

The Hill Trust
(A company limited by guarantee)

**Annual Report and
Financial Statements
2020-2021**

THE HILL TRUST

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TRUSTEES' REPORT INCLUDING STRATEGIC REPORT FOR THE YEAR TO 31 AUGUST 2021

Members	Mrs B Hardman (Appointed 5 th October 2020) Mr M Nelson Mr J Rodrigues Mr R Umpelby
Trustees	Mr P Sagar (Chair of Board) Mr A Bailey Mr K Campbell Miss S Mann (Teacher / Data Protection Officer) Miss D West (Headteacher / CEO) Mr P Womersley
Company Secretary	Mrs CE Shalom (Chief Financial Officer)
Senior Leadership Team	Miss D West (Headteacher) Mrs K Dunkley (Assistant Head) Mr M Horton (Assistant Head – appointed 1 st January 2021) Mrs M Jessop (Deputy Head) Mr A Johnson (Assistant Head – resigned 31 st December 2020) Mrs CE Shalom (Chief Financial Officer) Mr S Timpson (Assistant Head)
Principal and Registered Office	Bredon Hill Academy Elmley Road Ashton Under Hill Evesham Worcestershire England WR11 7SW
Registered Company Number	10177811
Statutory Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX
Bankers	Lloyds TSB PO Box 1000 BX1 1LT
Solicitors	Legal and Democratic Services Worcestershire County Council County Hall Spetchley Road Worcester Worcestershire WR5 2N

THE HILL TRUST

TRUSTEES' REPORT INCLUDING STRATEGIC REPORT FOR THE YEAR TO 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and the auditor's report of The Hill Trust for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust's principal activities are, for the public benefit to:

- Advance and promote education by, in particular but not limited to, the provision of facilities or property for any educational institution;
- Advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the trustees.

Structure, Governance and Management

Constitution

The Hill Trust was incorporated on 12 May 2016 as a Multi Academy Trust (MAT), the Trust's operations commenced when the first Academy opened on 1 September 2016. The Hill 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 Trust.

The Trustees of The Hill Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Hill Trust.

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

Members' Liability

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

Trustees' Indemnities

The Trust provides indemnity insurance to cover the liability of the Trustees and Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.

Recruitment and Appointment of New Trustees

The Trust shall have no more than 12 trustees. Trustees are recruited and approved by the members according to the needs of the board and the skill set required. There must be a minimum of two parent trustees who must be a parent of a pupil at any of the academies in the trust at the time when they are elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction for trustees and governors will depend on their prior experience and/or knowledge. All new governors attend a 3 day course which they must complete within the first 3 months of their appointment. Ongoing training is given by the Local Authority and the National Governors Association.

THE HILL TRUST

TRUSTEES' REPORT INCLUDING STRATEGIC REPORT FOR THE YEAR TO 31 AUGUST 2021

Organisational Structure

The members of the Trust appoint the Trustees. The Trustees are responsible for the overall strategic direction and financial performance of The Hill Trust MAT. Each academy within the Trust has a local governing body which is in effect a sub-committee of the main board of directors and concentrates on the day to day running of the academy in accordance with the scheme of delegation. The Headteacher is the link between local governors and the Trustees as they reside on both boards.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Arrangements for pay and remuneration of the Trust's key management personnel is outlined in The Hill Trust's Pay Policy.

Related Parties and Other Connected Charities and Organisations

There have been no related party transactions during the period.

Objectives and Activities

Objectives, Strategies and Activities

The principal activity of the charitable company is the operation of The Hill Trust to provide a high standard of education to all pupils.

The Trust is governed, led and managed in a way that is reflective and self-critical. It is both ambitious but also realistic about future planning both strategic and developmental. It is also prudent with budgeting and constantly mindful of the challenging and uncertain financial times within the public and in particular educational sector.

We are an outward looking organisation willing to collaborate and share school-to-school support in keeping with the changing landscape. First class communication is a vital aspect of ensuring that the vision and direction of the Trust is clearly articulated. The website is integral in ensuring that pupils, parents, staff and the community at large, continue to feel engaged and clearly informed regarding the Trusts' values, purpose and direction.

Standards within Bredon Hill Academy are closely monitored by the Local Governing Body that meets on a termly basis. The performance development of staff is closely linked to their professional development needs but also departmental and whole school priorities.

Medium to long-term objectives include:

- To provide the best possible outcomes for pupils. They **must** always be the primary focus of our work.
- To maintain the highest standards of learning and teaching.
- To 'holistically' develop the pupils through highly effective pastoral care, PSHE and co-curricular activities and enrichment.
- Maintain and develop the existing buildings and resources to provide facilities that are fit for 21st century learning.
- To continue to retain and recruit staff of the highest calibre who are self-reflective practitioners.
- To maintain and update the IT infrastructure for both educational, including remote home learning, and administrative purposes.
- Foster excellent relationships with all stakeholders; support and receive support from other schools.
- To remain financially stable, with strong internal controls and provide value for money in all aspects of our work.
- To explore opportunities to grow the Trust to a maximum of 5 schools in the next 3 – 5 years.

Public Benefit

In setting our objectives the Trustees' have given careful consideration to the Charity Commissions guidance on public benefit.

All the activities undertaken by the Trust are for the education of its pupils and the good of the wider local community. As such the primary objective of the Trust is to support those objectives and there is no financial return to any shareholders.

