

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members: J Pender
J Dwerryhouse
R MacDonald

Trustees: P Payne-Sahota (Chair from 20th October 2021)
J Pender (Chair until 19th October 2021)
M Stewart
J Dwerryhouse
R MacDonald
M Clare
J Rooth (Appointed 13th July 2021)
S Love (Resigned 24th July 2021)
J Sullivan (Resigned 23rd October 2021)
D Adams (Resigned 9th September 2021)

Senior Management Team: M Stewart, Headteacher
D Adams, Deputy Headteacher
L Philpott, CFO

Company Name: The Priory Primary Academy Trust

Registered Office: Pamber End
Tadley
Hampshire
RG26 5QD

Company Registration Number: 07498234

Independent Auditor: Landau Baker Limited
Mountcliff House
154 Brent Street
London
NW4 2DR

Bankers: Lloyds Bank Plc
2 Winchester Street
Basingstoke
Hants
RG21 7EB

Solicitors: Phillips Solicitors
Town Gate
38 London Street
Basingstoke
RG21 7NY

THE PRIORY PRIMARY ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in North Hampshire. It has a pupil capacity of 193 and had a roll of 187 in the school census on *October 2021*.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Priory Primary Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Priory Primary Academy.

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 the preceding pages of this document.

The principal activity of the academy is to advance, for the public benefit, education in Pamber End and the surrounding area by maintaining and operating The Priory Primary School in Tadley, Hampshire.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

The Priory Primary Academy Trust is a member of the RPA with an indemnity being £10,000,000 for trustees' and officers. The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The headteacher
- Up to 2 parent trustees, appointed by the members
- Up to 4 trustees, appointed by the members
- Up to 3 staff trustees appointed by the members, provided that the maximum number of staff trustees does not exceed one third of the total number of trustees
- Any trustees appointed by the Secretary of State for Education

The term of office for any trustee is 4 years. The headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

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

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

When appointing new governors, the board will give consideration to the skills and experience required to complement the existing members in order to ensure that they have the necessary skills set to contribute fully to the development of the academy. On appointment induction and training will be provided depending on experience. Where necessary an induction provides training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and a chance to meet with the senior leadership team. All governors are provided with access to the school's digital secure storage (Dropbox) of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy. Due to the pandemic opportunities to meet with the wider staff and pupils has been more limited, however the school's structure will be discussed with new trustees. New colleagues will be informed that meetings be attended remotely and will be provided with the remote meeting procedures.

Organisational Structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The headteacher assumes the accounting officer role.

Arrangements for setting Pay and Remuneration of Key Management Personnel

The Priory Primary Academy Trust will follow the agreed pay policy based on the NAHT model. This policy is approved annually by the Governing Body.

Following the annual performance management meetings for the Head Teacher (comprising of Performance Management Governors) pay recommendations within the recommended School Teachers' Pay and Conditions document are sent to the FGB members along with evidence of targets met.

The performance management of the other members of the senior management team has been delegated to the Head Teacher. Pay recommendations are made to the Governing Body and awarded accordingly.

Trade Union Facility Time

No employees were relevant union officials in the year and no time was spent on Trade Union activities.

Related Parties and other Connected Charities and Organisations

The Priory Primary Academy Trust has no related parties or connected entities.

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

Objectives and Activities

Objects and Aims

The principal object and activity of the academy is the operation of The Priory Primary Academy to provide a broad and balanced education for pupils of all abilities in the Pamber End area and wider catchment. The Trust remains the heart of the school community, promoting cohesion and supporting the needs of children, the parents and the broader community. The school has hosted local council meetings, local events and supported community fundraising in addition to the integral educational support it provides.

The Trust has recently carried out a thorough curriculum review and continues to provide a broad and balanced curriculum that inspires, challenges and promotes progress in all subject areas.

The school has an 'Outstanding' grade (from its most recent OFSTED inspection) in reference to the personal development of its pupils. This highlights the care and attention the Trust provides its students. The individual needs (social, emotional, developmental and academic) of every pupil are of the highest concern. SEND pupils are fully included into the learning and their provision is tailored to the pupils' specific needs.

The school carefully monitors what pupils are charged for. Where possible trips and visits are subsidised via the PTA and parents are only required to donate. The school is currently reviewing school uniform providers to ensure costs are at a minimum. Parents / Careers are never charged for the education provided by the school; support costs or specific resources. Fundraising boosts curriculum development. Fundraising during the pandemic has been via remote or electronic means

The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

Objectives, Strategies and Activities:

The academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

- To continue to maintain effective relationships between all members of the school community to positively impact on the ethos of the academy and behaviour its pupils.
- To develop its approach to creativity and engagement so that this positively impacts on the quality of teaching and learning in the school.
- To strengthen its accountability structure through a review of the effectiveness of leadership and management.
- To achieve consistently high standards of teaching and learning
- To provide local leadership capacity and support
- To develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them and is broad and balanced
- To achieve best value in service delivery especially where partnership working can add value.

