

REGISTERED COMPANY NUMBER: 07791933 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020
FOR
THE HART SCHOOLS TRUST LTD**

Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

THE HART SCHOOLS TRUST LTD
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 16
Governance Statement	17 to 28
Statement on Regularity, Propriety and Compliance	29
Statement of Trustees' Responsibilities	30 to 31
Report of the Independent Auditors	32 to 34
Independent Accountant's Report on Regularity	35 to 36
Statement of Financial Activities	37
Statement of Financial Position	38 to 39
Statement of Cash Flows	40
Notes to the Financial Statements	41 to 63

THE HART SCHOOLS TRUST LTD
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2020

MEMBERS	J Glasman K Davies A B Simmons
TRUSTEES	M C J Lewis (Managing Director and Accounting Officer) A B Simmons (Chair) G Cleverdon (Vice-Chair) J J E Ellam G Phillips (until 17 September 2019) J Winterbone (until 1 October 2020) V Parsey S Marshman K Davies
COMPANY SECRETARY	R M Dale
KEY MANAGEMENT PERSONNEL	K Davies (Group Chief Executive) P Harte (Group Finance Director) M C J Lewis (Managing Director and Headteacher, Thomas Alleyne Academy) L Young (Headteacher, Roebuck Academy)
COMPANY NAME	The Hart Schools Trust Ltd
COMPANY NUMBER	07791933 (England and Wales)
REGISTERED OFFICE	The Thomas Alleyne Academy High Street Stevenage Hertfordshire SG1 3BE

THE HART SCHOOLS TRUST LTD
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2020

AUDITORS	Wags LLP t/a Wagstaffs Chartered Accountants and Statutory Auditors Richmond House Walkern Road Stevenage Hertfordshire SG1 3QP
BANKERS	Barclays Bank plc 86 Town Centre Hatfield Hertfordshire AL10 0JP
SOLICITORS	Eversheds LLP Kett House 1 Station Road Cambridge Cambridgeshire CB1 2JY Howes Percival LLP Terrington House 13 / 15 Hills Road Cambridge Cambridgeshire CB2 1NL
INTERNAL AUDITORS	RSM UK Audit LLP 6th Floor 25 Farringdon Street London EC4A 4AB

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

The Trustees present their report and audited financial statements of the charity for the year ended 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice (the Charities SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency (ESFA).

The Trust operates one primary and one secondary academy in Stevenage, Hertfordshire. Its academies have a combined pupil capacity of 1,500 and had a roll of 1,259 on 31 July 2020.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's principal object and activity is to provide education for pupils of different abilities between the ages of 4 and 19.

Objectives, strategies and activities

The main objectives of the Trust are summarised below:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievements of all pupils;
- to improve the effectiveness of the Schools by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Schools' business in accordance with the highest standards of integrity, probity and openness.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

OBJECTIVES AND ACTIVITIES

Public benefit

The principal activity of the Trust is to advance for the public benefit, education in the United Kingdom, by establishing and developing schools offering a broad curriculum.

In setting and reviewing strategic objectives, the Trustees have paid due regard to the Charity Commission's guidance on public benefit and particularly to its supplementary guidance on the advancement of education. This requires that all organisations wishing to be recognised as charities must show, explicitly, that their aims are for public benefit.

The Trustees believe that our mission is consistent with the guidance on providing public benefit. Students are drawn from the local community and provision is made to support those who are disadvantaged.

In delivering our mission, we provide the following identifiable public benefits:

- Good teaching, learning and assessment for young people.
- Strong working relationships with local businesses, who actively support and engage with the courses we deliver for our students - including through the provision of high quality work experience placements.
- Excellent support to help students consider and secure progression opportunities across the full range of academic and vocational routes.
- Wider pastoral care for students, underpinned by strong working relationships with relevant partner organisations across the public sector.

The way in which we deliver such benefits is described throughout this report.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRATEGIC REPORT

Achievement and performance

Overview

For both schools, the COVID-19 emergency meant that the normal measures of performance and achievement are not being published in official national datasets and are not being used to make performance judgments about schools or individuals.

Attendance data for the year would be wholly misleading given the different arrangements prevailing throughout the lockdown period and thereafter, with some groups of learners in school and some not, so is not reported.

GCSE and A-level results for the year were, after some changes in direction from the government, based on 'centre-assessed grades' - that is, assessments made by schools about how their students would have performed had examinations taken place.

TAA adopted a rigorous evidence-based approach that asked teachers to rank students within their groups using data from mock examinations and student written work. This ranking was reviewed and challenged by subject leaders and the senior leadership team before a final review by the headteacher. The school believes that the grades it gave were fair and objective - although it also appreciates that it is impossible fairly to cater for individual over- or under-performance in an examination setting.

With the caveat that the following data will not form part of any national reporting and should be treated with caution for comparison purposes, the Trust schools report the following for 2019/20.

Primary - The Roebuck Academy

- In 2019/20, the high level of pupil mobility first reported in 2018/19 continued to create challenges for the school; 30 children joined the school between September 2019 and January 2020 and 19 left (almost entirely because of parental relocation). The continuing increase in the number of pupils with special needs also placed serious pressure on teaching; support for such pupils has become extremely difficult to provide because of the limited availability of funding and specialist services. The school works with parents to try to access the right support to meet each child's needs.

- In-year transfers are disruptive for the children affected and require careful management by the school to help them integrate and learn the school's values.

- The school was able to bring all year groups back into the classes for face to face teaching before the end of the summer term, having maintained in school provision for key worker children since the start of lockdown, including school holiday periods. Having children back in school enabled teachers to consider where potential gaps in learning existed and their extent. This has helped shape the 'recovery' aspects of the curriculum being delivered in 2020/21 and will affect how the extra funding provided by government for catch-up provision will be deployed.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRATEGIC REPORT

Achievement and performance

Secondary - The Thomas Alleyne Academy

- In October 2019, Thomas Alleyne Academy received an Ofsted inspection. This confirms that the School continues to provide a good standard of education.

- Student mobility during the year was less significant than in 2018/19, though this may have been affected by the COVID-19 emergency.

Key stage 4 (GCSE):

- Our calculated P8 score for 2019/20 was 0.14, showing that on average students achieved their indicator grades, or slightly better.

- 71% of students achieved a standard pass (grade 4 or above) in English and Maths, an increase from 64% in 2019.

- 51% of students achieved a strong pass (grade 5 or above) in English and Maths, an increase from 38% in 2019.

- 84% of subjects improved their grade 9-7 pass rates compared to 2019, and 68% improved their grade 9-5 pass rates.