Strategic Report

Achievements and Performance including Key Performance Indicators

BREDON HILL ACADEMY 2020/21

Bredon Hill Academy prides itself in its strong sense of community; we learn together for success. At Bredon Hill, we aim to provide our pupils with an education which offers a broad, balanced and rich curriculum combined with a wide range of extra-curricular opportunities. Our positive working ethos is embedded into all that we do, supporting our pupils to be inquisitive, creative and confident learners. We value each of our pupils and encourage them to reach their potential. We work hard to prepare them for when they move to high school and equip them for the wider world.

Bredon Hill Academy is a 10 –13, Year 6 to Year 8, Academy Converter and Designated Sponsor Academy. We are currently a stand-alone academy in The Hill Trust. The school is popular and has a good reputation. The current PAN is 486 with 162 in each year group. There are 474 on roll as of July 2021 (KS2 – 162, KS3 -310). The proportion of pupils considered to be disadvantaged is below the national average but has increased in recent years (74 Pupil Premium, 46 Free School Meals and 26 EAL (English as an additional language) pupils (July 2021).

The Academy is committed to growth and providing the best education for our pupils. We have re-designed our curriculum to ensure that it is challenging and supports all pupils to make progress and reach their potential.

We are a relatively new Senior Leadership Team and roles and responsibilities have been re-distributed: curriculum, Safeguarding, Finance, SEND and Assessment. It is the dynamics of our team that have triggered and supported changes throughout the year. Our focus on teaching and learning and on our renewed and revitalised curriculum is relentless. We provide a learning environment where pupils are encouraged to become inquisitive, independent and confident thinkers.

Progress from entry to exit in core subjects is good. This is based on benchmarking at the beginning of Year 6 and tracking through to Year 8, which is externally validated by GL assessment.

The vast majority of our pupils have an excellent attitude to learning which helps their progress and personal development. There is a robust behaviour for learning system in place which supports a whole school consistency towards behaviour. In addition, there have been improvements to our rewards' system.

Due to the Covid-19 pandemic, school introduced a range of procedures to minimise the risk of transmission and to ensure that pupils and staff are as safe as possible. Such procedures include:

- Year group 'Bubbles' working in 'Bubble Zone' areas.
- Staggered start and end to the school day.
- Staggered break and lunch times.
- Pupils largely receive classroom-based lessons, mostly in their form rooms, whilst teaching staff move around school.
- Blended home learning plan to enable pupils unable to attend school because of Covid-19 related issues to continue learning at home.
- Use of Microsoft Teams to teach virtual lessons and to allow pupils to submit work.

- Tiered contingency plan in place.
- A Wellbeing Lead to support pupil and staff well-being.
- Maths and English intervention and catch-up groups.
- Science catch-up lessons in Years 7 and 8.

In addition, we set up a Testing Site, where we supervised Lateral Flow Device testing, processing and recording of results.

Attendance: 19/20: 91.18%, 20/21: 96.2%

Key Stage 2 Standard Attainment Tests

Due to Covid-19 the pupils did not sit the KS2 tests in May 2021.

The table below compares BHA teacher assessments for 2021 and national predictions for year 6 children from 2020, as collated by Fisher Family Trust:

BHA Data	BHA	National (2020)
Maths Expected +	61%	78%
Maths High Attainment	14%	27%
Reading Expected +	87%	79%
Reading High Attainment	26%	32%
Writing Expected +	85%	78%
Writing High Attainment	11%	20%
Science Expected +	97%	None

Given the amount of disruption caused to the curriculum whilst this cohort was in year 5 and also for part of year 6, it is unhelpful to make comparisons compared to previous years or the national standard.

Year 8 Exit Data – (GL Assessment Data)

SUBJECT	Entry SAS Data (baseline test taken in September of year 6)	Exit SAS Data (exit test taken in June of year 8)
English	98.2	109.8
Maths	98.5	107.6
Science	100.4	103.9

A SAS (Standardised Average Score) of 100 is the average for the age group, based on collated assessment scores of over 100,000 pupils across the country. A SAS below 100 therefore indicates below average attainment whereas a score of above 100 indicated above average attainment.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust had 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.

Financial Review

Financial Report for the Period

Bredon Hill Academy is currently the only academy within The Hill Trust. The accounting period runs from the 1st September 2020 to 31st August 2021. The majority of the Academy's income is obtained from the 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 (non-fixed assets) in the statement of financial activities.

During the period a total expenditure (not including restricted fixed asset funds or conversion funds) of £2,510,046 (2020: £2,426,646) was funded by the ESFA grant together with other incoming resources, totalling £2,525,630 (2020: £2,404,758).

The Trust operates a defined benefit pension scheme for support staff and is therefore required to recognise the assets and liabilities of the pension fund on its Balance Sheet. The school has obtained a valuation report from its actuary's, Mercer, which shows at 31 August 2021 the scheme had assets of £797,000 (2020: £546,000) and liabilities of £2,349,000 (2020: £1,985,000). As such the net deficit in the scheme amounts to £1,552,000 at 31 August 2021 (2020: £1,439,000).

During the year we were successful with both of our Capital Improvement Fund (CIF) bids. In January 2022 we will be starting work on the extension of our maths block giving two new, permanent, classrooms. This will allow the old mobile classrooms to be removed giving room for a much needed expansion of the playground area. Work on the replacement of our existing heating system and boilers will commence in May 2022.