The main strategy is encompassed in the Academy's Aims, which are to develop students who are:

- Active Citizens
- Prepared for their future
- Happy, healthy and safe
- Caring individual's Responsible learners

At the heart of the Academy there is a strong and well-developed ethos where

- Every child is capable of extraordinary achievement and is able to realise their inner potential.
- Every child is able to develop a lifelong love of learning.
- Every child has an absolute right to an equal opportunity to flourish.
- Every child is able to develop the skills, knowledge and attitudes to realise their own dreams through a positive contribution to their community and wider society.
- Ultimately the Academy's vision is to inspire a love of learning for all of its community.

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

Objectives and Activities (continued)

It is the responsibility of all of the staff in The Priory Primary Academy to remove any barriers to promoting children's development and create the conditions in which they are able to love and enjoy learning.

It is the responsibility of all of the staff in The Priory Primary Academy to reach out and raise and support the aspirations of their community to believe in their children's potential.

The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. Therefore, we teach our children to be able to contribute to achieving that sustainability as adults.

The main activities for achieving objectives the academy will undertake will be:

- To continue to maintain and further develop a broad and balanced curriculum that will challenge, inspire and enrich.
- To continue to ensure that all children make very good levels of attainment and progress through strengthening the current assessment procedures and ensure that high standards are maintained.
- To continue to ensure that all children develop and that pupil wellbeing is fully embedded across the curriculum.
- To continue to engage in rigorous self-evaluation procedures that will ensure the best outcomes for all the school community.

We believe in preparing children for the next stage of their education and we expect all children to be active citizens who:

- Participate in a range of community activities.
- Have opportunities for leadership in all Key Stages.
- Understand the importance of and contribute to pupil voice activities through the School Council.
- Demonstrate local, national, global, social and environmental awareness.
- Understand that in any society there are limits to individual freedom for the wellbeing of the society as a whole

The children are prepared for their future by:

- Developing their ability to adapt to change
- Developing a broad range of transferable skills
- Developing a knowledge of the world of work
- Developing life skills and academic and personal independence
- Understanding the economic realities of their and others lives and ways to manage financial responsibilities

The children are kept happy, healthy and safe by:

- Understanding the importance of healthy eating for physical and mental wellbeing
- Understanding the importance of exercise for physical and mental wellbeing and acting on awareness of healthy lifestyle choices
- Taking advantage of and enjoying a range of extra-curricular activities
- Developing a knowledge of health issues, including sexual, mental and drug related, to enable informed decisions and choices
- Safely enjoying new technologies, experiences and environments

The children are caring individuals. They:

- Respect everyone and welcome differences
- Are aware of the consequences of their actions, however small, for themselves and others
- Understand the nature of friendship
- Learn to be good listeners & communicators
- Respect other's opinions and beliefs
- Respect themselves

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

Objectives and Activities (continued)

The children are responsible learners. They:

- Recognise that making mistakes is a key part of successful learning and develop perseverance.
- Enjoy and cultivate a positive approach to, and accept responsibility for, their learning
- Are able to enjoy applying knowledge and understand a wide range of situations
- Work successfully in teams and as individuals
- Take responsibility to achieve beyond their potential
- Reflect on both achievements and setbacks and learn from their experiences
- Think and learn creatively

The academy's aims will be reviewed and edited as required.

Public Benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- Providing community events, although these have been limited to remote attendance for the wider community (examples include – sports days, assemblies and Christmas performances).

Both charitable and fundraising events have been limited this year due to the pandemic and money raised by and for the Trust has been lowered due to COVID restrictions.

Strategic Report - Achievements and Performance

Key Performance Indicators

The Priory Primary Academy opened as a converter academy in February 2011. Its previous inspection in February 2020 judged the school to be good, with an outstanding classification in the personal development of its pupils. Academic attainment was not obtainable during the 2019/20 or 20/21 academic year due to the COVID pandemic. The previous year's SATs data demonstrated above average Reading and Mathematics outcomes, whilst Writing was well below the National Average.

Writing has been recognised as a school development action and strategies have been put in place to address this.

In 2018/19, Key Stage 1 pupils achieved at least 100% of the expected standard in Reading, 91% in mathematics and 59% in writing.