- Computer Science had the biggest grade 9-7 improvement, up by 26.8%.

- Design & Tech and Business also saw significant rises in grade 9-5 pass rate, up by 40.5% and 31.8% respectively. Hospitality & Catering saw a 42.2% increase in Distinction & Merit pass rates.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRATEGIC REPORT

Achievement and performance

Secondary - The Thomas Alleyne Academy

A-Level:

- On entry, the cohort had an average GCSE point score of 5.30, compared to 5.54 in 2018/19.
- In 2019/20, the average grade awarded was B- compared to an average grade of D last year. The average points score increased by 13.26 to 34.76 (2018/19: 21.50).
- The A level results give TAA an ALPS score of 3, up from a score of 8 in 2018/19. The ALPS Quality Indicator grades range from 1 (highest) to 9 (the lowest).
- 59% of A level subjects had an average grade of B or higher (2018/29: 17%).
- Using the ALPS indicator, a number of subjects have positive scores: Biology, Chemistry, Computing, English, History and Physics. However, the impact of individuals on subject data with small size subject cohorts, needs to be kept in mind.
- All Year 13 students have moved on to positive destinations, including higher education, apprenticeships and employment.

School recruitment in 2019 / 20

The number of pupils on each year is shown below:

Thomas Alleyne Academy (TAA) PAN = 180			Roebuck Academy (RA) PAN = 60 YR to Y2		
(Y7-11); 150 (Y12 - 13)					
Year Group	July 2019	July 2020	Year Group	July 2019	July 2020
7	178	174	Nursery	30	
8	166	172	Reception	45	37
9	156	166	1	60	57
10	157	155	2	60	50
11	134	148	3	56	60
12	38	28	4	28	60
13	25	32	5	30	30
Total	854	875	6	29	30
			Total	336	384

For September 2020, pupil numbers at both schools have risen to 423 at RA and 923 at TAA and early indications for the pupil intake in September 2021 are that both schools will be close to or at capacity up to age 16.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRATEGIC REPORT

Financial review

Summary

The Trust operates within strict financial constraints, with income almost entirely derived from funding per pupil provided by the ESFA. Careful management of costs is essential in order to ensure the Trust continues to be financially sustainable.

Income and Expenditure

Total income received in the accounting period to 31st August 2020 amounted to £7,305,081. These amounts and associated expenditure are shown between restricted funds and unrestricted funds in the statement of financial activities. Net outgoing resources for the period were £855,724.

Investment policy

The cash balances currently held are due to grants received for the construction of the school, these are held for a relatively short period of time and would be called upon quickly, so cash is not currently invested in any long-term account.

Reserves policy

The policy of the directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. Over the next three years, the directors aim to have accumulated suitable reserves in order to meet two months' budgeted academy expenditure.

Through a combination of future government funding and financial support from sponsors, the directors are satisfied that the company's reserves will be sufficient for these purposes.

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.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRATEGIC REPORT

Financial review

Principal risks and uncertainties

The directors 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 schools, and its finances.

The directors have implemented systems to assess risks that the schools 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 through the government-provided Risk Protection Arrangement (RPA).

The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement. Work will continue to improve the management of risks within the framework established by the directors.

The principal risks are:

- Achieving the right level of student recruitment and retention as income is based on student numbers. The number of students is reported to the Board on a regular basis; and
- The financial risks of running a multi-academy trust. Accounts are produced and presented to the Board, spending is adjusted according to recruitment, and shared services are used across the Trust.

Plans for future periods

The Trust's Strategic Plan sets key targets in the areas of teaching, value added activities and identity in order to achieve its vision. Whilst we remain keen to expand the number of schools in our trust, our strategic plan is clear:

- Adding value to schools and their students is far more important than growing the Trust. We would rather work with fewer schools but ensure that our support makes a real difference.
- School improvement and curriculum collaboration between the Trust and its sponsor should be the key focus for the relationship, rather than the simple provision of shared services.
- Our strong preference is to expand the trust through tightly defined geographic clusters, rather than by embracing new schools from across a wider area. We believe that this approach will enable us to add more value, and foster more impactful collaboration both within the Trust and between the schools, North Hertfordshire College and Hart Learning & Development Ltd.
- We have therefore focussed our discussions on schools in the Stevenage area. We have been keen to talk to both primary and secondary schools, given the improvements we believe we can deliver by better integrating and managing transition between Key Stages.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRATEGIC REPORT

Plans for future periods

Progress towards achieving these goals is described in detail in other sections of the Financial Statements. This section highlights areas in which the Trust carried out its activities for the public benefit during the year in furtherance of its objects and its mission.

The impact of the COVID-19 emergency that began in early 2020 and disrupted the rest of the school year is expected to continue well into 2020/21, and in common with the education sector as a whole, the Trust restructured its provision during the spring and summer terms to provide face-to-face learning for the children of key workers (including throughout school holidays) and online learning for other groups. The Roebuck Academy was one of a very few schools in Hertfordshire that managed to bring all of its year groups back into school before the end of the summer term.

In addition, staff at TAA had to prepare centre-assessed grades for GCSE and A-level students, a thorough process requiring the gathering of evidence to support individual judgements about student performance. The school is confident that the process it followed was rigorous, objective and fair. Preparation for potential disruption in the summer of 2021 is also being made, although the government has announced a slight delay to the start of the exam season.

Working in a more tightly constrained physical environment has also brought challenges for both schools, including the need to provide more support for mental health issues for students and staff. While both school communities have adapted well to challenging circumstances, additional stresses are likely to remain during the coming academic year.

The focus for the immediate future is on continuing to provide a safe and welcoming learning environment, in which children can grow and achieve; to make use of the experience gained in delivering on-line learning resources to enhance homework provision and mitigate the risk of loss of learning during a possible future lockdown. The Trust's schools have also reviewed their curriculums to address gaps in learning arising from the 2020 lockdown.

The Trust remains confident in its ability to provide excellent leadership and support for schools in the North Hertfordshire area.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity with no share capital (registration no 07791933). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trust's charitable regulator is the ESFA.

The names of those serving as Trustees of the charity during the year ended 31 August 2020 and to the date these accounts are approved are listed on page 1. The trustees of Hart Schools Trust are also the directors of the charitable company for the purposes of company law.

Members' liability

Members of the charitable company are nominated either by the Hart Learning Group (the Trust's Sponsor) or by the Secretary of State for Education. The names of the Members of the Company are shown on page 1 together, where appropriate, with their dates of appointment and/or resignation.

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.