During the summer of 2021, we completed the refurbishment of the Food Technology classroom (deferred from summer 2020 due to Covid-19) giving the school a wonderful space for both teaching and cooking. We also carried out a major upgrade to our ICT wireless and server infrastructure ensuring that we are able to meet our remote learning and cyber security requirements. We have also carried out significant maintenance with the replacement of the internal risers and refurbishment of pupil toilets.

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Additional Covid-19 related costs were incurred to ensure that the school was safe and ready to open in accordance with Department for Education (DfE) and Public Health England (PHE) guidelines. These costs included additional cleaning items, sanitiser, glass screens, PPE, classroom trays, high-backed stools and line-marking kits. £4,960 was also spent to provide Free School Meals (FSM) to eligible pupils before the government funded scheme was properly up and running. These costs were not recoverable from the DfE as we did not have an in-year revenue deficit.

During the academic year, the school received £38,000 of Covid Catch Up Premium and £23,520 of Mass Testing Funding. This was used to help mitigate the educational effects of the unique disruption caused by Covid-19 as well as ensuring that the school was a Covid safe place for pupils and staff to attend. As part of this plan we employed an additional member of staff to carry out enhanced cleaning of regularly touched areas such as door handles, bannisters and taps.

Financial Position

The Trust held fund balances at 31 August 2021 of £7,130,540 comprising of £8,134,100 of restricted fixed asset funds, other restricted funds of £297,964, a pension reserve deficit of £1,552,000 and £250,476 of unrestricted general funds.

Reserves Policy

The Trust's "free" reserves are its funds after excluding restricted funds. "Reserves" are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Trust which is to be spent at the trustees' discretion in furtherance of any of the Trust's objectives but which is not yet spent, committed or designated.

Whilst demands on the Trust's free reserves will therefore vary over the coming years, the Trust's long-term policy is that the appropriate level of free reserves should be at least equivalent to one to two month's expenditure, currently estimated to be between £155,000 and £300,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trustees are currently managing an excess to the free reserves currently stated in the policy whilst the full effect of the implementation of the National Funding Formula is realised. This excess is also being held to fund the trustees' medium term financial plans relating to future planned capital expenditure on building improvements and phone system upgrades. This includes the replacement of the mobile classrooms that have reached their end of life and the aged boiler system which will both be carried out in the 2021/2022 academic year.

The Hill Trust has a pension deficit in respect of the Local Government Pension Scheme of £1,552,000. The liability is included in restricted reserves and the Trust will have to meet any long term liabilities out of restricted reserves. The fund had an interim valuation in 2019 and in order to repay the deficit employer contributions for the next 3 years will be 18.7%. In addition, in order to protect the fund, phased lump sum deficit contributions were scheduled over three years at an average of £48,000 per annum. It is anticipated that the recovery period is 15 years. This deficit is considered a long term deficit and not an immediate liability.

Investment Policy

The Trustees agree all investments made by the Trust. Investments are currently restricted to deposit accounts in UK banks. Investments are made with regard to Charity Commission guidance in relation to investments.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed and identified and implemented strategies for addressing these risks. Significant risks and the measures in place to reduce these risks have been formally documented in the Trust's Risk Register, which is subject to continuing review. The Trustees continue to use the Academy Trust Handbook and associated documentation as a guide for best practice in internal control. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

Fundraising

The staff of The Hill Trust organise fundraising events within the school. Staff adhere to the Fundraising Regulators Code of Fundraising Practice. The Hill Trust does not use professional fundraisers or involve commercial participators. All direct marketing is undertaken by the finance department to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing just once a year. There have been no complaints about fundraising activities this year.

Plans for Future Periods:

As part of the government's financial support linked to Covid and catch-up, we have appointed an existing TA into a new role for the 2021-22 academic year as an Academic Mentor. Her role is to support disadvantaged pupils in the classroom and through focused small group interventions in English and maths, working on closing identified skills gaps.

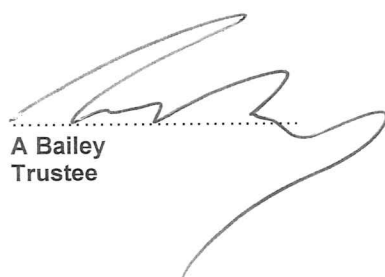
As a stand-alone academy, we are looking to join or establish a multi-academy trust. This is in line with DfE guidance.

Disclosure of Information to the Auditors

In so far as the Trustees are aware:

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

This report incorporating the strategic report, was approved by order of the Board of Trustees, on 8th December 2021 and signed on the board's behalf by:



A Bailey
Trustee

THE HILL TRUST

TRUSTEES' REPORT INCLUDING STRATEGIC REPORT FOR THE YEAR TO 31 AUGUST 2021

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Hill 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Hill 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 report of the Trustees and in the Statement of Trustees Responsibilities. There have been 4 Board of Trustees meetings and one AGM during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
Mr A Bailey	4	5
Mr K Campbell	3	5
Miss S Mann	5	5
Mr P Sagar	5	5
Miss D West	5	5
Mr P Womersley	0	5

In addition to the full Board of Trustees meetings, the finance trustees met an additional 3 times. These meetings are held a week in advance of the full trustees' meetings and enable detailed analysis of the management accounts, of the asset maintenance plans and any funding bids. The minutes of these meetings are circulated to all trustees and detailed feedback given at the next full trustees meeting

The monthly management accounts are circulated to all trustees to ensure that effective oversight of the funds is maintained.

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.

