates for future years are 19.6 - 19.9 per cent (Norfolk) and 23.3 per cent (Suffolk) for employers and 5.5 - 12.5 per cent for employees.

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

CLARION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. Pension commitments (continued)

Principal actuarial assumptions

(Norfolk County Council / Suffolk County Council)

| | 2022 % | 2021 % |
|--|-------------|-------------|
| Rate of increase in salaries | 3.75 / 3.75 | 3.60 / 3.60 |
| Rate of increase for pensions in payment/inflation | 3.05 / 3.05 | 2.90 / 2.90 |
| Discount rate for scheme liabilities | 4.25 / 4.25 | 1.65 / 1.65 |
| Inflation assumption (CPI) | 3.05 / 3.05 | 2.90 / 2.90 |

The commutation rate for Norfolk County Council/Suffolk County Council was 50%/25% (2021: 50%/25%) pre April 2008 and increased to 75%/63% (2021: 75%/63%) for post April 2008 service.

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

| | 2022 Years | 2021 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| Males | 21.7 / 21.9 | 21.9 / 22.1 |
| Females | 24.1 / 24.3 | 24.3 / 24.5 |
| Retiring in 20 years | | |
| Males | 22.9 / 22.9 | 23.2 / 26.2 |
| Females | 26 / 26.1 | 26.2 / 26.4 |

Sensitivity analysis

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Discount rate +0.5% | (21,804) | (55,590) |
| Discount rate -0.5% | 21,804 | 55,590 |
| Mortality assumption - 1 year increase | 43,608 | 74,120 |
| Mortality assumption - 1 year decrease | (43,608) | (74,120) |
| CPI rate +0.5% | 21,804 | 46,325 |
| CPI rate -0.5% | (21,804) | (46,325) |

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26. Pension commitments (continued)

Share of scheme assets

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

| | At 31 August 2022 £ | At 31 August 2021 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 2,818,480 | 2,612,280 |
| Bonds | 1,596,180 | 1,432,010 |
| Property | 569,620 | 445,570 |
| Cash and other liquid assets | 64,720 | 153,140 |
| Total market value of assets | 5,049,000 | 4,643,000 |

The actual return on scheme assets was £21,000 (2021 - £676,000).

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

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Current service cost | (903,000) | (696,000) |
| Interest income | 79,000 | 64,000 |
| Interest cost | (161,000) | (121,000) |
| Total amount recognised in the Statement of Financial Activities | (985,000) | (753,000) |

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

| | 2022 £ | 2021 £ |
|---------------------------------|------------------|------------------|
| At 1 September | 9,265,000 | 6,674,000 |
| Current service cost | 903,000 | 696,000 |
| Interest cost | 161,000 | 121,000 |
| Employee contributions | 87,000 | 85,000 |
| Actuarial (gains)/losses | (4,932,000) | 1,600,000 |
| Benefits paid | (33,000) | (30,000) |
| Effective business combinations | - | 119,000 |
| At 31 August | 5,451,000 | 9,265,000 |

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26. Pension commitments (continued)

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

| | 2022 £ | 2021 £ |
|---------------------------------|------------------|------------------|
| At 1 September | 4,643,000 | 3,498,000 |
| Interest income | 79,000 | 64,000 |
| Actuarial (losses)/gains | (58,000) | 612,000 |
| Employer contributions | 331,000 | 332,000 |
| Employee contributions | 87,000 | 85,000 |
| Benefits paid | (33,000) | (30,000) |
| Effective business combinations | - | 82,000 |
| At 31 August | <u>5,049,000</u> | <u>4,643,000</u> |

27. Operating lease commitments

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

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Not later than 1 year | 18,717 | 16,459 |
| Later than 1 year and not later than 5 years | 42 | 18,759 |
| | <u>18,759</u> | <u>35,218</u> |

28. Members' liability

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

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29. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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 academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

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

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

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

30. Post balance sheet events

Since the year-end, the Trust has received permission from the Regional Schools Commissioner to merge with Corvus Education Trust. The planned merger completion date is 1 April 2023. The Trusts will become 'Clarion Corvus Trust' from that date.