Trustees' Indemnities

The government's Risk Protection Arrangement provides indemnities for Trustees in accordance with the Companies Act 2006.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of recruitment and appointment or election of trustees

The Articles of Association require the Members of the charitable company to appoint at least five directors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Schools under its care.

The Directors of the charitable company are directors for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The Directors' term of office is four years, although this time limit does not apply to the Managing Director or the Chief Executive Officer of the sponsor. Any Director may be re-appointed or re-elected three times so that the maximum possible total time in office as a director (except for the Managing Director and the Chief Executive Officer) is 12 years.

Recruitment of directors / trustees and local governors

Trust Directors are appointed by the Members of the Trust.

Appointments of parent and staff governors to individual LGBs are made by election, with a secret ballot if there are more applicants than vacancies. The number of staff and parent governors required for LGBs is set out in the Terms of Reference for LGBs.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trust works closely with the Hart Learning Group (the trading name for North Hertfordshire College Further Education Corporation) which is the Trust's Sponsor.

During the period ended 31 August 2020, the Trust supported two schools:

- The Thomas Alleyne Academy, Stevenage
- The Roebuck Academy, Stevenage

Each school has its own headteacher and senior leadership team, supported by a local governing body (LGB) including governors drawn from the parent body, local community and school staff, chaired by a Trustee.

The Managing Director acts as the Trust's Accounting Officer.

The Trust has a Scheme of Delegation that identifies which decisions are retained by the Board of Trustees, which delegated to the Managing Director and headteachers and which to the local governing bodies. The Scheme seeks to be:

Effective - Decisions are taken by the right people, based on accurate evidence and relevant knowledge, in pursuit of the Trust's strategic goals and deliver the intended outcomes for students.

Efficient - The decision-making process is timely and harnesses the cost benefits of a group of schools operating within the Trust (and of the Trust's connections with North Hertfordshire College).

Simple - The level of decision-making for specific matters is clearly understood by everyone involved.

Consistent - Decisions made at different levels of the Trust are appropriate for the part of the Trust concerned but consistent with the Trust's overall strategy and policy framework.

The Board of Trustees:

- Remains accountable overall to the Members (and to the relevant statutory authorities) for the operations of the Trust and the delivery of its objectives.
 - Appoints the Headteachers of the schools and monitors their performance.
 - Appoints a person as Managing Director of the Trust and delegates to him/her some or all of their duties of oversight of individual school Headteachers or delegates the functions of this role to the Chair of the Trust.
 - Appoints Local Governing Bodies to oversee the implementation of the Trust's strategy and policies in ways that are appropriate to each school and that takes account of the views of students and their parents and carers.
-

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and development

Training and induction provided for new Directors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Directors will be given a tour of the Schools and the chance to meet staff and students. All Directors are given copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are not many new directors in a year, induction tends to be done informally and is tailored specifically to the individual.

Arrangement for setting pay and remuneration of key management personnel

All Trustees are volunteers and do not receive remuneration for acting as Trustees. The Managing Director is remunerated for his role as Managing Director and as Headteacher of the Thomas Alleyne Academy.

Key Management Personnel are considered to be the headteachers and deputy headteachers of the Trust's two schools.

The Managing Director is appointed on a salary within a band similar to national paycales for Academy leaders of similar sized Trusts. This is subject to annual review by the Trust Board who use benchmark information (including national pay scales for maintained school headteachers and published information about Academy Trust Principal/CEO remuneration) to inform their decision.

The remaining key management personnel are appointed on salaries within a band similar to national paycales for maintained school senior leaders. Progression within the salary ranges depends upon performance in the relevant year. Performance assessment is carried out through review meetings with the Managing Director with the performance evaluation reported to the Trust Board.

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the charitable company had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31st August 2020.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	Nil
1-50%	1
51-99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

	£
Total cost of facility time	4,049
Total pay bill	5,424,896

Percentage of the total pay bill spent on facility time calculated as:

$$(\text{total cost of facility time} \div \text{total pay bill}) \times 100 \quad 0.07\%$$

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$$\frac{(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100}{4.20\%}$$

Related parties and other connected charities and organisations

The Trust's sponsor is North Hertfordshire College Further Education Corporation (which trades as the Hart Learning Group).

The Trust receives support from the Hart Learning Group's corporate service functions on the basis of a service level agreement whose quality and value for money is regularly reviewed by the Trust Board.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

THE HART SCHOOLS TRUST LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020

AUDITORS

The auditors, Wags LLP t/a Wagstaffs, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on *2nd December 2020*..... and signed on the board's behalf by:


.....
A B Simmons – Chair and Trustee

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Hart Schools Trust Ltd 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 of 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 managing director, 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 Hart Schools Trust Ltd 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.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

The following statement is provided to enable readers of this annual report and accounts to obtain a better understanding of the Trust's governance and legal structure. It covers the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

The Trustees recognise that, as a body entrusted with both public and private funds, they have a particular duty to observe the highest standards of corporate governance at all times and so endeavour to conduct their business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- Having due regard to the UK Corporate Governance Code 2014 insofar as it is applicable to the education sector.

We have not adopted and so do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice, including those aspects of the UK Corporate Governance Code we consider relevant to the education sector and best practice.

The Trust is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Directors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

GOVERNING COMMITTEES

The Board is responsible for setting policy and providing strategic direction to the business, and for monitoring and seeking assurance about progress and achievement.

As a body mainly composed of independent non-executive members, it is well-placed to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. To help it do so, the Board receives regular and timely information about performance including regular reports on: quality assurance and improvement; student attendance, retention and attainment; safeguarding; student and business feedback; financial performance; people-related matters; and, health, safety and environmental issues.

The Board's work in 2019/20 was entirely focused, from March 2020 onwards, on managing the impact of the COVID-19 emergency on its schools.

Prior to that date, its priorities had been continuing to work towards improving student outcomes, including attendance and behavior, and implementing the curriculum plans and standards at both schools that support aspiration and encourage student progress and that are aligned with the Education Inspection Framework (EIF).

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Other priorities were:

- Holding conversations with other potential converting schools;
- Ensuring that the Trust remained financially sustainable; and
- Addressing challenges in managing the ageing estate at the Thomas Alleyne Academy.

The financial position was monitored closely by the Board during the year.

Full minutes of all Board meetings, except those deemed confidential by the Board, are available from Robert Dale, Company Secretary at:

North Hertfordshire College
Cambridge Road
Hitchin
Hertfordshire
SG4 0JD

The Company Secretary maintains a register of financial and personal interests of the governors which is available for inspection at the above address.