Key Stage 2 pupils achieved:

Individual subject attainment

Reading: % of pupils achieving expected standard	83%
Reading: % of pupils achieving greater depth	38%
Writing: % of pupils achieving expected standard	50%
Writing: % of pupils working greater depth	21%
Mathematics: % of pupils achieving expected standard	92%
Mathematics: % of pupils achieving greater depth	38%
Grammar, punctuation and spelling: % of pupils achieving expected standard	88%
Grammar, punctuation and spelling: % of pupils achieving greater depth	50%

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

Strategic Report - Achievements and Performance (continued)

Key Performance Indicators (continued)

The school's roll continues to increase year on year and we had 187 pupils for the October 2021 census.

The academy's attendance was impacted by COVID, but was above 95% as of March 2021.

The number of fixed term exclusions remains at zero.

The academy's 20/21 data demonstrates (validated by Juniper Education) that attainment across the school is inline with or above national and regional levels. Factoring in the nationally recognised (COVID related) reduction in pupil progress during the lockdown periods, the Priory Academy is above regional and national levels. Progress has been maintained through a combination of effective face to face teaching for the children of critical workers and live online lessons taught remotely for those at home. The school's focus on the English and Maths curriculum as well as supporting the mental wellbeing of pupils has combined to ensure progress has been ongoing for most pupils. Pupils whose progress had been most impacted by lockdown or those who had limited access to the remote provision were provided with 1:1 or small group tutoring. This has helped reduce the attainment gap between pupils whose 'live' education was uninterrupted and those who engaged in learning via remote methods.

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, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The global pandemic has resulted in an ongoing financial uncertainty. Cleaning costs and general maintenance costs have increased. Additionally, staffing costs (which remain a very high proportion of the budget) have fluctuated, the school has incurred additional costs in the form of overtime to internally cover absent and ill staff members, however some of these costs have been offset by a slowly reducing number of staff employed to the Trust.

Fuel and service costs have increased throughout the pandemic, resulting in increased budget spends. To off-set the overspends other aspects of the budget such as staff training and curriculum costs have been reduced. Conservative short and long-term budgeting has been undertaken to mitigate the financial uncertainty, as has the school's drive to raise pupil numbers – which have increased to 187, with a target of 193 by 2022.

Strategic Report - Financial Review

Finance Review

During the period, ESFA/LA revenue grants received totalled to £853,920 (2020: £815,975). Other income included within restricted funds totalled to £31,119 (2020: £8,927). Restricted fund expenditure totalled to £950,859 (2019: £911,346). The main source of unrestricted income is catering, educational visits, lettings and donations, totalling to £56,739 (2020: £66,444). Fundraising activities during the period included, sponsored reads/spells, selling of school photos and seeds. Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Academy also receives a grant from Hampshire County Council to support pupils who are eligible for SEN Funding. This grant is treated as restricted income.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The pandemic has impacted on the Trust's financial performance by reducing catering and clubs income. The Trust incurred additional cleaning and hygiene costs.

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TRUSTEES' REPORT (CONTINUED)
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Strategic Report - Financial Review (continued)

Additional government funding was received, including £14,560 (COVID support grant) which was utilised to employ a range of locally sourced tutors to provide 1:1 and small group support for identified pupils who had been most impacted by the COVID lockdowns, as recognised by ongoing summative and formative assessments. Additional computing infrastructure was also purchased to enable successful online and face to face tutoring to occur. Digital packages (IXL, IDL) were also purchased to support the wider school via the home learning process. A significant amount of the support grant will be carried through to the 21/22 to support the ongoing tutoring needs of the children.

Additional Free School Meal funding was allocated from the local authority totalling £1781 and £1800 from the ESFA, which was utilised to support the wellbeing and needs of identified families, including during the school holidays and in lockdowns. The Trust applied for and integrated the Microsoft Digital Platform (costing £1500) to ensure online teaching was possible during the second lockdown.

Finally, the allocated £10,000 from the Local Authority was allocated to offset increased cleaning costs, maintenance and COVID related expenditure.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Governing Body receives financial budget v actual v committed reports throughout the year to compare against budgets submitted to the Education and Skills Funding Agency. The Resources Committee discusses and review longer term financial plans and organise resources most effectively to fulfil the aims of the academy.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The pandemic has impacted the Trust's level of reserves through increased costs for staff overtime, additional cleaning and hygiene and additional admin costs to prepare for home learning during lockdown. This has resulted in future financial budgeting being more conservative for the 2021/22 academic year, with curriculum, staff training and admin and support costs all being kept in line with previous spending, despite the increased number of pupils on roll. Additional future commitments, include the trust is carrying forward £9,472 of Covid Catchup into 2021/22, a large proportion of which will be used to continue with the tutoring for the school's vulnerable and most impacted pupils.