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TRUSTEES' REPORT INCLUDING STRATEGIC REPORT FOR THE YEAR TO 31 AUGUST 2021

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

- Continually reviewing service level agreements for best value
- Combining staff roles and responsibilities upon natural wastage
- Reviewing staffing roles for creation of the curriculum
- Avoiding waste and unnecessary extravagance

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the The Hill Trust for the year 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including some 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;
- reviews by the board of trustees and finance 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;
- delegation of authority and some segregation of duties;
- annual review including identification and management of risks.

The Board of Trustees had considered the need for specific internal audit function and has appointed an internal auditor, Pitt Godden and Taylor LLP. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Three times in the period, covering all three active terms of the educational year, the internal auditor reported to the board of trustees on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

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TRUSTEES' REPORT INCLUDING STRATEGIC REPORT FOR THE YEAR TO 31 AUGUST 2021

The checks carried out in the current period included:

- procurement (including tendering)
- management information and reports (including month end procedures and budgets)
- payroll and HR
- funding and income
- governance
- bank and cash
- high value contracts and leases
- risk management (including fraud, theft and bribery)

We confirm that the Internal Audit function has been delivered in line with the ESFA's requirements. There have been no material control issues arising from the Internal Auditor's reports produced since their appointment to the date of the approval of the financial statements.

Internal scrutiny of Health & Safety, Safeguarding and Data and IT issues was also performed to ensure that the academy considers its' risks in these areas and mitigates them by the use of appropriate internal policies and procedures and supplements this with external consultants where necessary.

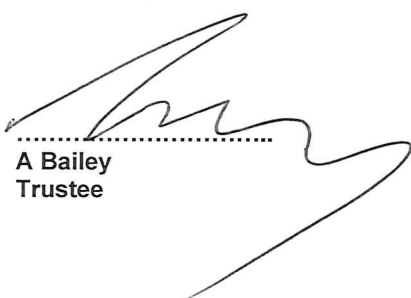
Review of Effectiveness

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

- the work of the internal auditors;
- the work of the external auditors;
- the work of the executive managers within the 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 the reviews of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8th December 2021 and signed on its behalf, by:



A Bailey
Trustee



D West
Headteacher and Accounting Officer

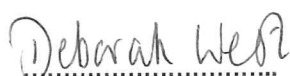
THE HILL TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR TO 31 AUGUST 2021

As Accounting Officer of The Hill Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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



D West
Accounting Officer



Date

THE HILL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR TO 31 AUGUST 2021

The Trustees (who act as governors of The Hill Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

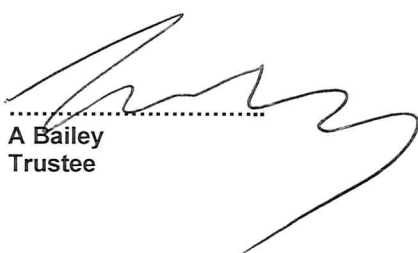
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Annual Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been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

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

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

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

Approved by order of the members of the board of trustees on 8th December 2021 and signed on its behalf by:



A Bailey
Trustee

Opinion

We have audited the financial statements of The Hill Trust for the year to 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP (FRS102) and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP (FRS102) 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Reference and Administrative details, Trustees' Report and the Governance Statement, other than the financial statements and our auditor's report thereon. 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.

THE HILL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HILL TRUST FOR THE YEAR TO 31 AUGUST 2021

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's 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 auditor's 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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HILL TRUST
FOR THE YEAR TO 31 AUGUST 2021

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgments made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

THE HILL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HILL TRUST FOR THE YEAR TO 31 AUGUST 2021

Use of our report

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



.....
Scott Lawrence (Senior Statutory Auditor)

10 December 2021

.....
Date

For and on behalf of Hazlewoods LLP

**Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX**

THE HILL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF THE HILL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR TO 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 22 July 2021 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 Hill Trust during the year to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

RESPECTIVE RESPONSIBILITIES OF THE HILL TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting and Pupil & Parents Officer is responsible, under the requirements of The Hill Trust's funding agreement with the Secretary of State for Education dated 1 November 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 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy governance matters during the period; and
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters.

THE HILL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF THE HILL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR TO 31 AUGUST 2020

USE OF OUR REPORT

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

CONCLUSION

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



.....
Scott Lawrence (Reporting Accountant)

10 December 2021

.....
Date

For and on behalf of Hazlewoods LLP

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

THE HILL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:						
Donations & Capital grants	2	-	-	11,133	11,133	194,971
Charitable activities:						
Funding for the Academy's educational operations	3	-	2,443,164	-	2,443,164	2,287,789
Other trading activities	4	64,497	17,892	-	82,389	116,663
Investment Income	5	77	-	-	77	306
TOTAL		<u>64,574</u>	<u>2,461,056</u>	<u>11,133</u>	<u>2,536,763</u>	<u>2,599,729</u>
EXPENDITURE FROM:						
Charitable activities:						
Academy's educational operations	6, 7	<u>92,784</u>	<u>2,417,262</u>	<u>207,999</u>	<u>2,718,045</u>	<u>2,620,043</u>
TOTAL	6	<u>92,784</u>	<u>2,417,262</u>	<u>207,999</u>	<u>2,718,045</u>	<u>2,620,043</u>
NET INCOME / (EXPENDITURE) FOR THE PERIOD		(28,210)	43,794	(196,866)	(181,282)	(20,314)
Actuarial gain/(loss) on defined benefit pension scheme	23	<u>-</u>	<u>(47,000)</u>	<u>-</u>	<u>(47,000)</u>	<u>(219,000)</u>
NET MOVEMENT IN FUNDS		<u>(28,210)</u>	<u>(3,206)</u>	<u>(196,866)</u>	<u>(228,282)</u>	<u>(239,314)</u>
Transfers between funds		-	(69,697)	69,697	-	-
RECONCILIATION OF FUNDS						
Total funds brought forward	14	<u>278,686</u>	<u>(1,181,133)</u>	<u>8,261,269</u>	<u>7,358,822</u>	<u>7,598,136</u>
TOTAL FUNDS CARRIED FORWARD	14	<u>250,476</u>	<u>(1,254,036)</u>	<u>8,134,100</u>	<u>7,130,540</u>	<u>7,358,822</u>