MEMBERS

The Trust's Articles of Association provides that there shall be up to five Members of the Company:

- North Hertfordshire College Further Education Corporation (the Trust's Sponsor) - clause 4.1.1;
- Up to two people appointed by the Trust's Sponsor - clause 4.1.2;
- One person appointed by the Secretary of State for Education (should he or she decide to make such an appointment - clause 4.1.3; and
- The Chair of the Trust Board - clause 4.1.4.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Members serve until they resign or otherwise become unfit to remain in office. During the period ended 31st August 2020, the Members of the Company were:

Name	Appointed under clause	Role	Appointed	Resigned
J Glasman	4.1.2	Sponsor appointment		
K Davies	4.1.2	Sponsor appointment		
A B Simmons	4.1.4	Chair of the Trust Board		

The Secretary of State for Education has not chosen to appoint a Member under clause 4.1.3 of the Trust's Articles.

THE TRUST BOARD

All governors can take independent professional advice about their duties at the Group's expense and have access to the Company Secretary, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Company Secretary are matters for the Board as a whole.

The members who served on the Board during the year and up to the date of signature of this report are listed in the table below:

Name	Role	Appointed	Term of office	Resigned	Board Meetings attended	Other committees supported
G Cleverdon	Audit Chair	25/09/2016	4 years		6/7	
K Davies	Vice-chair, Sponsor, Chief Executive	20/11/2017	Ex officio		7/7	
J J E Ellam	Chair, TAA LGB	10/02/2016	4 years		6/7	Audit
M C J Lewis	Managing Director		Ex officio		7/7	TAA LGB Roebuck LGB
S Marshman	Chair, Roebuck LGB	01/07/2017	4 years		6/7	
V Parsey		01/04/2016	4 years		4/7	
A B Simmons	Chair	05/10/2016	4 years		6/7	Search
J Winterbone		03/03/2016	4 years	31/12/2019	2/3	

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Agendas, papers and reports are issued in good time before Board meetings. Briefings are also given on an ad-hoc basis.

The Board has a strong and independent non-executive majority and no individual or group dominates decision-making. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Finally, there is a clear division of responsibility between the roles of the Chair of the Board and the Accounting Officer.

The Board met six times in 2019/20 in addition to holding an Annual General Meeting. Attendance for the year was 84.62% (2018/19: 78.69%). From March 2020, all meetings took place using videoconference facilities and no meetings were cancelled.

The Board is supported by two Committees (Audit and Search, the latter a joint committee with the Hart Learning Group) and active local governing bodies for its schools. Each has Terms of Reference and meets as required (local governing bodies - normally twice in each term).

APPOINTMENTS TO THE BOARD

Any new appointments to the Board are a matter for consideration by the Board as a whole. The Board has a Search Committee comprising up to five members responsible for selecting candidates for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided for Governors.

One Trustee resigned during the year, as she had moved away from the area to take up a new job role.

No Trustees were appointed during the year.

Members of the Board are appointed for a term of office not exceeding four years but are eligible for re-appointment.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

AUDIT COMMITTEE

The Audit Committee is made up of four non-executive members of the Board (neither the Chair nor Accounting Officer are members).

The Committee operates in accordance with written terms of reference approved by the Committee and the Board. Its purpose is to advise the Board on the adequacy and effectiveness of the system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets termly and provides a forum for reporting by the internal and financial statements auditors, who have access to the Committee for independent discussion, without the presence of management.

The internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented. The Audit Committee also advises the Board on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Board.

The Audit Committee met twice in 2019/20 (2018/19: 3) with one meeting being cancelled as a result of the COVID-19 emergency. An additional meeting has been scheduled for September 2020/21 to offset this. Attendance for the year was 100% (2018/19: 93.33%).

SEARCH COMMITTEE

The Search Committee is made up of five non-executive members of the Hart Schools Trust and Hart Learning Group Boards and is responsible for making recommendations to the Board in respect of governor appointments, and approving processes for reviewing individual and collective effectiveness.

The Committee did not meet in 2019/20.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

LOCAL GOVERNING BODIES

Both Trust schools are supported by active and enthusiastic local governing bodies (LGBs) made up of parents, people from the local community with relevant skills and experience, and school staff.

LGBs operate within a Scheme of Delegation reviewed periodically by the Board. Their main focus is on the quality of teaching and learning at the academy, which is scrutinised through regular governor visits, learning walks, book and work scrutinies, conversations with pupils, discussions with linked staff, parental consultation and monitoring of performance data. In addition, the LGB provides challenge and support to the headteacher and school leaders over key aspects of the school's responsibilities such as safeguarding, health and safety and pupil outcomes. Governors also support the schools in other ways such as hearing pupils read or considering disciplinary cases.

Chairs of local governing bodies are appointed as Trustees and serve on the Trust Board ensuring that there is a clear link between the Trust and LGB.

The Roebuck Academy

The local governing body (LGB) for this primary academy is made up of up to 13 members, including the headteacher and up to three elected parent governors. It has the power to co-opt up to two additional individuals with particular skills or experience. In 2019/20, there were two co-opted governors.

The local governing body met more frequently than planned in order to respond to the COVID-19 emergency. After March 2020, all meetings were held by videoconference.

In the first half of 2019/20, the LGB monitored the implementation of the new curriculum and considered feedback from the school's Improvement Partner that there was evidence of rapid and transformational progress and strong evidence – which benchmarked well against county and national data – that the school was Good. The Science curriculum was reviewed in depth and this demonstrated that subject leaders were clear about the three I's (Intent, Implementation and Impact) and teachers had strong subject knowledge with effective use of technical vocabulary. This had been a focus for improvement from the Improvement Partner visit. Governors considered the impact of high levels of pupil mobility in the Stevenage area, which had led to an in-year increase in the roll, and the substantial growth in the need for mental health support, coupled with the very limited resources available for pupils with additional needs.

From January 2020, the approaching global pandemic became an increasing concern and governors monitored the school's handling of lockdown from March and re-opening starting in June, including considering detailed risk assessments. Governors commended the whole staff team for their dedication, with particular appreciation for individuals who went above and beyond to support the community by hand delivering homework packs and other resources to families in the area.

The school was one of a handful in Hertfordshire that managed to get all year groups back into school before the end of the summer term; this was a remarkable achievement.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

During 2019/20, two individuals were co-opted onto the governing body – a parent with financial skills and a teacher from the Thomas Alleyne Academy. Several long-serving governors were expected to stand down in 2020/21 at the end of their terms of office.

The LGB met seven times in 2019/20 (2018/19: five). Attendance was 78.00% (2018/19: 84.19%).