Overall, there was an in-year revenue deficit of £34,727, this was a significant improvement on the budgeted in-year deficit position of £68k, this was a result of careful budgeting, a reduction in staffing and off-setting COVID related costs, plus the utilisation of the COVID grants – some of which are being carried over to the next academic year. The Trust is also mindful of staffing levels in future academic years and the ongoing impact of COVID related illnesses.

Total reserves at the end of the period amounted to £158,303 (2020 £193,030). This balance includes unrestricted funds (free reserves) of £148,331, which are considered appropriate for the Academy Trust, and restricted funds of £9,972 and a pension deficit of £457,000.

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TRUSTEES' REPORT (CONTINUED)
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Reserves Policy (continued)

The Governing Body have recognised that salary costs are currently higher than GAG funding and have therefore enacted an action plan to raise pupil numbers, restrict staffing costs where possible and to raise the profile of the Trust via increased fundraising and marketing. A limit has been set relative to salary costs – a sum equivalent to one month's payroll approximately £65,000 and an additional £5000 due to the uncertainties of future Government spending. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £457,000 (2020: £434,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

Investment Policy

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As of 31 August 2021, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2021. 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.

Fundraising

The Trust engages in limited fundraising activities throughout the academic year, both for specific projects and to augment the annual education budget

Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

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TRUSTEES' REPORT (CONTINUED)
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Plans for Future Periods

The Priory Primary Academy has an ongoing programme of repairs and maintenance and a prioritised improvement plan. Priority will be given to renovations to the Y5 and Y6 classrooms which will need additional capacity to house a greater number of pupils from the 2022/23 academic year.

Following approval by the Governing Body the Trust is aiming to replace its oil burner and heating system with a more cost effective, sustainable and environmentally friendly source (ground sources / solar panels etc)

The school's flat roof sections – which has been the source of several unsuccessful CIF bids - is an ongoing project, which is currently being maintained through constant repairs by the Trust's Site Manager.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust or its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21 December 2021 and signed on the board's behalf by:



P Payne-Sahota
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Priory Primary 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 Head Teacher, 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 The Priory Primary 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 11 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
J Pender	9	11
M Stewart	11	11
S Love (resigned 24 th July 2021)	9	11
J Dwerryhouse	8	11
J Sullivan	7	11
P Payne-Sahota	10	11
D Adams (resigned 9 th September 2021)	7	11
R MacDonald	9	11
M Clare	7	11
J Rooth (appointed 13 th July 2021)	1	1

The **Finance, pay and risk committee**, is a sub-committee of the main board of trustees. Its purpose is to advise the Board on matters relating to the Trust's finance and audit arrangements, systems of internal control, certain statutory functions relative to Personnel, and to advise and aid the Board to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
M Stewart	6	6
J Dwerryhouse	6	6
R MacDonald	5	6
P Payne-Sahota	6	6
J Sullivan	4	6
M Clare	3	6

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The **Inclusion, achievement and curriculum committee**, is a sub-committee of the main board of trustees. Its purpose is to ensure access to education for all.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
M Stewart	2	2
J Dwerryhouse	1	2
P Payne-Sahota	2	2
D Adams	2	2
J Sullivan	1	2
R MacDonald	2	2

The impact of the Governing Body's work is evaluated annually by report from the Chair of Governors of each committee and is reviewed and monitored through the key objectives identified that each committee discusses and reports on a termly basis. The Governors also perform a self-evaluation review of governance in the coming year.

Key findings noted, actions taken and their impact are noted below:

- To ensure pupils academic standards and emotional well being are being addressed as impacted from the pandemic and other challenges pupils may face
- Embrace the challenges of the new school year including the continuous implementation and validation of the newly formed curriculum topics
- To continue to deliver the best possible outcomes for the children despite the significant financial constraints.
- To ensure the school factors in and plans for risks and health safety compliance, updated on the risk register and addressed with priority

The significant impact of COVID-19 financially on the school to note were responded to during 2019/20.

Review of Value for Money

As accounting officer, the headteacher 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- continuing to balance the existing staff vs GAG funding by reducing the overall cost of support and admin costs
- reviewing suppliers' charges and sourcing competitively priced consumables
- supporting the Trust's drive to raise pupil numbers.
- Minimising set budgets allocated to training, classroom resources and curriculum costs

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

The 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 effect of COVID19 on our governance arrangements was the use of virtual meetings, which have been positive and constructive development to continue governor support. There is always a view that face to face meetings can be better at achieving more effective governor performance however we have successfully utilised a blended approach and continued with these as we adapted to the challenging circumstances and continued the work of governance, using accessible, familiar technology which enabled the governing body to get the best from any virtual meeting arrangements we had.