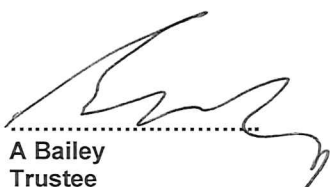
All Activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the period. The notes on pages 22 to 39 form part of these financial statements.

THE HILL TRUST

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	£	2021 £	2020 £
FIXED ASSETS				
Tangible assets	11		8,134,100	8,261,269
CURRENT ASSETS				
Debtors	12	77,980		67,002
Cash at bank and in hand		<u>719,707</u>		<u>693,103</u>
		797,687		760,105
LIABILITIES				
Creditors: Amounts falling due within one year	13	<u>(249,247)</u>		<u>(223,552)</u>
NET CURRENT ASSETS			548,440	536,553
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,682,540</u>	<u>8,797,822</u>
Defined benefit pension scheme liability	23	(1,552,000)		(1,439,000)
TOTAL NET ASSETS			<u>7,130,540</u>	<u>7,358,822</u>
FUNDS OF THE ACADEMY:				
Restricted funds				
Restricted funds	14	297,964		257,867
Restricted fixed asset funds	14	<u>8,134,100</u>		<u>8,261,269</u>
Restricted funds excluding pension liability		8,432,064		8,519,136
Pension reserve		<u>(1,552,000)</u>		<u>(1,439,000)</u>
Total restricted funds	14		6,880,064	7,080,136
Unrestricted income funds	14		250,476	278,686
TOTAL FUNDS			<u>7,130,540</u>	<u>7,358,822</u>

The financial statements were approved by the Trustees, and authorised for issue on 8th December 2021 and are signed on their behalf by:


A Bailey
Trustee

Company Limited by Guarantee
Registration Number: 10177811

THE HILL TRUST

CASH FLOW STATEMENT
FOR THE YEAR TO 31 AUGUST 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by (used in) operating activities	18	96,224	(14,362)
Cash flows from financing activities	19	-	-
Cash flows from investing activities	20	(69,620)	(1,175)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		26,604	(15,537)
Cash and cash equivalents at 1 September 2021		693,103	708,640
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2021	21	719,707	693,103

1 STATEMENT OF ACCOUNTING POLICIES

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

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 historical 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Hill Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Furthermore, the School is in a popular area and is always full from the point of view of pupil numbers. Given this position and the amount of applicants that apply for school places over and above the PAN, then the suggestions are that the School remains in a positive position with regard to the future.

Income

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amount of capital grant are reflected in the balance in the restricted fixed asset fund.

- Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

- Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

1 ACCOUNTING POLICIES (continued)

- Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies. No such donated Services or Gifts in Kind were received this year.

Long Leasehold Buildings

The Academy operates in premises leased from Worcestershire County Council under a 125 year agreement commencing 1 September 2016. The valuation of the Buildings was considered by the Trustees on conversion to Academy and was included at what they considered a reasonable estimate of the current market value. Note 11 refers.

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- 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.

Tangible fixed assets and depreciation

All assets costing more than £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following bases:

Freehold Land, Buildings and Improvements	-	2% - 10% on cost
Fixtures and fittings	-	10% - 20% on cost
Computer equipment	-	20% - 33% on cost

Leased Assets

In respect of leases that are operating leases, the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution, are not included in the financial statements until they are sold or distributed.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

1 ACCOUNTING POLICIES (continued)

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 Trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Department for Education.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 12. Prepayments are not financial instruments.

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

None are included in this model but if relevant the suggested disclosure could be as follows, with valuation in line with the SORP 2015.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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 charity's wholly owned subsidiary are held at face value less any impairment.

Critical accounting estimates and areas of judgement

Estimates and judgements 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 (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.

2 DONATIONS & CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
DFE Devolved Formula	-	11,133	11,133	11,279
Other capital grants	-	-	-	183,692
2020 Total	-	11,133	11,133	194,971

THE HILL TRUST

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

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2021 £	Total 2020 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	2,149,350	2,149,350	2,057,400
Other DfE/ESFA grants	-	212,724	212,724	220,463
	-	2,362,074	2,362,074	2,277,863
Other government grants				
Local authority grants	-	19,570	19,570	9,926
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	38,000	38,000	-
Other DfE/ESFA COVID-19 funding	-	23,520	23,520	-
Total	-	2,443,164	2,443,164	2,287,789
2020 Total	-	2,287,789	2,287,789	

The academy received £38,000 of funding for catch-up premium and £23,520 of funding for mass COVID-19 testing and costs incurred in respect of this funding totalled £68,271.

The academy received no Coronavirus Job Retention Scheme funding during the financial year.