The Thomas Alleyne Academy

The LGB for this secondary academy is made up of up to 13 members, including the headteacher and up to three elected parent governors. There is a historic association with Trinity College, Cambridge, and one governor is nominated by the College. In 2019/20, there was also one co-opted governor.

The local governing body met more frequently than planned in order to respond to the COVID-19 emergency. After March 2020, all meetings were held by videoconference.

In the first half of 2019/20, governors reviewed examination performance data from 2018/19 and forecast a substantially better outcome in 2019 with a potential Progress 8 outcome of around zero or above. Estates issues and the tight financial position remained high on the agenda, and governors contributed to the Ofsted inspection that took place in October 2019. They demonstrated that they knew the school well, provided rigorous challenge to the school leadership and ensured strong and effective governance. The inspection outcome was an assessment that the school remained Good and the school's leadership was commended.

From the early part of 2020, the LGB focussed on the school's response to the COVID-19 pandemic, including handling lockdown from March and re-opening starting in June, including considering detailed risk assessments. Governors commended the whole staff team for their dedication and noted that senior staff had kept key worker provision open throughout school holiday periods. This showed real commitment to the community.

During the year, one governor (Roger Luxton OBE) stepped down for health reasons. Sadly, Mr Luxton passed away in September 2020. He had previously spent part of his teaching career at the school in the 1960s before concluding his career as Director of Education at a London Borough. His contribution to the local governing body had been outstanding and the support and wise counsel he had given to the headteacher had been invaluable.

The LGB met seven times in 2019/20. Attendance was 90.48% (2018/19: 87.30%).

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

INTERNAL CONTROL

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Trust has an effective and appropriate system of control, finance 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.

The Board has delegated the day-to-day responsibility to the Managing Director of the Hart Schools Trust, as accounting officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Hart Schools Trust Ltd and the Secretary of State for Education. He is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

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 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 for the whole of the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls implemented to mitigate those risks. The Board 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 period ending 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

The Risk and Control Framework

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

- A robust approach to setting revenue and cost budgets for the forthcoming year, with final budgets agreed by Board.
- Targets to measure financial and other performance.
- Regular finance reports at Board meetings, detailing year-to-date performance, and forecast outturn for the year plus any upside opportunities and downside risks.
- A clear link between finance and individual performance management, with clear finance objectives embedded in individual budget holders' personal objectives for the year.
- The increased deployment of formal project management approaches.
- Clearly defined capital investment guidance and controls.
- Independent internal audit conducted by experienced individual with high levels of risk management and audit expertise.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Review of Effectiveness

As Accounting Officer, the Managing Director is responsible for reviewing the effectiveness of the system of internal control. The Managing Director's review of the effectiveness of the system of internal control is informed by:

- The reports of the Audit Committee.
- The work of the internal auditor.
- The work of managers within the Trust and central service provision who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the financial statements auditors and the funding auditors in their management letters and other reports.

The Audit Committee has considered an assurance map identifying where independent sources of assurance can be used to inform its consideration of risk and control. These include independent reviews of Safeguarding, Health and Safety, teaching and learning quality, governance, data protection and school and Trust websites. An independent auditor undertakes a financial controls audit annually and recommendations made are followed-up.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's business agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the advice of the Audit Committee and the Managing Director, the Board is of the opinion that the Trust has an adequate and effective framework for governance, risk management and control and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

THE HART SCHOOLS TRUST LTD
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Going concern

The Trust is dependent on Government funding for the sector to support its operations. The Trust's forecasts and financial projections including cash flow support from its sponsor indicate that it will be able to operate for the foreseeable future.

Accordingly, the Group has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Approved by order of the members of the board of trustees on *2nd December* and signed on its behalf by: *2020*


.....
A B Simmons - Chair


.....
M C J Lewis - Accounting Officer

THE HART SCHOOLS TRUST LTD

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31ST AUGUST 2020

As Accounting Officer of The Hart Schools Trust Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



.....
M C J Lewis - Accounting Officer

Date: 8/12/20.....

THE HART SCHOOLS TRUST LTD

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

The trustees (who act as governors of The Hart Schools Trust Ltd 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 Academies Accounts Direction issued 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, of the charitable company for that period. In preparing those 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

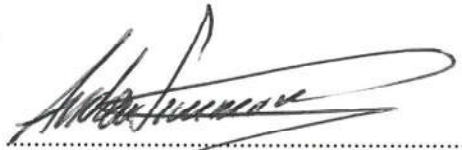
THE HART SCHOOLS TRUST LTD

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the members of the board of trustees on 2nd December..... and signed on its behalf by: 2020



.....
A B Simmons - Chair

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE HART SCHOOLS TRUST LTD**

Opinion

We have audited the financial statements of The Hart Schools Trust Ltd (the 'charitable company') for the year ended 31st August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

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 charitable company 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 charitable company'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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE HART SCHOOLS TRUST LTD**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE HART SCHOOLS TRUST LTD**

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



M R Hubbocks FCA (Senior Statutory Auditor)
for and on behalf of Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

Date: 16th DECEMBER 2020

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HART SCHOOLS TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hart Schools Trust Ltd during the period 1st September 2019 to 31st August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Hart Schools Trust Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Hart Schools Trust Ltd's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 charitable company's income and expenditure.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE HART SCHOOLS TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

In the course of our work, nothing has come to our attention except for the matter reported below, which suggests that in all material respects the expenditure disbursed and income received during the period 1st September 2019 to 31st August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matters to report

We have identified an irregularity in connection with failure to report to the ESFA a related party transaction between the Schools Trust and its principal sponsor.

This matter has been discussed with the trustees and the ESFA. The Trust has agreed to remedy this irregularity in line with recommendation from the ESFA.