The board of trustees has decided:

- not to appoint an auditor for this purpose. However, the trustees have appointed R MacDonald, a trustee, to carry out a programme of internal checks

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

- Review of purchase cycle and controls
- Review of payroll systems and controls
- Bank reconciliation process

On an annual basis, the auditor / reviewer reports to the board of trustees, through the Finance, pay and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year

THE PRIORY PRIMARY ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

progress. It is planned for the internal audit review process to occur twice annually in the next academic year (COVID protocols allowing).

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, pay and risk committee and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 21 December 2021 and signed on their behalf by:



P Payne-Sahota
Chair of Trustees



Mike Stewart
Accounting Officer

THE PRIORY PRIMARY ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Priory Primary Academy Trust I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



Mike Stewart
Accounting Officer
Date: 21 December 2021

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF GOVERNING BODY'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The governing body (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governing body's 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 governing body to prepare financial statements for each financial . Under company law, the governing body 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 governing body are required to:

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

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

The governing body 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 21 December 2021 and signed on its behalf by:



P Payne-Sahota
Chair of Trustees

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 governing body's 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'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 governing body with respect to going concern are described in the relevant sections of this report.

THE PRIORY PRIMARY ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PRIORY PRIMARY 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 governing body 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 Governing body's report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governing body's 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Governing body's report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governing body's 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 Governing body's responsibilities statement, the governing body (who are also the directors of the academy 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 governing body 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 governing body are responsible for assessing the academy'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 governing body either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

THE PRIORY PRIMARY ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PRIORY PRIMARY 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 considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

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

Use of our report

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

Carly Pinkus (Senior statutory auditor)



FOR LANDAU BAKER LIMITED

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

21 December 2021

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Priory Primary Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Priory Primary Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Priory Primary 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 The Priory Primary Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Priory Primary Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Priory Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

Conclusion

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

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 21 December 2021

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	5,083	31,119	6,003	42,205	36,748
Charitable activities	4	-	853,920	-	853,920	815,975
Other trading activities	5	51,579	-	-	51,579	44,483
Investments	6	77	-	-	77	131
Total income		56,739	885,039	6,003	947,781	897,337
Expenditure on:						
Raising funds		-	-	-	-	1,092
Charitable activities	8	54,200	950,859	61,637	1,066,696	1,041,110
Total expenditure		54,200	950,859	61,637	1,066,696	1,042,202
Net income/(expenditure)		2,539	(65,820)	(55,634)	(118,915)	(144,865)
Transfers between funds	17	(25,317)	871	24,446	-	-
Net movement in funds before other recognised gains/(losses)		(22,778)	(64,949)	(31,188)	(118,915)	(144,865)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	30,000	-	30,000	(54,400)
Net movement in funds		(22,778)	(34,949)	(31,188)	(88,915)	(199,265)
Reconciliation of funds:						
Total funds brought forward		171,109	(412,079)	1,565,055	1,324,085	1,523,350
Net movement in funds		(22,778)	(34,949)	(31,188)	(88,915)	(199,265)
Total funds carried forward		148,331	(447,028)	1,533,867	1,235,170	1,324,085

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 47 form part of these financial statements.

THE PRIORY PRIMARY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07498234

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,533,867	1,564,200
		1,533,867	1,564,200
Current assets			
Debtors	15	35,612	19,229
Cash at bank and in hand		201,862	239,970
		237,474	259,199
Creditors: amounts falling due within one year	16	(79,171)	(65,314)
		158,303	193,885
Total assets less current liabilities		1,692,170	1,758,085
Net assets excluding pension liability		1,692,170	1,758,085
Defined benefit pension scheme liability	23	(457,000)	(434,000)
Total net assets		1,235,170	1,324,085
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	1,533,867	1,565,055
Restricted income funds	17	9,972	21,921
		1,543,839	1,586,976
Restricted funds excluding pension asset	17	1,543,839	1,586,976
Pension reserve	17	(457,000)	(434,000)
Total restricted funds	17	1,086,839	1,152,976
Unrestricted income funds	17	148,331	171,109
Total funds		1,235,170	1,324,085

The financial statements on pages 23 to 47 were approved by the governing body, and authorised for issue on 21 December 2021 and are signed on their behalf, by:

P Payne-Sahota
Chair of Trustees



The notes on pages 26 to 47 form part of these financial statements.

THE PRIORY PRIMARY ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	19	(12,884)	(29,476)
Cash flows from investing activities	20	(25,224)	986
Change in cash and cash equivalents in the year		(38,108)	(28,490)
Cash and cash equivalents at the beginning of the year		239,970	268,460
Cash and cash equivalents at the end of the year	21, 22	201,862	239,970

The notes on pages 26 to 47 form part of these financial statements

THE PRIORY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The governing body 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 to continue as a going concern. The governing body 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **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.