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Hire of facilities	3,564	-	3,564	3,460
Catering	47,465	-	47,465	66,849
School fund and trip income	12,374	-	12,374	9,140
Music services	1,094	-	1,094	3,998
Insurance payouts	-	12,540	12,540	21,452
Other	-	5,352	5,352	11,764
	64,497	17,892	82,389	116,663
2020 Total	83,447	33,216	116,663	

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Short term deposits	77	-	77	306
2020 Total	77	-	77	306

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

6 EXPENDITURE

	Staff costs 2020 £	Non Pay Premises 2021 £	Expenditure Other costs 2021 £	Total 2021 £	Total 2020 £
Academy's educational operations:					
Direct costs	1,874,206	-	138,557	2,012,763	1,950,646
Allocated support costs	234,273	395,190	75,819	705,282	669,397
	<u>2,108,479</u>	<u>395,190</u>	<u>214,376</u>	<u>2,718,045</u>	<u>2,620,043</u>
2020 Total	<u>2,000,809</u>	<u>381,877</u>	<u>237,357</u>	<u>2,620,043</u>	

Net income/(expenditure) for the period includes:

	Total 2021 £	Total 2020 £
Depreciation of tangible fixed assets	207,999	193,397
Operating leases	2,237	3,169
Fees paid to auditor for:		
- Audit fees	9,210	7,823
- Other	-	572
	<u>-</u>	<u>572</u>

7 ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2021 £	Total 2020 £
DIRECT COSTS		
Teaching and educational support staff costs	1,874,206	1,779,433
Educational supplies and services	138,557	171,213
	<u>2,012,763</u>	<u>1,950,646</u>

THE HILL TRUST

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

7 ACADEMY'S EDUCATIONAL OPERATIONS (continued)

	Total 2021 £	Total 2020 £
SUPPORT COSTS		
Support staff costs	234,273	221,376
Depreciation	207,999	193,397
Maintenance of premises and equipment	103,777	109,325
Cleaning	42,972	40,368
Energy costs	20,331	18,331
Rent and rates	7,977	8,639
Insurance	18,628	18,600
Security and transport	2,997	1,923
Telephone	2,515	1,252
Other	649	116
Print, postage and stationary	3,781	2,122
Subscriptions	1,136	1,423
Legal and professional fees	34,821	27,662
Accountancy and audit	9,465	8,395
Bank Charges	603	1,797
Software licensing	11,305	10,619
Loss on disposal of fixed assets	-	-
Staff development	2,017	3,268
Travel and subsistence	36	784
	<u>705,282</u>	<u>669,397</u>
Total	<u>2,718,045</u>	<u>2,620,043</u>

8 STAFF

Staff costs were as follows:	2021 £	2020 £
Wages and salaries	1,517,186	1,451,857
Social security costs	148,607	141,376
Pension costs	416,042	386,733
	<u>2,081,835</u>	<u>1,979,966</u>
Supply teacher costs	1,644	843
Pension finance cost (Note 24)	25,000	20,000
	<u>2,108,479</u>	<u>2,000,809</u>

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

8 STAFF (continued)**Staff numbers**

The average number of persons (including Senior Management Team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2021 No.	2020 No.
Teachers	25	25
Administration and support	17	16
Management	1	1
	43	42

Higher paid staff

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

	2021 No.	2020 No.
In the band £70,000 - £80,000	1	1

The employees participated in the Teachers' Pension Scheme. During the year end 31 August 2021 pension contributions amount to £17,641 (2020: £16,708).

Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £420,002 (2020: £398,751).

9 TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees also did not receive any payments, other than expenses, from the Academy in respect of their role and Trustees. The value of Trustees' remuneration, including employer pension contributions, fell within the following bands:

	2021 £	2020 £
D West (Headteacher)	90,000 – 100,000	80,000 – 90,000
S Mann (Teacher)	50,000 – 60,000	50,000 – 60,000

During the year to 31 August 2021, no travel and subsistence expenses were reimbursed to Trustees (2020: None).

Other related party transaction involving the Trustees are set out in note 26.

THE HILL TRUST

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

10 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides up to £10,000,000 cover on any one claim and the cost for the year ended 31 August 2021 was included in the Schools combined insurance policies amounting to £8,693. The cost of this insurance is included in the total insurance cost and relates to a multiple-line policy provided by the ESFA.

11 TANGIBLE FIXED ASSETS

	Leasehold Land, Buildings & Improvements £	Fixtures and Fittings £	Computer equipment £	Total £
Cost				
At 1 September 2020	8,924,791	21,790	46,209	8,992,790
Transfer on conversion	-	-	-	-
Additions	947	-	79,883	80,830
Disposals	-	(4,668)	(8,696)	(13,364)
At 31 August 2021	<u>8,925,738</u>	<u>17,122</u>	<u>117,396</u>	<u>9,060,256</u>
Depreciation				
At 1 September 2020	691,369	13,746	26,406	731,521
Charged for the period	178,515	2,269	27,215	207,999
Disposals	-	(4,668)	(8,696)	(13,364)
At 31 August 2021	<u>869,884</u>	<u>11,347</u>	<u>44,925</u>	<u>926,156</u>
Net book value				
At 31 August 2021	<u>8,055,854</u>	<u>5,775</u>	<u>72,471</u>	<u>8,134,100</u>
At 31 August 2020	<u>8,233,422</u>	<u>8,044</u>	<u>19,803</u>	<u>8,261,269</u>

The Academy operates in premises leased from Worcestershire County Council under a 125 year agreement commencing 1 September 2016. On conversion the Trustees' agree to base their valuation of land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared with the additional benefit derived by the users of the accounts.