Wags LLP t/a Wagstaffs
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

Date: 16th DECEMBER 2020

THE HART SCHOOLS TRUST LTD

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

	Notes	General unrestricted fund £	General restricted funds £	Restricted fixed asset funds £	FRS 102 pension £	2020 Total funds £	2019 Total funds £
INCOMING RESOURCES FROM							
Donations and capital grants	4	-	-	-	-	-	53,781
Charitable activities							
Funding for the academy's educational operations	5	247,530	7,012,551	-	-	7,260,081	6,734,821
Expected return on pension scheme assets		-	-	-	45,000	45,000	58,000
Total		247,530	7,012,551	-	45,000	7,305,081	6,846,602
EXPENDITURE ON							
Charitable activities							
Academy trust educational operations	6	252,535	6,660,578	597,692	-	7,510,805	7,177,971
Other charitable expenditure	8	-	9,000	-	505,000	514,000	379,000
Total		252,535	6,669,578	597,692	505,000	8,024,805	7,556,971
NET INCOME/(EXPENDITURE)		(5,005)	342,973	(597,692)	(460,000)	(719,724)	(710,369)
Transfers between funds		-	(215,000)	-	215,000	-	-
Other recognised gains/(losses)							
Actuarial gains/losses on defined benefit schemes	20	-	-	-	(136,000)	(136,000)	(449,000)
Net movement in funds		(5,005)	127,973	(597,692)	(381,000)	(855,724)	(1,159,369)
RECONCILIATION OF FUNDS							
Total funds brought forward		75,258	188,108	27,525,265	(1,878,000)	25,910,631	27,070,000
TOTAL FUNDS CARRIED FORWARD	19	70,253	316,081	26,927,573	(2,259,000)	25,054,907	25,910,631

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE HART SCHOOLS TRUST LTD (REGISTERED NUMBER: 07791933)

STATEMENT OF FINANCIAL POSITION
31ST AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	12	27,592,552	28,007,789
CURRENT ASSETS			
Stocks	13	-	1,200
Debtors	14	368,734	188,956
Cash at bank and in hand		174,617	287,896
		543,351	478,052
CREDITORS			
Amounts falling due within one year	15	(649,484)	(697,210)
NET CURRENT LIABILITIES		<u>(106,133)</u>	<u>(219,158)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,486,419	27,788,631
CREDITORS			
Amounts falling due after more than one year	16	(172,512)	-
PENSION LIABILITY	21	(2,259,000)	(1,878,000)
NET ASSETS		<u>25,054,907</u>	<u>25,910,631</u>

The notes form part of these financial statements

THE HART SCHOOLS TRUST LTD (REGISTERED NUMBER: 07791933)

STATEMENT OF FINANCIAL POSITION - continued
31ST AUGUST 2020

FUNDS	20		
Unrestricted funds		70,253	75,258
Restricted funds:			
Restricted general funds		316,081	188,108
Restricted pension fund		(2,259,000)	(1,878,000)
Restricted fixed asset fund		26,927,573	27,525,265
		<u>24,984,654</u>	<u>25,835,373</u>
TOTAL FUNDS		<u>25,054,907</u>	<u>25,910,631</u>

The financial statements were approved by the Board of Trustees and authorised for issue on ~~2nd December 2020~~ and were signed on its behalf by:



.....
M C J Lewis – Managing Director and Accounting Officer

The notes form part of these financial statements

THE HART SCHOOLS TRUST LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	25	<u>117,849</u>	<u>155,860</u>
Net cash provided by operating activities		<u>117,849</u>	<u>155,860</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(231,128)</u>	<u>(57,708)</u>
Net cash used in investing activities		<u>(231,128)</u>	<u>(57,708)</u>
Change in cash and cash equivalents in the reporting period	26	(113,279)	98,152
Cash and cash equivalents at the beginning of the reporting period		<u>287,896</u>	<u>189,744</u>
Cash and cash equivalents at the end of the reporting period		<u><u>174,617</u></u>	<u><u>287,896</u></u>

The notes form part of these financial statements

THE HART SCHOOLS TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020

1. STATUTORY INFORMATION

The Hart Schools Trust Ltd is a company limited by guarantee registered in England and Wales. The company registration number, along with the registered office address, can be found within the reference and administrative details on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, 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 Report Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements 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 HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and areas of judgement

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 30, 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 2019. 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.

Incoming resources

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

Grants

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

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

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

Donations

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

Other income

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

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

2. ACCOUNTING POLICIES - continued

Expenditure

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

Charitable activities:

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Depreciation is provided on land and buildings over the useful life of the building. The estimated useful lives for other assets are:

Plant and machinery - between 3 - 5 years straight line

Land & buildings - 50 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Depreciation is not provided until the first full financial period after which an asset is purchased or brought into use, as appropriate.

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

2. ACCOUNTING POLICIES - continued

Taxation

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

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

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Pension costs and other post-retirement benefits

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

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

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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

3. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises / capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2020.

4. DONATIONS AND CAPITAL GRANTS

	2020	2019
	£	£
Capital grants	-	53,781

The income from donations and capital grants was £Nil (2019: £53,781) all of which was restricted.

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
EFA Grants	-	6,630,685	6,630,685	6,124,469
Special educational projects	-	76,506	76,506	89,484
Other income from the academy trust's educational operations	247,530	305,360	552,890	520,868
	<u>247,530</u>	<u>7,012,551</u>	<u>7,260,081</u>	<u>6,734,821</u>

The income from charitable activities was £7,260,081 (2019: £6,734,821) of which £247,530 (2019: £281,969) was general unrestricted and £7,012,551 (2019: £6,452,852) general restricted funds.

6. EXPENDITURE

	Direct costs £	Support costs £	2020 Total £	2019 Total £
Academies educational operations	<u>5,674,794</u>	<u>1,836,011</u>	<u>7,510,805</u>	<u>7,177,971</u>

Net resources are stated after charging/(crediting):

	2020 £	2019 £
Auditor's remuneration	9,000	9,000
Depreciation - owned assets	<u>646,365</u>	<u>744,690</u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

Direct costs	2020 £	2019 £
Teaching and educational support staff costs	4,695,527	4,134,980
Depreciation on buildings, fixtures, fittings and equipment	646,365	744,690
Books, apparatus and stationery	43,458	47,859
Examination fees	52,996	65,571
Other direct costs	<u>236,448</u>	<u>370,797</u>
	<u>5,674,794</u>	<u>5,363,897</u>
Allocated support costs	2020 £	2019 £
Support staff costs	513,938	547,157
Maintenance of premises and equipment	364,343	387,544
Rates and utilities	199,995	180,985
Transport	7,237	8,636
Technology costs	90,541	50,590
Indirect employee expenses	1,123	10,884
Other support costs	<u>658,834</u>	<u>628,278</u>
	<u>1,836,011</u>	<u>1,814,074</u>

The expenditure on charitable activities was £7,510,805 (2019: £7,177,971) of which £252,535 was general unrestricted (2019: £239,884), £6,660,578 general restricted (2019: £6,236,400) and £597,692 (2019: £701,687) restricted fixed asset funds.