1.4 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.

THE PRIORY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £250 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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 22 - 80 Years
Furniture and equipment	- 5 Years
Computer equipment	- 3 Years
Smartboards and Projectors	- 5 Years

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

1.6 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.

1.7 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.

THE PRIORY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 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 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.

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Pensions

Retirement benefits to employees of the academy 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 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.11 Fund accounting

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

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

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

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

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.

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 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	5,083	31,119	-	36,202	30,757
Capital Grants	-	-	6,003	6,003	5,991
	<u>5,083</u>	<u>31,119</u>	<u>6,003</u>	<u>42,205</u>	<u>36,748</u>
<i>Total 2020</i>	<u>21,830</u>	<u>8,927</u>	<u>5,991</u>	<u>36,748</u>	

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4. Funding for the academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	672,787	672,787	661,411
Other DfE/ESFA grants			
Pupil Premium	10,156	10,156	5,496
UIFSM	34,539	34,539	32,557
Others	49,714	49,714	52,047
	<hr/>	<hr/>	<hr/>
	767,196	767,196	751,511
Other Government grants			
Local Authority Grants	73,909	73,909	61,276
	<hr/>	<hr/>	<hr/>
	73,909	73,909	61,276
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	14,560	14,560	-
Other DfE/ESFA COVID-19 funding	(1,745)	(1,745)	2,588
	<hr/>	<hr/>	<hr/>
	12,815	12,815	2,588
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	-	600
	<hr/>	<hr/>	<hr/>
	-	-	600
	<hr/>	<hr/>	<hr/>
	853,920	853,920	815,975
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	815,975	815,975	

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

The academy received £14,560 of funding for catch-up premium and costs incurred in respect of this funding totalled £5,088, with the remaining balance of £9,472 in 2021/22.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Catering Income	20,126	20,126	18,820
Other Income	12,081	12,081	7,894
Lettings Income	7,500	7,500	7,500
Trip Income	11,872	11,872	10,269
	51,579	51,579	44,483
	44,483	44,483	
<i>Total 2020</i>			

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank Interest	77	77	131
	131	131	
<i>Total 2020</i>			

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

7. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2021	2021	2021	2021	<i>2020</i>
	£	£	£	£	£
Raising funds					
Direct costs	-	-	-	-	1,092
Educational Operations:					
Direct costs	673,408	-	91,428	764,836	712,074
Allocated support costs	142,750	41,323	117,787	301,860	329,036
	<u>816,158</u>	<u>41,323</u>	<u>209,215</u>	<u>1,066,696</u>	<u>1,042,202</u>
<i>Total 2020</i>	<u>812,696</u>	<u>34,019</u>	<u>195,487</u>	<u>1,042,202</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted	Restricted	Total	<i>Total</i>
	funds	funds	funds	<i>funds</i>
	2021	2021	2021	<i>2020</i>
	£	£	£	£
Educational Operations	54,200	1,012,496	1,066,696	1,041,110
	<u>54,200</u>	<u>1,012,496</u>	<u>1,066,696</u>	<u>1,041,110</u>
<i>Total 2020</i>	<u>55,936</u>	<u>985,174</u>	<u>1,041,110</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Operations	764,836	301,860	1,066,696	1,041,110
<i>Total 2020</i>	<u>712,074</u>	<u>329,036</u>	<u>1,041,110</u>	

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff Costs	673,408	673,408	653,540
Educational Supplies & Services	15,055	15,055	14,135
Staff Development	1,275	1,275	1,905
Other Direct Costs	75,098	75,098	42,494
	<u>764,836</u>	<u>764,836</u>	<u>712,074</u>
<i>Total 2020</i>	<u>712,074</u>	<u>712,074</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension Finance Cost	7,000	7,000	6,000
Staff Costs	96,750	96,750	119,776
Depreciation	61,637	61,637	73,828
Repairs & Maintenance	3,066	3,066	7,393
Other Occupancy Costs	27,694	27,694	16,603
Recruitment & Support	1,271	1,271	1,697
Insurance	901	901	964
Catering Expenses	17,401	17,401	18,221
Other Support Costs	23,926	23,926	25,733
Non Cash Pension Costs	46,000	46,000	39,000
Energy Costs	10,563	10,563	11,131
Governance Costs	5,651	5,651	8,690
	<hr/>	<hr/>	<hr/>
	301,860	301,860	329,036
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	329,036	329,036	

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Depreciation of tangible fixed assets	61,637	73,829
Fees paid to auditors for:		
- audit	6,520	6,580
- other services	505	1,545
	<hr/> <hr/>	<hr/> <hr/>

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	<i>2020</i>
	£	<i>£</i>
Wages and salaries	607,350	<i>606,547</i>
Social security costs	45,469	<i>45,946</i>
Pension costs	117,339	<i>120,823</i>
	<hr/> 770,158	<hr/> <i>773,316</i>
Agency staff costs	-	<i>380</i>
Non cash pension costs	46,000	<i>39,000</i>
	<hr/> 816,158 <hr/>	<hr/> <i>812,696</i> <hr/>

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

b. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	11	<i>10</i>
Educational & other support staff	23	<i>23</i>
Management	2	<i>2</i>
	<hr/> 36 <hr/>	<hr/> <i>35</i> <hr/>

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
	<hr/> 1 <hr/>	<hr/> <i>1</i> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

d. Key management personnel

The key management personnel of the academy comprise the governing body 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 was £142,593 (2020 £151,701).

12. Trustees' remuneration and expenses

One or more governing body has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff governing body 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 governing body's remuneration and other benefits was as follows:

		2021	2020
		£	£
M Stewart, Head Teacher	Remuneration	65,000 -	65,000 -
		70,000	70,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
D Adams, Deputy Headteacher	Remuneration	20,000 -	20,000 -
		25,000	25,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2021, no governing body expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

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

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14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	1,933,886	445,870	62,653	2,442,409
Additions	-	6,925	24,379	31,304
At 31 August 2021	<u>1,933,886</u>	<u>452,795</u>	<u>87,032</u>	<u>2,473,713</u>
Depreciation				
At 1 September 2020	388,894	430,086	59,229	878,209
Charge for the year	46,017	6,109	9,511	61,637
At 31 August 2021	<u>434,911</u>	<u>436,195</u>	<u>68,740</u>	<u>939,846</u>
Net book value				
At 31 August 2021	<u>1,498,975</u>	<u>16,600</u>	<u>18,292</u>	<u>1,533,867</u>
At 31 August 2020	<u>1,544,992</u>	<u>15,784</u>	<u>3,424</u>	<u>1,564,200</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	17,361	13,081
Prepayments and accrued income	18,251	6,148
	<u>35,612</u>	<u>19,229</u>

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

16. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£	<i>£</i>
Trade creditors	14,034	<i>2,349</i>
Other taxation and social security	14,018	<i>13,688</i>
Other creditors	18,209	<i>18,209</i>
Accruals and deferred income	32,910	<i>31,068</i>
	79,171	<i>65,314</i>
	2021	<i>2020</i>
	£	<i>£</i>
Deferred income at 1 September 2020	19,322	<i>23,102</i>
Resources deferred during the year	22,204	<i>19,322</i>
Amounts released from previous periods	(19,322)	<i>(23,102)</i>
	22,204	<i>19,322</i>

Deferred income includes Universal Infant Free School meal grant income, school trips income and rates grant income relating to the following financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	171,109	56,739	(54,200)	(25,317)	-	148,331
Restricted general funds						
GAG	9,891	672,787	(707,928)	25,250	-	-
Pupil premium	-	10,156	(10,156)	-	-	-
UIFSM	-	34,539	(34,539)	-	-	-
Other ESFA funding	-	32,214	(32,214)	-	-	-
PE Sports Grant funding	12,030	17,500	(29,530)	-	-	-
Catch-up Premium	-	14,560	(5,088)	-	-	9,472
Other DfE/ESFA COVID-19 funding	-	(1,745)	1,745	-	-	-
SEN/LA funding	-	73,909	(73,909)	-	-	-
General funds	-	31,119	(6,240)	(24,379)	-	500
Pension reserve	(434,000)	-	(53,000)	-	30,000	(457,000)
	(412,079)	885,039	(950,859)	871	30,000	(447,028)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,564,200	-	(54,779)	24,446	-	1,533,867
Devolved Formula Capital	855	6,003	(6,858)	-	-	-
	1,565,055	6,003	(61,637)	24,446	-	1,533,867
Total Restricted funds	1,152,976	891,042	(1,012,496)	25,317	30,000	1,086,839
Total funds	1,324,085	947,781	(1,066,696)	-	30,000	1,235,170

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17. Statement of funds (continued)

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

Restricted Fixed Asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
General Funds - all funds	161,693	66,444	(57,028)	-	171,109
Restricted general funds					
GAG	63,365	661,411	(714,885)	-	9,891
Pupil premium	-	5,496	(5,496)	-	-
UIFSM	-	32,557	(32,557)	-	-
Other ESFA funding	-	34,557	(34,557)	-	-
PE Sports Grant funding	-	17,490	(5,460)	-	12,030
Other DfE/ESFA COVID-19 funding	-	2,588	(2,588)	-	-
SEN/LA funding	-	61,276	(61,276)	-	-
General funds	-	9,527	(9,527)	-	-
Pension reserve	(334,600)	-	(45,000)	(54,400)	(434,000)
	<u>(271,235)</u>	<u>824,902</u>	<u>(911,346)</u>	<u>(54,400)</u>	<u>(412,079)</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	1,632,892	-	(68,692)	-	1,564,200
Devolved Formula Capital	-	5,991	(5,136)	-	855
	<u>1,632,892</u>	<u>5,991</u>	<u>(73,828)</u>	<u>-</u>	<u>1,565,055</u>
Total Restricted funds	<u>1,361,657</u>	<u>830,893</u>	<u>(985,174)</u>	<u>(54,400)</u>	<u>1,152,976</u>
Total funds	<u><u>1,523,350</u></u>	<u><u>897,337</u></u>	<u><u>(1,042,202)</u></u>	<u><u>(54,400)</u></u>	<u><u>1,324,085</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	1,533,867	1,533,867
Current assets	148,331	89,143	-	237,474
Creditors due within one year	-	(79,171)	-	(79,171)
Provisions for liabilities and charges	-	(457,000)	-	(457,000)
Total	<u>148,331</u>	<u>(447,028)</u>	<u>1,533,867</u>	<u>1,235,170</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	1,564,200	1,564,200
Current assets	171,109	87,235	855	259,199
Creditors due within one year	-	(65,314)	-	(65,314)
Provisions for liabilities and charges	-	(434,000)	-	(434,000)
Total	<u>171,109</u>	<u>(412,079)</u>	<u>1,565,055</u>	<u>1,324,085</u>

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(118,915)	(144,865)
Adjustments for:		
Depreciation	61,637	73,828
Capital grants from DfE and other capital income	(6,003)	(5,991)
Interest receivable	(77)	(131)
Defined benefit pension scheme cost less contributions payable	46,000	39,000
Defined benefit pension scheme finance cost	7,000	6,000
Decrease in stocks	-	1,670
Increase in debtors	(16,383)	(4,215)
(Decrease)/increase in creditors	13,857	5,228
Net cash used in operating activities	(12,884)	(29,476)

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	77	131
Purchase of tangible fixed assets	(31,304)	(5,136)
Capital grants from DfE	6,003	5,991
Net cash (used in)/provided by investing activities	(25,224)	986

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21. Analysis of cash and cash equivalents

	2021	<i>2020</i>
	£	£
Cash in hand and at bank	201,862	239,970
Total cash and cash equivalents	201,862	239,970

22. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	239,970	(38,108)	201,862
	239,970	(38,108)	201,862

23. Pension commitments

The academy'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 Hampshire 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 August 2021.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £91,385 (2020 - £89,389).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £38,000 (2020 - £40,000), of which employer's contributions totalled £29,000 (2020 - £31,000) and employees' contributions totalled £ 9,000 (2020 - £9,000). The agreed contribution rates for future years are 18.9 per cent for employers and between 5.5 and 7.5 per cent for employees.

As described in note 1.10 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

Hampshire Pension Fund	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
RPI inflation	3.00	2.90
Rate of revaluation of pension accounts	2.60	2.30

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	27.3	27.2

Share of scheme assets

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

	2021	<i>2020</i>
	£	£
Equities	403,000	316,386
Property	43,000	33,480
Cash	5,000	8,928
Government bonds	127,000	108,252
Other	124,000	90,954
Total market value of assets	702,000	558,000

The actual return on scheme assets was £107,000 (2020 - £30,000).

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23. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(75,000)	(70,000)
Interest income	10,000	10,000
Interest cost	(17,000)	(16,000)
Total amount recognised in the Statement of financial activities	(82,000)	(76,000)

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

	2021 £	2020 £
At 1 September	992,000	823,700
Current service cost	75,000	70,000
Interest cost	17,000	16,000
Employee contributions	9,000	9,000
Actuarial losses	67,000	74,300
Benefits paid	(1,000)	(1,000)
At 31 August	1,159,000	992,000

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

	2021 £	2020 £
At 1 September	558,000	489,100
Interest income	10,000	10,000
Actuarial gains	97,000	19,900
Employer contributions	29,000	31,000
Employee contributions	9,000	9,000
Benefits paid	(1,000)	(1,000)
At 31 August	702,000	558,000

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24. Operating lease commitments

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

	2021	<i>2020</i>
	£	<i>£</i>
Not later than 1 year	205	<i>505</i>
Later than 1 year and not later than 5 years	-	<i>205</i>
	205	<i>710</i>

25. 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.

26. Related party transactions

Owing to the nature of the academy 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 governing body have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.