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

12 DEBTORS

	2021	2020
	£	£
Trade and other debtors	16,352	10,343
Prepayments and accrued income	61,628	56,659
	<u>77,980</u>	<u>67,002</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	70,523	37,713
Other taxation and social security	36,256	34,364
Other creditors	38,867	37,425
Accruals and deferred income	103,601	114,050
	<u>249,247</u>	<u>223,552</u>

Deferred income

	2021	2020
	£	£
Deferred income brought forward 1 September 2020	13,531	11,843
Resources deferred during the period	7,484	13,531
Amounts released from previous years	(13,531)	(11,843)
Deferred income at 31 August 2021	<u>7,484</u>	<u>13,531</u>

Income received during the year ended 31 August 2021 specific to funding for future years has been deferred accordingly.

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

14 STATEMENT OF FUNDS

	Brought Forward 2020 £	Incoming Resources £	Resources Expended £	Gains/ (Losses) and Transfers £	Balance at 31 August 2021 £
Restricted funds					
General Annual Grant (GAG)	252,621	2,149,350	(2,039,556)	(69,697)	292,718
Other DfE/ESFA grants	5,246	212,724	(212,724)	-	5,246
Catch-up premium	-	38,000	(38,000)	-	-
Other DfE/ESFA COVID-19 funding	-	23,520	(23,520)	-	-
Other government grants	-	19,570	(19,570)	-	-
Other income	-	17,892	(17,892)	-	-
Pension reserve	(1,439,000)	-	(66,000)	(47,000)	(1,552,000)
	<u>(1,181,133)</u>	<u>2,461,056</u>	<u>(2,417,262)</u>	<u>(116,697)</u>	<u>(1,254,036)</u>
Restricted fixed asset funds					
DfE/ESFA Capital grants	311,806	11,133	(207,999)	-	114,940
Transfer on conversion	7,901,547	-	-	-	7,901,547
Capital expenditure from GAG	47,916	-	-	69,697	117,613
	<u>8,261,269</u>	<u>11,133</u>	<u>(207,999)</u>	<u>69,697</u>	<u>8,134,100</u>
Total restricted funds	7,080,136	2,472,189	(2,625,261)	(47,000)	6,880,064
Unrestricted funds	278,686	64,574	(92,784)	-	250,476
Total funds	<u>7,358,822</u>	<u>2,536,763</u>	<u>(2,718,045)</u>	<u>(47,000)</u>	<u>7,130,540</u>

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

14 STATEMENT OF FUNDS (Continued)

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

	Brought Forward 2019 £	Incoming Resources £	Resources Expended £	Gains/ (Losses) and Transfers £	Balance at 31 August 2020 £
Restricted funds					
General Annual Grant (GAG)	169,353	2,057,400	(1,972,651)	(1,481)	252,621
Other DfE/ESFA grants	4,998	220,463	(220,215)	-	5,246
Other government grants	-	9,926	(9,926)	-	-
Other income	-	33,216	(33,216)	-	-
Pension reserve	(1,161,000)	-	(59,000)	(219,000)	(1,439,000)
	<u>(986,649)</u>	<u>2,321,005</u>	<u>(2,295,008)</u>	<u>(220,481)</u>	<u>(1,181,133)</u>
Restricted fixed asset funds					
DfE/ESFA Capital grants	310,232	194,971	(193,397)	-	311,806
Devolved formula grant on conversion	7,901,547	-	-	-	7,901,547
Transfer on conversion	46,435	-	-	1,481	47,916
	<u>8,258,214</u>	<u>194,971</u>	<u>(193,397)</u>	<u>1,481</u>	<u>8,261,269</u>
Unrestricted funds	<u>7,271,565</u>	<u>2,515,976</u>	<u>(2,488,405)</u>	<u>(219,000)</u>	<u>7,080,136</u>
Unrestricted funds	326,571	83,753	(131,638)	-	278,686
	<u>7,598,136</u>	<u>2,599,729</u>	<u>(2,620,043)</u>	<u>(219,000)</u>	<u>7,358,822</u>
Total funds					

THE HILL TRUST

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

14 STATEMENT OF FUNDS (CONTINUED)

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

The Restricted General Fund includes GAG and other grants receivable from the ESFA and Local Authority towards the Academy's educational activities. The Restricted Fixed Asset Fund includes amounts receivable from the ESFA in respect of tangible fixed assets held for Academy use.

The Pension Reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

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

During the year to 31 August 2020, Bredon Hill Academy was the only school within the Trust. As such, the funds above relate only to Bredon Hill Academy and no charges for central services arose during the year to 31 August 2021 (2020 No charges).

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances are represented by:

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Restricted Fixed Asset Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	-	-	8,134,100	8,134,100	8,261,269
Current assets	250,476	547,211	-	797,687	760,105
Current liabilities	-	(249,247)	-	(249,247)	(223,552)
Pension scheme liability	-	(1,552,000)	-	(1,552,000)	(1,439,000)
	<u>250,476</u>	<u>(1,254,036)</u>	<u>8,134,100</u>	<u>7,130,540</u>	<u>7,358,822</u>

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

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Restricted Fixed Asset Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Tangible fixed assets	-	-	8,261,269	8,261,269	8,258,214
Current assets	278,686	481,419	-	760,105	861,611
Current liabilities	-	(223,552)	-	(223,552)	(236,967)
Pension scheme liability	-	(1,439,000)	-	(1,439,000)	(1,161,000)
	<u>278,686</u>	<u>(1,181,133)</u>	<u>8,261,269</u>	<u>7,358,822</u>	<u>7,598,136</u>

16 CAPITAL COMMITMENTS

At 31 August 2021, the Academy had £nil capital commitments (2020: £nil).