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

8. OTHER CHARITABLE EXPENDITURE

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Current service cost	-	425,000	425,000	271,000
Past service cost	-	-	-	3,000
Interest cost	-	80,000	80,000	96,000
Auditors remuneration	-	9,000	9,000	9,000
	<u>-</u>	<u>514,000</u>	<u>514,000</u>	<u>379,000</u>

Other charitable expenditure was £514,000 (2019: £379,000) of which £9,000 was general restricted (2019: £9,000) and £505,000 (2019: £370,000) was FRS 102 pension funds.

9. TRUSTEES' REMUNERATION AND BENEFITS

The staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff members, and not in respect of their services as trustees. Other trustees did not receive any payments. The value of trustees' remuneration was as follows:

M Lewis (Executive Principal and Trustee):

Remuneration - £95,001 - £100,000 (2019: £100,001 - £105,000)

Employer's pension contributions paid - £20,001 - £25,000 (2019: £10,001 - £15,000)

Trustees' expenses

During the year ended 31 August 2020, travel and subsistence expenses totalling £175 were paid to 1 trustee (2019: £568 to 1 trustee).

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	3,595,007	3,402,860
Social security costs	309,782	288,136
Pension costs	<u>790,738</u>	<u>443,984</u>
	4,695,527	4,134,980
Support staff costs	<u>513,938</u>	<u>547,157</u>
	<u>5,209,465</u>	<u>4,682,137</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Teachers	81	71
Administration and support	73	74
Management	<u>2</u>	<u>2</u>
	<u>156</u>	<u>147</u>

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

	2020	2019
£60,001 - £70,000	4	2
£90,001 - £100,000	1	-
£100,001 - £110,000	<u>-</u>	<u>1</u>
	<u>5</u>	<u>3</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £286,439 (2019: £345,818).

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

11. 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 cover up to £1,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Inherited assets £	Land and buildings £	Fixtures and fittings £	Computer equipment £	Totals £
Cost					
At 1st September 2019	28,989,000	1,306,419	434,391	29,251	30,759,061
Additions	-	202,512	-	28,616	231,128
At 31st August 2020	<u>28,989,000</u>	<u>1,508,931</u>	<u>434,391</u>	<u>57,867</u>	<u>30,990,189</u>
Depreciation					
At 1st September 2019	2,292,180	77,043	355,825	26,224	2,751,272
Charge for year	579,780	26,128	37,429	3,028	646,365
At 31st August 2020	<u>2,871,960</u>	<u>103,171</u>	<u>393,254</u>	<u>29,252</u>	<u>3,397,637</u>
Net book value					
At 31st August 2020	<u>26,117,040</u>	<u>1,405,760</u>	<u>41,137</u>	<u>28,615</u>	<u>27,592,552</u>
At 31st August 2019	<u>26,696,820</u>	<u>1,229,376</u>	<u>78,566</u>	<u>3,027</u>	<u>28,007,789</u>

Land and buildings represent long leasehold assets only (2019: long leasehold only).

13. STOCKS

	2020 £	2019 £
Clothing	-	1,200

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	4,610	6,283
Other debtors	2,835	-
VAT	50,459	50,819
Prepayments and accrued income	<u>310,830</u>	<u>131,854</u>
	<u>368,734</u>	<u>188,956</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	147,206	184,155
Social security and other taxes	97,320	92,000
Other creditors	103,382	82,046
Accruals and deferred income	<u>301,576</u>	<u>339,009</u>
	<u>649,484</u>	<u>697,210</u>

	2020	2019
	£	£
Deferred income at 1 September 2019	221,738	213,592
Released from previous years	(221,738)	(213,592)
Resources deferred in the year	<u>376,386</u>	<u>221,738</u>
Deferred Income at 31 August 2020	<u>376,386</u>	<u>221,738</u>

Included within deferred income as at 31 August 2020 is £203,874 (2019: £221,738) falling due within one year and £172,512 (2019: £Nil) falling due after more than one year.

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Accruals and deferred income	<u>172,512</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	36,519	39,533
Between one and five years	104,442	119,066
In more than five years	<u>41,285</u>	<u>63,280</u>
	<u>182,246</u>	<u>221,879</u>

The Trust conducts its educational activities from land and buildings on a long term rental basis. All property leases are executed at a peppercorn rent.

18. MEMBERS' LIABILITY

Each member of the company undertakes to contribute to the assets of the Trust 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.

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2020 Total funds £
Fixed assets	-	27,592,552	27,592,552
Current assets	116,527	426,824	543,351
Current liabilities	(46,274)	(603,210)	(649,484)
Long term liabilities	-	(172,512)	(172,512)
Pension liability	-	(2,259,000)	(2,259,000)
	<u>70,253</u>	<u>24,984,654</u>	<u>25,054,907</u>

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

	Unrestricted fund £	Restricted funds £	2019 Total funds £
Fixed assets	-	28,007,789	28,007,789
Current assets	66,953	411,099	478,052
Current liabilities	(33,921)	(663,289)	(697,210)
Pension liability	-	(1,878,000)	(1,878,000)
	<u>33,032</u>	<u>25,877,599</u>	<u>25,910,631</u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

20. MOVEMENT IN FUNDS

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	138,703	6,699,277	(6,486,859)	(215,000)	136,121
Pupil Premium	49,405	313,274	(182,719)	-	179,960
Pension reserve	(1,878,000)	45,000	(505,000)	79,000	(2,259,000)
	<u>(1,689,892)</u>	<u>7,057,551</u>	<u>(7,174,578)</u>	<u>(136,000)</u>	<u>(1,942,919)</u>
Restricted fixed asset fund					
Transfer on conversion	26,696,820	-	(579,780)	-	26,117,040
DfE capital grants	828,445	-	(17,912)	-	810,533
Capital expenditure from GAG	-	-	-	-	-
	<u>27,525,265</u>	<u>-</u>	<u>(597,692)</u>	<u>-</u>	<u>26,927,573</u>
Total restricted funds	<u>25,835,373</u>	<u>7,057,551</u>	<u>(7,772,270)</u>	<u>(136,000)</u>	<u>24,984,654</u>
Unrestricted funds					
General funds	75,258	247,530	(252,535)	-	70,253
Designated funds	-	-	-	-	-
Total unrestricted funds	<u>75,258</u>	<u>247,530</u>	<u>(252,535)</u>	<u>-</u>	<u>70,253</u>
Total funds	<u>25,910,631</u>	<u>7,305,081</u>	<u>(8,024,805)</u>	<u>(136,000)</u>	<u>25,054,907</u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

20. MOVEMENT IN FUNDS - continued

Comparatives for movements in funds:

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	63,061	5,467,152	(5,204,510)	(187,000)	138,703
Pupil Premium	50,814	323,178	(324,587)	-	49,405
Other grants	-	656,221	(656,221)	-	-
Pension reserve	(1,304,000)	58,000	(370,000)	(262,000)	(1,878,000)
	<u>(1,190,125)</u>	<u>6,504,551</u>	<u>(6,555,318)</u>	<u>(449,000)</u>	<u>(1,689,892)</u>
Restricted fixed asset fund					
Transfer on conversion	27,276,600	-	(579,780)	-	26,696,820
DfE capital grants	950,352	-	(121,907)	-	828,445
Capital expenditure from GAG	-	-	-	-	-
	<u>28,226,952</u>	<u>-</u>	<u>(701,687)</u>	<u>-</u>	<u>27,525,265</u>
Total restricted funds	<u>27,036,827</u>	<u>6,504,551</u>	<u>(7,257,005)</u>	<u>(449,000)</u>	<u>25,835,373</u>
Unrestricted funds					
General funds	33,173	281,969	(239,884)	-	75,258
Designated funds	-	-	-	-	-
Total unrestricted funds	<u>33,173</u>	<u>281,969</u>	<u>(239,884)</u>	<u>-</u>	<u>75,258</u>
Total funds	<u>27,070,000</u>	<u>6,786,520</u>	<u>(7,496,889)</u>	<u>(449,000)</u>	<u>25,910,631</u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

20. MOVEMENT IN FUNDS - continued

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

Restricted general funds

These grants relate to the Academy Trust's development and operational activities.

Pension reserve

The pension reserve relates to the Academy Trust's share of the deficits of the Hertfordshire County Council Local Government Pension Scheme.

Restricted fixed asset fund

These grants relate to funding received from the ESFA which have been used to purchase fixed assets.

Analysis of fund balances by Academy

Fund balances at 31 August 2020 were allocated as follows:

	General funds £	Restricted fixed asset fund £	FRS 102 pension fund £	Total 2020 £	Total 2019 £
Thomas Alleyne Academy	229,472	17,422,293	(1,584,000)	16,067,765	16,582,747
Roebuck Academy	<u>156,862</u>	<u>9,505,280</u>	<u>(675,000)</u>	<u>8,987,142</u>	<u>9,327,884</u>
Total	<u><u>386,334</u></u>	<u><u>26,927,573</u></u>	<u><u>(2,259,000)</u></u>	<u><u>25,054,907</u></u>	<u><u>25,910,631</u></u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £104,561 were payable to the schemes at 31 August 2020 (2019: £82,228) and are included within creditors.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

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 June 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 national 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 real rate of earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%,

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

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

The employer's pension costs paid to TPS in the period amounted to £700,808 (2019: £443,984).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £269,000 (2019: £236,000), of which employer's contributions totalled £215,000 (2019: £187,000) and employees' contributions totalled £54,000 (2019: £49,000). The agreed contribution rates for future years remain at similar rates.

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

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

	2020	2019
Retiring today		
Males	21.9	21.5
Females	24.1	23.7
Retiring in 20 years		
Males	22.8	22.3
Females	25.5	25.0

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	425,000	271,000
Interest income	(45,000)	(58,000)
Past service cost	-	3,000
Interest cost	80,000	96,000
	<u>460,000</u>	<u>312,000</u>
Actual return on plan assets	<u>121,000</u>	<u>179,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	4,251,000	3,301,000
Current service cost	425,000	271,000
Past service cost	-	3,000
Contributions by scheme participants	54,000	49,000
Interest cost	80,000	96,000
Actuarial losses/(gains)	153,000	570,000
Benefits paid	(99,000)	(39,000)
	<u>4,864,000</u>	<u>4,251,000</u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	2,373,000	1,997,000
Contributions by employer	215,000	187,000
Contributions by scheme participants	54,000	49,000
Expected return	45,000	58,000
Actuarial gains/(losses)	17,000	121,000
Benefits paid	(99,000)	(39,000)
	<u>2,605,000</u>	<u>2,373,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses)	(136,000)	(449,000)
	<u>(136,000)</u>	<u>(449,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Equities	1,380,650	1,163,000
Bonds	911,750	925,000
Property	234,450	190,000
Cash	78,150	95,000
	<u>2,605,000</u>	<u>2,373,000</u>

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2020	2019
Rate of increase in salaries	2.60%	2.40%
Rate of increase for pensions in payment	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.80%
Inflation assumption (CPI)	2.20%	2.30%
Commutation of pensions lump sums (pre April 2008)	50.00%	50.00%
Commutation of pensions lump sums (post April 2008)	75.00%	75.00%

22. CAPITAL COMMITMENTS

	2020	2019
	£	£
Contracted but not provided for in the financial statements	<u>683,172</u>	<u>-</u>

During the year The Hart Schools Trust Ltd entered into a contract for improvement works to the Science Block at the Thomas Alleyne Academy. The total contracted cost was for £885,684, for which £202,512 had been paid for as at 31 August 2020.

23. RELATED PARTY DISCLOSURES

During the year The Hart Schools Trust Ltd made sales to North Hertfordshire College amounting to £105,000 (2019: £105,000). The Trust also made purchases for goods and services amounting to £324,203 (2019: £280,931) from North Hertfordshire College.

During the year The Hart Schools Trust Ltd made purchases for goods and services from Hart Learning Group amounting to £18,313 (2019: £Nil).

North Hertfordshire College and Hart Learning Group are deemed related parties via the connection to the sponsor of the Trust.

North Hertfordshire College is a subsidiary of the North Hertfordshire College Further Education Corporation. The Hart Learning Group is the trading name of the North Hertfordshire College Further Education Corporation.

All related party transactions took place on a cost basis and in accordance with the requirements of the Academies Financial Handbook (effective June 2020).

THE HART SCHOOLS TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020

24. POST BALANCE SHEET EVENTS

Since the period under review, the rapid spreading of COVID-19 has become a significant emerging risk to the global economy. The trustees continue to monitor the impact of the virus on the Trust as more information about the epidemic emerges. The trustees note this is a non adjusting post balance sheet event.

25. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(719,724)	(710,369)
Adjustments for:		
Depreciation charges	646,365	744,690
Decrease in stocks	1,200	158
(Increase)/decrease in debtors	(179,778)	8,026
Decrease/(increase) in creditors	124,786	(11,645)
Difference between pension charge and cash contributions	<u>245,000</u>	<u>125,000</u>
Net cash provided by operations	<u>117,849</u>	<u>155,860</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	<u>287,896</u>	<u>(113,279)</u>	<u>174,617</u>
Total	<u>287,896</u>	<u>(113,279)</u>	<u>174,617</u>