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

17 OPERATING LEASE COMMITMENTS

At 31 August 2021, the Academy had annual commitments under non-cancellable operating leases, none of which were for property, as follows:

	2021 £	2020 £
Expiring within one year	2,237	2,237
Expiring within two and five years inclusive	3,356	5,593
	<u>5,593</u>	<u>7,830</u>

Expense in the year of £2,237 (2020: £3,169).

18 RECONILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(181,282)	(20,314)
Adjusted for:		
Interest receivable	(77)	(306)
Loss on disposal of tangible fixed assets	-	-
Depreciation of tangible fixed assets	207,999	193,397
Capital grants from DfE and other capital income	(11,133)	(194,971)
Defined benefit pension cost less contributions payable	41,000	39,000
Defined benefit pension finance cost	25,000	20,000
Increase in debtors	(10,978)	85,969
Increase in creditors	25,695	(137,137)
Net cash used in Operating Activities	<u>96,224</u>	<u>(14,362)</u>

19 CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Interest payable	-	-

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Purchase of tangible fixed assets	(80,830)	(196,452)
Interest received	77	306
Capital grants from DfE/ESFA and other capital income	11,133	194,971
Net cash used in investing activities	<u>(69,620)</u>	<u>(1,175)</u>

21 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	719,707	693,104
Total cash and cash equivalents	<u>719,707</u>	<u>693,104</u>

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

22 Analysis of changes in net debt

	At 31 September 2020 £	Cash Flows 2021 £	New Finance Leases 2021 £	Other Non-cash Changes 2021 £	At 31 August 2021 £
Cash	693,103	26,604	-	-	719,707
	<u>693,103</u>	<u>26,604</u>	<u>-</u>	<u>-</u>	<u>719,707</u>

23 MEMBERS' LIABILITY

Each member of the Academy 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.

24 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. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £360,107 (TPS) and £97,610 (LGPS) were paid to the schemes during the period to 31 August 2021. £29,998 (TPS) and £7,760 (LGPS) are included in creditors at the end of the year, prepaid LGPS deficit contribution of £27,884 (2020: £26,890) is also included in debtors.

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

24 PENSION COMMITMENTS (continued)**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £256,105 (2020: £243,944).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2021 was £97,610 (2020: £87,016) of which employer's contributions totalled £72,966 (2020: £64,090) (which includes no prepaid amounts in respect of the period from 1 September 2020 to 31 March 2021) and employees' contributions totalled £24,644. This deficit is considered a long term deficit and not an immediate liability.

Principal actuarial assumptions

	2021 %	2020 %
Discount rate for scheme liabilities	1.7	1.8
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment / inflation	2.8	2.5
Inflation assumption (CPI)	2.7	2.4

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

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NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

	2021	2020
Retiring today -		
Males	22.7	22.6
Females	27.1	25.0
Retiring in 20 years -		
Males	24.4	24.2
Females	27.1	27.0

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Fair value At 31 August 2021 £,000	Fair value at 31 August 2020 £,000
Equities	663	360
Government bonds	-	37
Other bonds	1	29
Property	35	29
Cash	20	23
Other	78	68
Total market value of assets	797	546
Present value of scheme liabilities	(2,349)	(1,985)
Deficit in the scheme	(1,552)	(1,439)

Amounts recognised in the statement of financial activities

	2021 £'000	2020 £'000
Current service cost (net of contributions)	41	38
Past service cost	-	1
Total operating charge	41	39

Analysis of pension finance income/(costs)

	2021 £'000	2020 £'000
Expected return on pension scheme assets	11	8
Interest on pension liabilities	(36)	(28)
Pension finance income/(costs)	(25)	(20)

**NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

Movements in the present value of the Academy's defined benefit obligations:

	2021 £'000	2020 £'000
Opening defined benefit liabilities	1,985	1,547
Current service cost	160	147
Interest cost	36	28
Employee contributions	25	25
Past service cost	-	1
Actuarial loss / (Gain)	149	245
Benefits paid	(6)	(8)
	<u>2,349</u>	<u>1,985</u>

Movements in the fair value of the Academy's share of scheme assets:

	2021 £'000	2020 £'000
Opening fair value of scheme assets	546	386
Expected return on assets	11	8
Actuarial gains	102	26
Contributions by employer	121	110
Contributions by employee	25	25
Administration cost	(2)	(1)
Estimated benefits paid	(6)	(8)
	<u>797</u>	<u>546</u>

25 CONTINGENT LIABILITIES

Guaranteed Minimum Pension (GMP) Equalisation is a requirement to equalise the Guaranteed Minimum Pension benefits accrued between 1990 and 1997 from contracting out of the State Earnings Related Pension Scheme based on the principles outlined in the judgement of the "Lloyds Bank" High Court case in October 2018. The actuarial valuation prepared for the Local Government Pension Scheme (as disclosed in Note 24) does not currently include an adjustment for GMP Equalisation, as the fund actuary considers that a 'trigger event' is yet to occur in the LGPS. The trigger event referred to in this instance is that Government are yet to confirm the long term solution and hence the potential impact of GMP equalisation remains an unknown. In view of this continuing uncertainty, no provision has been made in these financial statements in relation to this matter.

26 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place during the year ended 31 August 2021 (2020: none).

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 2020 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures.