

The Hart Schools Trust Ltd

Annual Report and Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
07791933 (England and Wales)

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Reference and administrative information

Members	Kit Davies Judy Glasman Andrew B Simmons
Trustees	Geoff Cleverdon (until 31 December 2022) Hilary Clifford Kit Davies Jonathan J E Ellam Socrates Karidis (from 6 October 2021) Louise Lee (from 1 November 2022) Mark C J Lewis Stephen Marshman (until 31 August 2022) Vicky Parsey Sahreen Siddiqui (from 1 November 2022) Andrew B Simmons Helen Stanton-Tonner (from 1 December 2022)
Company Secretary	Robert Dale
Key Management Personnel Chief Executive, Hart Schools Trust and Headteacher, the Thomas Alleyne Academy Headteacher, the Roebuck Academy Chief Finance Officer	Mark Lewis Lynsey Young Paul Harte (until 31 August 2022) Andrew McLeod (from 1 September 2022)
Company name	The Hart Schools Trust Ltd
Company registration number	07791933 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Registered office	The Thomas Alleyne Academy High Street Stevenage Hertfordshire SG1 3BE
Bankers	Barclays Bank plc 86 Town Centre Hatfield, Herts AL10 0JP

Reference and administrative information

Solicitors

Eversheds LLP
Kett House, 1 Station Road
Cambridge
CB1 2JY

Howes Percival LLP
Terrington House, 13-15 Hills Road
Cambridge
CB2 1NL

Internal auditors

RSM UK Audit LLP
6th Floor, 25 Farringdon Street
London
EC4A 4AB

The Trustees present their report and audited financial statements of the charity for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The 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) 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 1,405 on 31 July 2022 (2021: 1,361). The combined roll in September 2022 is 1,430.

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 2022 and to the date these accounts are approved are listed on page 1. The trustees of the 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.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**Method of Recruitment and Appointment or Election of Trustees** (continued)

The Directors' term of office is four years, although this time limit does not apply to the Trust's Chief Executive 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 Trust's Chief Executive) is 12 years.

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.

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.

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 2022, 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 Chief Executive 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**Organisational Structure** (continued)

- ◆ 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 Chief Executive 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.

Arrangements for setting pay and remuneration of key management personnel

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

Key Management Personnel are considered to be the headteachers of the Trust's two schools (one of whom is also the Chief Executive) and the Chief Finance Officer.

The Chief Executive and key management personnel are appointed on salaries within a band similar to and benchmarked against national payscales 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 Chief Executive with the performance evaluation reported to the Trust Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**Trade union facility time****Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.2

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£6,195,595
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Related Parties and other Connected Charities and Organisations

The Trust's sponsor is North Hertfordshire College Further Education Corporation ("the Corporation") which also trades as the Hart Learning Group. The Corporation is established under the Further and Higher Education Act 1992 and is an exempt charity regulated by the Education and Skills Funding Agency (ESFA) on behalf of the Secretary of State for Education.

The Trust receives support from the Hart Learning Group's corporate service functions via a service level agreement whose quality and value for money is regularly reviewed by the Trust Board. The current agreement covers the three years 2021/22, 2022/23 and 2023/24.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**Related Parties and other Connected Charities and Organisations** (continued)

The Academy Trust Handbook requires the Trust to seek the written consent of the ESFA for this arrangement, but such consent was not granted in 2021/22.

The ESFA has given no directions to the Trust about the arrangement and Trustees continue to believe that it represents good value for money having benchmarked it against similar agreements for central service costs adopted by other Trusts using independent analysis of information in the public domain. Furthermore, the Hart Learning Group Board has certified that the services are being provided 'at cost'. Since it has sought consent from the ESFA, has not been instructed to cancel the arrangement, and is satisfied that it provides value for money, the Trust believes that it has taken reasonable steps to comply with this obligation.

The Trust also works with the Corporation to share expertise and best practice for example by collaborating on safeguarding training and sharing best practice, working together on curriculum planning and delivery and using college staff where appropriate to support staff training and development. Both the Trust and the Corporation have a strong interest in working with local employers to enhance curriculum delivery and help out with the understanding of post-16 pathways and the provision of independent advice and guidance for students. A partnership with Airbus to operate a STEM centre in Stevenage aimed at enthusing young learners supports the Trust's interest in science education.

There are no other charities/companies/organisations with which the Trust co-operates in the pursuit of its charitable objects.

OBJECTIVES AND ACTIVITIES**Objects 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.

OBJECTIVES AND ACTIVITIES (continued)**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.

Trustees believe their 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 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.

ACHIEVEMENT AND PERFORMANCE

After the disruption of the COVID-19 pandemic, both schools have rebuilt successfully, maintaining strong community cohesion and achieving positive results.

Primary***Roebuck Academy***

- ◆ Across all year-groups, the attendance level in 2021/22 was 94.1%, which was in line with national average data.
- ◆ Key Stage 2 results showed an improvement on the outcomes in 2019. In 2022, 63% (2019: 59%) of children achieved age related expectations in reading, writing and mathematics combined, compared to a national average of 59%.
- ◆ 78% of children achieved Age-related Expectations (ARE) in Maths, with 18% at Greater Depth.
- ◆ 70% achieved ARE in reading, with 28% at Greater Depth.
- ◆ 65% achieved ARE in grammar, punctuation and spelling, with 13% at Greater Depth.
- ◆ Year 1 achieved a 76% pass rate for phonics.
- ◆ Early Years Foundation Stage achieved 63% good level of development (GLD).

ACHIEVEMENT AND PERFORMANCE (continued)**Secondary****Thomas Alleyne Academy**

- ◆ Across all year-groups, the attendance level in 2021/22 was 92.5%, which was above national average data.

Key Stage 4 (GCSE)

- ◆ Our calculated Progress 8 (P8) score for 2021/22 is -0.13, a significant improvement on 2018/19 - the last year in which public examinations were held before the COVID-19 emergency - (-0.58).
- ◆ 65.5% achieved a standard pass (grade 4 or above) in English and Maths compared to 63.9% in 2018/19.
- ◆ 48% of students achieved a strong pass (grade 5 or above) in English and Maths compared to 38% in 2018/19.
- ◆ 13.7% achieved a grade 7-9 in English and Maths up from 10.5% in 2018/19.
- ◆ The number of grade 9s across all subjects increased to 38 from 16 in 2018/19.

A-Level

- ◆ For the 51 students, the average grade awarded was a C+, compared to D+ in 2019.
- ◆ The average point score per entry was 33.19 against 21.39 in 2019.
- ◆ All subjects had an average grade of C- or higher.

School recruitment in 2021/22

The number of pupils in each year is shown below.

Thomas Alleyne Academy (TAA) PAN = 180			Roebuck Academy (RA) PAN = 60 YR to Y2		
Year Group	July 2021	July 2022	Year Group	July 2021	July 2022
			Nursery	45	48
7	179	179	Reception	60	60
8	179	177	1	57	59
9	169	177	2	58	58
10	170	168	3	57	54
11	153	164	4	61	59
12	57	31	5	60	59
13	28	52	6	28	60
Total	935	948	Total	426	457
				1,361	1,405

ACHIEVEMENT AND PERFORMANCE (continued)**School recruitment in 2021/22** (continued)

For September 2022, pupil numbers at both schools have risen to 457 at Roebuck and 974 at TAA (a Trust total of 1,430). Both schools recruited slightly over their Published Admissions Number (PAN) in 2022/23 as a result of appeals and twin admission. Early indications for the pupil intake in September 2023 are that both schools will be close to or at capacity up to age 16.

Going Concern***The Trustees' assessment of 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.

Supporting documentation

To make this assessment for the preparation of the financial statements of the academy trust for the year-ended 31 August 2022, Trustees considered the following evidence:

- ◆ Trust Board papers throughout 2021/22 which include budget papers for 2022/23 as well as three year I&E and cash forecasts out to 31/8/2025.

The Trust has increased rolls at both schools over the past three years and demographic data in the Hertfordshire area suggests that there will continue to be an increase in secondary age pupils beyond the forecast period. However, the proposed opening of a new secondary school in the area is not now going ahead because there is no evidence of a shortage of places in the area for the foreseeable future.

Both schools are considered by Ofsted to be Good with the most recent inspection of the Thomas Alleyne Academy conducted in October 2019 and the Roebuck Academy in September 2021. They continue to have a good reputation for the quality of teaching and learning and have generally high attendance and good behaviour. Both have active and engaged local governing bodies, considered by Ofsted to provide Good leadership.

Because of the Education and Skills Funding Agency's lagged funding model, core funding is secure for 2023/24.

Neither school currently depends significantly upon external income; this was advantageous during the COVID-19 emergency when such income was significantly restricted. However, it limits the opportunities for growing non-core revenue to supplement core funding.

It is unlikely that either school will be able to increase pupil intake beyond the Pupil Admission Numbers (PANs) for TAA of 180 and for Roebuck of 60. Over the forecast period, there is one remaining area for potential revenue growth; the TAA sixth form.

Cash-flow forecasting shows a rising trend over the forecast period. There are no significant concerns that cash outgoings could not be met as they arose.

In making their assessment, the trustees have considered a period of not less than one year from the date of approval of the financial statements, i.e. at least to 31 December 2023.

ACHIEVEMENT AND PERFORMANCE (continued)**Going Concern** (continued)**Processes and controls**

The Trustees consider that the academy trust's process and controls are sufficiently robust for them to make informed decisions as to its current financial position, and its ability to react to possible adverse funding situations.

Financial position and forecast**Financial position**

In making their assessment of going concern, the Trustees have considered the current financial position and available reserves of the academy trust, in particular:

Cash balance at 31/08/2022	£474,059 (TAA) £388,203 (Roebuck)
Available revenue reserves	£59,204 (TAA) £175,238 (Roebuck)
Reserves policy	<i>In 2021/22, the Trustees have actively sought to rebuild operating reserves, following a period of elevated capital investment. The aim is to achieve a reserves level equivalent to two months' operating expenditure. This is not expected to be achieved before 2023/24.</i>

Key assumptions

We consider the following to be the most significant assumptions and uncertainties within the forecast:

- ◆ schools will continue to recruit student numbers at the same level.
- ◆ the cost of energy will rise by no more than 9% above current levels in 2022/23.
- ◆ non-pay inflation will be no more than 6% in 2022/23.
- ◆ a national pay award for teachers will be no more than 5% in 2022/23.

ACHIEVEMENT AND PERFORMANCE (continued)**Financial position and forecast** (continued)**Key assumptions** (continued)

In making their assessment of going concern, the Trustees have considered the range of possible outcomes, as well as mitigating actions which could be taken by the academy trust. The Trustees have considered whether there are any realistic scenarios within 12 months of approving the financial statements that could impact the going concern assessment, which they need to make the reader of the annual accounts aware of.

The Trustees have concluded that they have not identified any realistic scenarios that could impact the going concern assessment of which they need to make the reader of the accounts aware.

Conclusion

The Trustees have considered the going concern basis of preparation of the academy trusts financial statements. Based on these considerations, the Trustees have concluded that:

- ◆ The going concern basis of preparation of the financial statements is appropriate;
- ◆ there are no material uncertainties in connection with the going concern basis of preparation of the financial statements; and
- ◆ the disclosures within the financial statements regarding going concern are adequate.

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

FINANCIAL REVIEW

Overall, the Trust had a stable year in 2021/22, but like all educational institutions it has had to operate in a very uncertain economic environment. The wider economic and political impact of the war in Ukraine and the other challenges to the UK economy have directly and indirectly impacted HST in three main areas:

- ◆ The cost of energy has increased since February 2022 and remains a serious concern and risk to HST. TAA relies on biomass fuel for its heating which is not covered by the government energy price guarantee.
- ◆ Rising inflation has put extra pressure on the level of pay awards. In addition, the potential for disruption in 2023 from industrial action is ongoing and is being monitored carefully.
- ◆ Suppliers of other goods and services are increasing non pay costs.

These cost pressures are likely to continue well into 2023.

The Trust ended the year with overall cash higher than August 2021 and free reserves moving into positive territory from a small deficit position at the end of August 2021.

FINANCIAL REVIEW (continued)**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 31 August 2022 amounted to £9,106,282. 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 £128,564.

Because pupil numbers continued to rise at both schools, there was further year-on-year revenue growth from 2020/21 to 2021/22. However, Roebuck Academy reached capacity in 2021/22 against its PAN of 60 and the Thomas Alleyne Academy is routinely close to its PAN of 180; indeed, the September 2022 entry was 182. The principal opportunity for future growth in revenue will come from increasing the size of the sixth form.

Roebuck Academy operates wrap-around provision (Buccaneers) for children of Roebuck parents only. This has continued to be valued by the community and has been operating at or near capacity during 2021/22. A better than budget surplus was generated during the year, but the increasing cost of living crisis may affect revenue in future years as families are forced to reduce discretionary spending.

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 two 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.

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).

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The COVID-19 emergency has had a limited impact on the health and welfare of staff and students beyond the restrictions imposed by the UK government which were substantially eased in 2021/22. However, disruption to learning was evident and some small cohorts of learners showed persistent absence rates higher than before the pandemic.

Learning gaps that have affected particularly disadvantaged students have been identified and are being addressed with funding coming from government funding initiatives.

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.

INVESTMENT POLICY

The cash balances currently held relate to grants received for capital investment at the schools' premises; 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.

FUNDRAISING

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

STREAMLINED ENERGY AND CARBON REPORTING

The Trust is currently considering how it might in future be able to provide reporting in this area.

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.

PLANS FOR FUTURE PERIODS (continued)

- ◆ 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.

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.

As the impact of the COVID-19 emergency began to moderate somewhat in 2022, the UK economy faced a growing cost of living crisis, sparked initially by rising energy prices, made substantially worse by the Russian invasion of Ukraine in February 2022. This affects the future direction of pay and non-pay costs for schools and increases levels of anxiety in the wider community. This is likely to constrain capital investment to some extent in the coming year.

The summer 2022 examination season (and for our primary school, the return of Key Stage 2 SATs) - the first since 2019 – was a successful one. Public examination grade boundaries were set in a way that was expected to result in outcomes mid-way between 2019 results and teacher-assessed outcomes in 2021. For TAA, as set out elsewhere in this report, outcomes were for the most part higher in 2022 than 2019. In 2023, grade boundaries are expected to be tightened yet again, and the Trust will need to continue to provide excellent preparation for public examinations

The teaching and pastoral teams will continue to need to manage high levels of anxiety and stress among learners; work on character education will make a significant contribution to this. The strong enrichment programmes at both schools are expected to continue with an extension to the Duke of Edinburgh scheme programme at the Thomas Alleyne Academy to offer a Silver programme as well as a Bronze Programme.

The Trust is actively seeking new schools to join the organisation. Currently, it is concentrating its interest in the Stevenage and North Hertfordshire area. In the light of several government statements that all schools will need to become academies in the coming years, the Trust believes that it has a demonstrable record of educational improvement that can help and support others, and an ethical and inclusive vision which is especially relevant now.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no such funds.

AUDITOR

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'Andrew Simmons', with a large, sweeping flourish underneath.

Andrew Simmons, Chair and Trustee

GOVERNANCE STATEMENT**Scope of Responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Managing Director, as Accounting Officer, for ensuring that 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.

Governance

The Board met five times in 2021/22 (2020/21: 6) in addition to holding an Annual General Meeting. One planned meeting had to be cancelled because a number of Trustees were suffering from COVID-19 infections.

Attendance for the year was 94.34% (2020/21: 97.96%). All meetings took place using videoconference facilities.

Name	Role	Appointed	Term	Board Meetings attended	Other committees supported
G Cleverdon	Audit Chair	25/09/2016	4 years	6/6 (100%)	
H F Clifford	Chair, TAA LGB	01/09/2021	4 years	5/6 (83%)	
K Davies	Vice-chair Sponsor Chief Executive	20/11/2017	4 years	6/6 (100%)	
J J E Ellam		10/02/2016	4 years	5/6 (83%)	Audit
S Karidis		08/10/2021	4 years	5/5 (100%)	
M C J Lewis	Managing Director		Ex officio	6/6 (100%)	TAA LGB Roebuck LGB
S Marshman	Chair, Roebuck LGB (until 31/08/2022)	01/07/2017	4 years	5/6 (83%)	
V Parsey		01/04/2016	4 years	6/6 (100%)	
A B Simmons	Chair	05/10/2016	4 years	6/6 (100%)	Search

Governance (continued)

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 uses external benchmarking (eg from national reports and from other public domain analysis) to put its data in context and to check validity. It also uses direct observation from learning walks, book scrutinies, conversations with students and staff to validate reports to the Board.

The Board's work in 2021/22 continued to focus substantially on managing the impact of the COVID-19 emergency on its schools. This included reviewing curriculum content to ensure that gaps in learning were remedied, ensuring there was support for anxiety and mental health needs for students, including managing behaviour and attendance, maintaining a healthy and safe learning environment and managing the Trust's financial position.

Wider priorities were not neglected during this period. Improving the ageing estate at the Thomas Alleyne Academy continued, with the refurbishment of the science labs completed at the start of the year. Fire safety improvements were undertaken at the end of the year and security fencing replaced around sports facilities. The hall floor at the Roebuck Academy was replaced.

The Trust continues to be interested in supporting other local schools to make improvements in delivery, by joining the Trust, or through other relationships and hopes that some of the conversations taking place during the COVID-19 emergency may come to fruition in due course.

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

Managing Conflicts of Interest

The Trust recognises the importance of identifying and managing potential conflicts of interest. Members, Trustees, Key Management Personnel and others with significant financial authority (the last groups overlap to a substantial extent) are asked to provide annual declarations of financial and other interests, including those of close family members, which are published on the Trust website (together with information about appointment and term dates, and attendance records). Every meeting of the Board and its committees includes a reminder to declare any relevant interests.

In the event that a potentially conflicting interest exists, individuals are expected to recuse themselves from participating in discussions and to leave meetings when decisions are being considered.

Governance (continued)**Governance reviews**

No external review of governance was undertaken in 2021/22. The Trust Board undertook a self-evaluation which concluded that there was general satisfaction with the performance of the Board, the quality and reliability of information received and the issues addressed by the Board during the year. Priority improvement actions for 2022/23 included broadening the diversity of perspectives and challenge at the Board table, strengthening financial skills among Board members and placing more emphasis on Trust growth. Considerable progress had been achieved in supporting both schools to improve the quality of teaching and learning over the previous five years and the Board had also secured a stronger financial position. Further improvement could be achieved in risk management and assurance.

Local governing bodies continue to be active and engaged and Ofsted inspections of both the Thomas Alleyne Academy and the Roebuck Academy have previously commended the strength of governor challenge and leadership.

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
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.

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 was appointed during the year (Socrates Karidis). As Vice-of Coventry University, with responsibility for its London campus, Dr Karidis has extensive experience in higher education within the UK and internationally and brings strategic thinking skills to the Board.

The Board sought to extend the skills and widen the perspectives around the Board table and agreed to continue recruitment during the summer of 2022. As a result, in October and November 2022, three new Trustees were appointed. Louise Lee and Sahreen Siddiqui have backgrounds in executive leadership and quality improvement in schools (primary and secondary) outside the Hertfordshire area and as Ofsted inspectors. They will provide additional rigorous challenge on teaching and learning quality. Helen Stanton-Tonner is currently working as the Director of Education and Inclusion for the Independent Schools Association providing advice and support for schools at all levels and engaging with stakeholders on these issues.

Appointments to the Board (continued)

The Board is continuing to seek to appoint Trustees with financial skills/experience or qualifications.

Two Trustees announced their intended retirements during the year. Steve Marshman (also Chair of the Roebuck LGB) stepped down after twelve years service with effect from 31 August 2022 and Geoff Cleverdon (also Chair of the Audit & Risk Committee) will step down with effect from 31 December 2022.

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

Audit & Risk Committee

The Audit & Risk Committee is a sub-committee of the Board, made up of four non-executive members of the Board and its sub-committees (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 & Risk Committee meets at least 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 & Risk Committee.

Management is responsible for addressing agreed recommendations and internal auditors undertake follow-up reviews to ensure such recommendations have been implemented.

The Audit & Risk 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 & Risk Committee met four times in 2021/22 (2020/21: 4) and plans to meet four times in 2022/23. Attendance for the year was 100% (2020/21: 100%).

Name	Role	Audit Committee Meetings attended
Geoff Cleverdon	Audit Chair	4/4 (100%)
Howard Crompton	LGB member	4/4 (100%)
Jonathan Ellam	Trustee	4/4 (100%)
Andy Palmer	LGB member	4/4 (100%)

Search Committee

The Search Committee is a sub-committee of the Trust Board operating jointly with the Hart Learning Group Board, made up of five non-executive members of the Hart Schools Trust and Hart Learning Group Boards. It 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 2021/22, but members interviewed Trustee candidates.

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 2021/22, there was one co-opted governor. One staff governor stepped down following retirement from teaching, but was reappointed as a Trust Governor for 2022/23. At the end of the academic year there was one vacancy for a parent governor and one for a staff governor but these were filled by election early in the new academic year. The Newly appointed local governors were Hayley Cannon (parent governor) and Michelle Chapman (staff governor).

After a period in which all meetings had been held by videoconference, the LGB returned to holding some meetings face to face. At the same time, it was also felt appropriate to reduce the frequency of meetings to five across the year.

However, in addition to the governance meetings, several in-school learning walks and governor review sessions took place. These successfully evidenced efforts being undertaken by the whole school team to recover learning lost during the COVID-19 emergency and to provide support for higher levels of anxiety and other mental health needs. Governors could see for themselves the excellent behaviour of the learners (also noted by Ofsted) and purposeful lessons and were confident that the school had prepared learners well for the return of SATs in summer 2022. The school's sporting activity and success increased substantially as a result of the effective deployment of Sports Premium funding and there was a wide range of other enrichment to develop pupils' cultural capital.

Local governing bodies (continued)***The Roebuck Academy*** (continued)

In last year's report, it was noted that the school had just been inspected by Ofsted and the report was awaited; this inspection report confirmed that Roebuck was a Good school with a large number of strengths. Two areas for improvement were identified: ensuring that the curriculum for **all** subjects was firmly embedded so that pupils' knowledge in all subjects is of the same high standard; and ensuring that assessment opportunities were embedded in newer subject plans, so that pupils' next steps of learning could be carefully chosen.

The school remains popular with parents, has a strong local reputation and is full.

The LGB met five times in 2021/22 (2020/21: 7). Attendance was 80.00% (2020/21: 80.65%).

Name	Role	Appointed	Stepped down	LGB Meetings attended
Hayley Cannon	Parent Governor	01/09/2022		n/a
Michell Chapman	Staff Governor	27/09/2022		n/a
Matt Cox	Co-opted	01/03/2020		6/7 (86%)
Clare Elson	Staff Governor	01/11/2017		7/7 (100%)
Catherine Everett	Parent Governor	01/12/2020		3/4 (75%)
Celia Farley	Staff Governor ¹	11/04/2018	31/08/21	5/7 (71%)
Nadia Hodges	Trust Governor	01/05/2019		4/7 (57%)
Alison Hollick	Parent Governor	01/03/2019		4/7 (57%)
Mark Lewis	Trustee	ex officio		7/7 (100%)
Stephen Marshman	Chair	01/11/2017	31/08/2022	7/7 (100%)
Andy Palmer	Trust Governor	19/02/2016		7/7 (100%)
Victoria Upton	Trust Governor	01/07/2017		5/7 (71%)
Lynsey Young	Head teacher	n/a		7/7 (100%)

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

¹ Reappointed as a Trust governor from 1 September 2022.

Local governing bodies (continued)***The Thomas Alleyne Academy*** (continued)

Trinity College, Cambridge, and one governor is nominated by the College. In 2021/22, there was also one co-opted governor.

After a period in which almost all meetings had been held by videoconference, the LGB returned to holding some meetings face to face. At the same time, it was also felt appropriate to reduce the frequency of meetings to five across the year.

However, in addition to these governance meetings, a number of in-school learning walks and governor review sessions took place. These successfully evidenced efforts being undertaken by the whole school team to recover learning lost during the COVID-19 emergency and to provide support for higher levels of anxiety and other mental health needs. Work to push forward Character Education development resulted (in October 2022, after the end of the financial year) in the award of the Association for Character Education's kitemark. This work contributed to the relaunch of the school's values which are expressed as Courage, Determination and Empathy.

Attendance remained a high priority for the school across the year, and it remained above the reported national average at the year-end. There was a gap between the attendance of pupil premium and non pupil premium students, and addressing this will be a priority for 2022/23. The school sought to identify and remove barriers to attendance before the start of the new academic year including providing support for a second-hand school uniform shop, and making telephone calls and home visits to encourage 100% attendance. Attendance is recognised by the LGB as being linked to outcomes so this will continue to be a focus for effort during the year.

Preparing students for the first public examinations since summer 2019 was another area of significant effort. Although examination boards stated that additional guidance as to the topics covered in the exams would be provided and that grade boundaries would be set 'mid-way' between the outcomes achieved through teacher assessed grades in 2021 and those from examinations in 2019, it was not considered that either had materially impacted the TAA outcomes (reported elsewhere). The LGB was pleased with the results overall both at GCSE and at A-level.

The LGB was also pleased that work to promote the sixth form had paid off and that there was an increased number of students joining Y12 in September 2022.

As reported in the 2020/21 Annual Report, at the start of the autumn term of 2021/22, one new Trust governor was also appointed and three Trust governors were reappointed. Because of pressure of work, including the completion of her doctorate, the co-opted governor tendered her resignation which was accepted with regret.

Calls for nominations for staff governors were made at the start of the autumn term of 2021/22; as no additional nominations were received, the existing staff governors were returned unopposed.

Local governing bodies (continued)***The Thomas Alleyne Academy*** (continued)

For personal reasons, one of the elected parent governors was unable to participate in LGB meetings and was deemed to have resigned at the end of the academic year. A fresh election will take place in the autumn term of the 2022/23 academic year.

The LGB met five times in 2021/22 (2020/21: 7). Attendance was 71.43% (2020/21: 90.80%).

Name	Role	Appointed	Stepped down	LGB Meetings attended
Robert Baldock	Parent Governor	14/02/2019		4/5 (80%)
Hilary Clifford	Chair	01/09/2021		5/5 (100%)
Julia Cooke	Staff Governor	01/09/2017		5/5 (100%)
Howard Crompton	Trust Governor	01/09/2017		3/5 (60%)
Caterina Ducati	Trinity College Governor	01/09/2019		3/5 (60%)
Jamil Grant	Parent Governor	19/11/2021	31/08/2022	0/5 (0%)
David Gray	Vice-chair	23/11/2017		4/5 (80%)
Mark Lewis	Head teacher	N/A		5/5 (100%)
Tara McGovern	Trust Governor	01/09/2016	03/11/2022	3/5 (60%)
Jo Mellett	Parent Governor	14/02/2019		1/5 (20%)
Kerry Pritchett	Trust Governor	06/10/2021		3/4 (75%)
Lynsey Steadman	Staff Governor	01/09/2017		5/5 (100%)
Chloe Tayler	Co-opted	01/03/2021	30/09/2021	1/1 (100%)
Jenny White	Trust Governor	22/09/2017		3/5 (60%)

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.

Review of Value for Money

As Accounting Officer, the Managing Director has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate.

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

- ◆ Re-tendering service contracts to secure better value (eg Cleaning).
- ◆ Re-structuring the pastoral support team to ensure there was sufficient support for learners.
- ◆ Continuing to recruit rising student numbers in both schools.
- ◆ Utilising support from North Hertfordshire College to ensure there was value for money in estates work across the trust.
- ◆ Reviewing the Financial Regulations to ensure procedures for managing bad debts were clear and that procurement thresholds remained in line with the latest guidance on the Public Contracts Regulations.
- ◆ Using senior team expertise for traded work with external partners.
- ◆ Increasing the value of external lettings of the school premises.

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 Purpose of the System of Internal Control (continued)

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Hart Schools Trust for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

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

The Board of Trustees has decided to buy-in internal scrutiny services from a number of providers including RSM UK Audit LLP, HFL Education (formerly Herts for Learning) and the Hart Learning Group. The role of such providers includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. In particular, the checks carried out in the current period included:

- ◆ Safeguarding
- ◆ Health and Safety compliance
- ◆ Teaching and Learning

Capacity to Handle Risk (continued)

On an annual basis, the internal scrutiny providers report to the Board of Trustees through the Audit & Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year-on-year progress.

During the year, internal scrutiny was carried out in respect of Safeguarding, Health and Safety compliance, and teaching and learning.

Actions to address all of the recommendations were agreed by Management and reported to the Audit & Risk Committee which was satisfied with the proposals and will monitor implementation.

Review of effectiveness

As Accounting Officer, the Managing Director is responsible for reviewing the effectiveness of the system of internal control. During the year in question the Managing Director's review has been informed by:

- ◆ The work of the Internal Auditor.
- ◆ The work of the External Auditor.
- ◆ The financial management and governance self-assessment process or the school resource management self-assessment tool
- ◆ The work of managers within the Trust and central service provision who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:



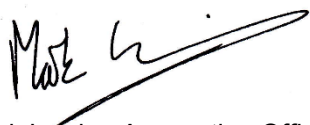
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A B Simons - Chair

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 Academy Trust Handbook 2021.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021 (see pages 6 and 7 for more information about the related party transaction with the Hart Learning Group, which sponsors the Trust).

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.

A handwritten signature in black ink, appearing to read 'Mark Lewis', with a long horizontal stroke extending to the right.

Mark Lewis - Accounting Officer

Date: 6 December 2022

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

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

In preparing these financial statements, the trustees are required to:

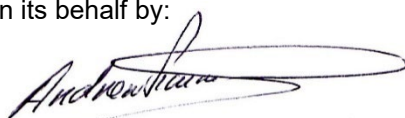
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 6 December 2022 and signed on its behalf by:



Andrew Simmons - Chair

Independent auditor's report 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 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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

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

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

Conclusions relating to going concern (continued)

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

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' Report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, 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 trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept by the charitable company, 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 or returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees responsibilities statement, the trustees (who are also the directors 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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 auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



13 December 2022

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of
Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's assurance report on regularity to the Hart Schools Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hart Schools Trust Ltd during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Hart Schools Trust Ltd Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Hart Schools Trust funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them (please see pages 6 and 7 for further information in respect of the related party transaction with the Hart Learning Group, which sponsors the Hart Schools Trust).

Buzzacott LLP

13 December 2022

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 August 2022

	Notes	Unrestricted general funds £	Restricted general funds £	Restricted fixed assets fund £	2022 Total funds £	2021 Total funds £
Income from:						
Donations and capital grants	2	—	—	523,994	523,994	450,861
Other trading activities	4	199,945	—	—	199,945	107,929
Charitable activities:						
Funding for the academy's educational operations	3	119,043	8,263,299	—	8,382,342	7,558,271
Total		<u>318,988</u>	<u>8,263,299</u>	<u>523,994</u>	<u>9,106,281</u>	<u>8,117,061</u>
Expenditure on:						
Charitable activities:						
Academy trust educational operations	5	318,988	8,420,662	495,196	9,234,846	8,187,805
Total		<u>318,988</u>	<u>8,420,662</u>	<u>495,196</u>	<u>9,234,846</u>	<u>8,187,805</u>
Net (expenditure) income		—	(157,363)	28,798	(128,565)	(70,744)
Transfers between funds	17	—	(51,870)	51,870	—	—
Actuarial gain (loss) on defined benefit schemes	20	—	2,819,000	—	2,819,000	(660,000)
Net movement in funds		—	2,609,767	80,668	2,690,435	(730,744)
Reconciliation of funds						
Total funds brought forward		—	(3,220,326)	29,054,580	25,834,254	26,564,998
Total funds carried forward		<u>—</u>	<u>(610,559)</u>	<u>29,135,248</u>	<u>28,524,689</u>	<u>25,834,254</u>

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

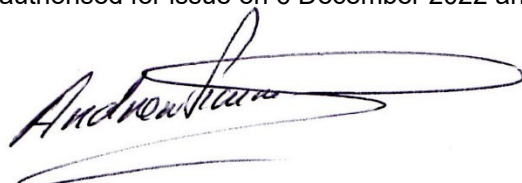
The notes on pages 47 to 63 form part of these financial statements.

Balance sheet

as at 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		28,697,602		28,899,866
Current assets					
Debtors	12	630,253		510,654	
Cash at bank and in hand		862,252		526,760	
		<u>1,492,505</u>		<u>1,037,414</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(788,691)		(885,834)	
Net current assets			<u>703,814</u>		<u>151,580</u>
Total assets less current liabilities			<u>29,401,416</u>		<u>29,051,446</u>
Creditors: amounts falling due after more than one year	14		(31,727)		(36,192)
Net assets excluding pension scheme liability			<u>29,369,689</u>		<u>29,015,254</u>
Pension liability	19		(845,000)		(3,181,000)
NET ASSETS			<u>28,524,689</u>		<u>25,834,254</u>
Funds of the academy trust					
Restricted income funds					
Fixed asset fund	16	29,135,248		29,054,580	
Restricted income fund		234,441		(39,326)	
Pension reserve		(845,000)		(3,181,000)	
Total restricted funds			<u>28,524,689</u>		<u>25,834,254</u>
Unrestricted funds			<u>—</u>		<u>—</u>
TOTAL FUNDS			<u>28,524,689</u>		<u>25,834,254</u>

The financial statements on pages 37 to 63 were approved by the Board of Trustees and authorised for issue on 6 December 2022 and are signed on their behalf by:



A B Simmons
 Chair of Trustees
 The Hart Schools Trust Ltd
 Company Limited by Guarantee
 Registration Number: 07791933 (England and Wales)

Statement of cash flows

Year to 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	A	108,895	865,410
Cash flows from investing activities			
	C	231,062	(513,267)
Cash flows from financing activities			
	B	(4,465)	—
Change in cash and cash equivalents in the year		335,492	352,143
Cash and cash equivalents at 1 September 2021		526,760	174,617
Cash and cash equivalents at 31 August 2022		862,252	526,760

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

	2022 £	2021 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(128,565)	(70,744)
Adjusted for:		
Depreciation charges	495,196	471,762
Capital grants from DfE and other capital income	(523,994)	(440,689)
Defined benefit pension scheme cost less contributions payable	428,000	222,000
Defined benefit pension scheme finance cost	55,000	40,000
(Increase) decrease in debtors	(119,599)	543,051
(Decrease) increase in creditors	(97,143)	100,030
Net cash provided by (used in) operating activities	108,895	865,410

B. Cash flow from financing activities

	2022 £	2021 £
Repayments of borrowing	(4,465)	—
Net cash used in financing activities	(4,465)	—

C. Cash flows from investing activities

	At 31 August 2022 £	At 31 August 2021 £
Purchase of tangible fixed assets	(292,932)	(953,956)
Capital grants from DfE/ESFA	523,994	440,689
Net cash provided by (used in) operating activities	231,062	(513,267)

D. Analysis of cash and cash equivalents

	At 31 August 2022 £	At 31 August 2021 £
Cash in hand and at bank	862,252	526,760

E. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	526,760	335,492	862,252

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.

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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.

These financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

- ◆ Recruitment into both schools is forecast to remain at or close to their Published Admission Number (PAN) in 2023/24; local demographics indicate that there will be no material surplus of school places in the Stevenage area in the foreseeable future and a proposed opening of a new secondary school will not go ahead.
- ◆ Some scope for growing the sixth form at the Thomas Alleyne Academy remains.
- ◆ Both schools have been recently assessed as Good by Ofsted and have strong local reputations. The Trust is developing a reputation for being able to help other schools to improve, which increases the prospect of growth.
- ◆ As at 31 August 2022, HST had £861k cash in the bank; the three year cash flow forecast does not identify material concerns for the future position. Cash flow continues to be regularly monitored to ensure that payments are received as expected and any additional funding claims are submitted promptly.

Going concern (continued)

- ◆ In 2021/22, HST delivered an above budget surplus which cleared the historic reserves deficit and permitted each school to show a surplus in reserves. The Trust now has a small cushion against unexpected financial events.
- ◆ The 2022/23 budget included provision for higher energy costs and actual usage is monitored closely to ensure that forecast and actual consumption is tracked. Both schools make use of renewable energy for some of their energy needs.
- ◆ The 2022/23 budget also included provision for additional pay and non-pay inflation. This approach will be applied in future budget discussions as well. In the coming year, the proposed pay offer of 5% can be met without affecting the forecast surplus. Non-pay inflation of 6% has been assumed which is broadly in line with expectations for the rate in 2023.
- ◆ The Harper Trust v Brazel ruling on holiday pay calculations has been taken into account in forecasting pay costs. Outstanding entitlement was paid in 2021/22 and will continue to be monitored in 2022/23.

Further information on the Board's assessment of the use of the going concern principle is provided on pages 10 and 11.

Critical accounting estimates and assumptions

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.

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

The present values of the Local Government Pension Scheme defined benefits 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 20 will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuations performed at 31 March 2019 and has been used by the actuary in valuing the pension liability at 31 August 2022.

Income

All income is 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 period 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.

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 are 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 expenditure is 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 that require 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
- ◆ Leasehold 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.

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 13. 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 14. 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.

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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 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.

Pensions 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.

Pensions costs and other post-retirement benefits (continued)

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 projected unit method. TPS is a 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 are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet. 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.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 22.

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2022 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 2022.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2022 Total funds £	2021 Total funds £
Capital grants	—	—	523,994	523,994	440,689
Other donations	—	—	—	—	10,172
	—	—	523,994	523,994	450,861

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Restricted fixed asset funds £</i>	<i>2021 Total funds £</i>
<i>Capital grants</i>	—	24,023	416,666	440,689
<i>Other donations</i>	10,172	—	—	10,172
	10,172	24,023	416,666	450,861

3 Funding for academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	2022 Total £	2021 Total £
DfE/ESFA grants				
General Annual Grant (GAG)	—	6,813,223	6,813,223	5,943,512
Other DfE / ESFA grants				
. UIFSM	—	129,071	129,071	120,369
. Pupil Premium	—	331,987	331,987	315,473
Other DfE Group grants	—	168,601	168,601	349,654
	—	<u>7,442,882</u>	<u>7,442,882</u>	<u>6,729,008</u>
Other government grants				
Local Authority grants	—	568,931	568,931	406,880
COVID-19 Additional funding (DfE/ESFA)				
Catch-up and recovery premium	—	51,253	51,253	98,160
Other DfE/ESFA COVID-19 funding	—	7,344	7,344	50,401
	—	<u>58,597</u>	<u>58,597</u>	<u>148,561</u>
COVID-19 Additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	—	—	—	2,926
Other income from the academy trust's educational operations	119,043	192,889	311,932	270,896
	<u>119,043</u>	<u>8,263,299</u>	<u>8,382,342</u>	<u>7,558,271</u>

The Trust received £41,253 of funding for Recovery premium in 2021/22 and incurred costs of £41,253. The Trust also received £10,000 of catch-up premium in 2021/22 and incurred costs of £10,000 (2021 – received £98,160 and incurred costs of £98,160).

3 Funding for academy's educational operations (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>2021 Total £</i>
<i>DfE/ESFA grants</i>			
<i>General Annual Grant (GAG)</i>	—	5,943,512	5,943,512
<i>Other DfE / ESFA grants</i>			
<i>. UIFSM</i>	—	120,369	120,369
<i>. Pupil Premium</i>	—	315,473	315,473
<i>Other DfE Group grants</i>	—	349,654	349,654
	<u>—</u>	<u>6,729,008</u>	<u>6,729,008</u>
<i>Other government grants</i>			
<i>Local Authority grants</i>	—	406,880	406,880
<i>COVID-19 Additional funding (DfE/ESFA)</i>			
<i>Catch-up premium</i>	—	98,160	98,160
<i>Other DfE/ESFA COVID-19 funding</i>	—	50,401	50,401
	<u>—</u>	<u>148,561</u>	<u>148,561</u>
<i>COVID-19 Additional funding (non- DfE/ESFA)</i>			
<i>Coronavirus Job Retention Scheme grant</i>	—	2,926	2,926
<i>Other COVID-19 funding</i>			
<i>Other income from the academy trust's educational operations</i>	<u>155,936</u>	<u>114,960</u>	<u>270,896</u>
	<u>155,936</u>	<u>7,402,335</u>	<u>7,558,271</u>

4 Other trading activities

	2022 Total funds £	2021 Total funds £
Trip income	65,809	4,603
Other income	134,136	103,326
	199,945	107,929

5 Expenditure

	Staff costs £	Non-pay expenditure		2022 Total funds £	2021 Total funds £
		Premises £	Other costs £		
Academies educational operations					
- Direct costs	5,342,363	495,207	550,160	6,387,730	6,172,598
- Allocated support costs	1,337,611	742,094	767,411	2,847,116	2,015,207
	6,679,974	1,237,301	1,317,571	9,234,846	8,187,805

Net expenditure for the period includes:

	2022 Total funds £	2021 Total funds £
Operating lease rentals	8,631	7,262
Depreciation – owned assets	495,196	471,762
Auditor's remuneration:		
. Audit	11,235	9,750
. Other services	8,560	7,750

6 Charitable Activities – Academy’s Educational Operations

	2022 Total funds £	2021 Total funds £
Direct costs	6,387,730	6,172,598
Support costs	2,847,116	2,015,207
	9,234,846	8,187,805
Analysis of support costs		
Support staff costs	1,337,611	740,971
Technology costs	41,197	23,810
Premises costs	742,094	580,061
Other support costs	691,767	643,303
Governance costs	34,447	27,062
	2,847,116	2,015,207

7 Staff**(a) Staff costs**

Staff costs during the year were:

	2022 Total funds £	2021 Total funds £
Wages and salaries	4,733,987	4,413,791
Social security costs	465,886	426,428
Pension costs	1,455,048	1,172,293
	6,654,921	6,012,512
Support staff cost	25,053	37,193
	6,679,974	6,049,705

7 Staff (continued)**(a) Staff costs**

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

	2022	2021
	No.	No.
Teachers	87	90
Administration and support	75	73
Management	2	2
	164	165

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

	2022	2021
	No.	No.
£60,001 - £70,000	4	3
£70,001 - £80,000	2	2
£100,001 - £110,000	1	1
	7	6

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 £267,465 (2021: £251,276).

8 Central services

No central services were provided by the academy trust to its academies during the period and no central charges arose.

9 Related party transactions – Trustees' remuneration and expenses

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 - £105,001 - £110,000 (2021: £105,001 - £110,000)

Employer's pension contributions paid - £20,001 - £25,000 (2021: £20,001 - £25,000)

Trustees' expenses

During the year ended 31 August 2022, no travel and subsistence expenses totalling were paid to trustees (2021: £nil).

Other related party transactions involving trustees are set out in note 22.

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold land and buildings £	Inherited assets £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 September 2021	2,192,079	28,989,000	178,427	526,772	57,867	31,944,145
Additions	259,307	—	—	24,871	8,754	292,932
Transfers	186,427	—	(178,427)	(8,000)	—	—
At 31 August 2022	2,637,813	28,989,000	—	543,643	66,621	32,237,077
Depreciation						
At 1 September 2021	133,349	2,449,000	—	423,139	38,791	3,044,279
Charge for the year	43,994	402,160	—	39,504	9,538	495,196
At 31 August 2022	177,343	2,851,160	—	462,643	48,329	3,539,475
Net book value						
At 31 August 2022	2,460,470	26,137,840	—	81,000	18,292	28,697,602
At 31 August 2021	2,058,730	26,540,000	178,427	103,633	19,076	28,899,866

12 Debtors

	2022 £	2021 £
Trade debtors	2,165	193
VAT recoverable	47,811	29,266
Prepayments and accrued income	580,277	481,195
	630,253	510,654

13 Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	223,795	114,390
Social security and other taxes	114,129	107,622
CIF loan	4,021	4,021
Other creditors	111,862	237,346
Accruals and deferred income	334,884	422,455
	788,691	885,834

	2022 £	2021 £
Deferred income at 1 September 2021	244,692	376,386
Released from previous years	(244,692)	(376,386)
Resources deferred in the year	197,111	244,692
Deferred income at 31 August 2022	197,111	244,692

Included within deferred income as at 31 August 2022 is £197,111 (2021: £244,692) falling due within one year and £nil (2021: £nil) falling due after more than one year.

14 Creditors: Amounts falling due after more than one year

	2022 £	2021 £
CIF loans:		
Due between 1-2 years	8,558	8,558
Due between 2-5 years	23,169	27,634
	31,727	36,192

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.

15 Member's 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.

16 Movement in funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	(63,349)	6,813,223	(6,463,563)	(51,870)	234,441
Pupil premium	—	331,987	(331,987)	—	—
UIFSM	—	129,071	(129,071)	—	—
Catch-up and recovery premium	—	51,253	(51,253)	—	—
Other DfE/COVID-19 funding	—	7,344	(7,344)	—	—
Other grants	24,023	168,601	(192,624)	—	—
Local authority grants	—	568,931	(568,931)	—	—
Other income from the academy trust's educational operations	—	192,889	(192,889)	—	—
Pension reserve	(3,181,000)	—	(483,000)	2,819,000	(845,000)
	<u>(3,220,326)</u>	<u>8,263,299</u>	<u>(8,420,662)</u>	<u>2,767,130</u>	<u>(610,559)</u>
Restricted fixed assets fund					
DfE/ESFA capital grants	2,416,874	523,994	(78,528)	—	2,862,340
Transfer on conversion	26,540,000	—	(402,160)	—	26,137,840
Capital expenditure from GAG	97,706	—	(14,508)	51,870	135,068
	<u>29,054,580</u>	<u>523,994</u>	<u>(495,196)</u>	<u>51,870</u>	<u>29,135,248</u>
Total restricted funds	<u>25,834,254</u>	<u>8,787,293</u>	<u>(8,915,858)</u>	<u>2,819,000</u>	<u>28,524,689</u>
Unrestricted funds					
General funds	—	318,988	(318,988)	—	—
Total funds	<u>25,834,254</u>	<u>9,106,281</u>	<u>(9,234,846)</u>	<u>2,819,000</u>	<u>28,524,689</u>

16 Movement in funds (continued)

Comparative for movements in funds:

	<i>Balance at 1 September 2020 restated</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains, losses and transfers</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£
<i>Restricted general funds</i>					
General Annual Grant (GAG)	(386,095)	5,943,512	(5,514,836)	(105,930)	(63,349)
Pupil premium	179,960	315,473	(495,433)	—	—
UFSM	—	120,369	(120,369)	—	—
Catch-up premium	—	98,160	(98,160)	—	—
Other DfE/COVID-19 funding	—	50,401	(50,401)	—	—
Coronavirus Job Retention Scheme grant	—	2,926	(2,926)	—	—
Other grants	26,387	373,677	(376,041)	—	24,023
Local authority grants	—	406,880	(406,880)	—	—
Other income from the academy trust's educational operations	—	114,960	(114,960)	—	—
Pension reserve	(2,259,000)	—	(262,000)	(660,000)	(3,181,000)
	<u>(2,438,748)</u>	<u>7,426,358</u>	<u>(7,442,006)</u>	<u>(765,930)</u>	<u>(3,220,326)</u>
<i>Restricted fixed assets fund</i>					
DfE Capital Grants	1,475,513	66,758	(30,178)	709,854	2,221,947
Transfer on conversion	26,942,160	—	(402,160)	—	26,540,000
Capital expenditure from GAG	—	—	(9,539)	107,245	97,706
Unspent capital grants	586,073	349,908	(29,885)	(711,169)	194,927
	<u>29,003,746</u>	<u>416,666</u>	<u>(471,762)</u>	<u>105,930</u>	<u>29,054,580</u>
Total restricted funds	<u>26,564,998</u>	<u>7,843,024</u>	<u>(7,913,768)</u>	<u>(660,000)</u>	<u>25,834,254</u>
<i>Unrestricted funds</i>					
General funds	—	274,037	(274,037)	—	—
Total funds	<u>26,564,998</u>	<u>8,117,061</u>	<u>(8,187,805)</u>	<u>(660,000)</u>	<u>25,834,254</u>

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.

The Trust is subject to limits on the amount of General Annual Grant funds can be carried forward from one year to the next. Details of these limits are included in note 1.

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.

16 Movement in funds (continued)**Analysis of fund balances by Academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Thomas Alleyne Academy	59,204	(125,754)
Roebuck Academy	175,237	86,428
Total before fixed asset and pension reserve	234,441	(39,326)
Fixed asset fund	29,135,248	29,054,580
Pension reserve	(845,000)	(3,181,000)
Total	28,524,689	25,834,254

Total cost analysis by academy

Expenditure incurred by each academy during the year was as:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Deprecia- tion) £	2022 Total £
Thomas Alleyne Academy	3,167,269	1,614,328	383,500	1,001,741	6,166,838
Roebuck Academy	1,567,656	330,721	166,661	507,763	2,572,801
Total	4,734,925	1,945,049	550,161	1,509,504	8,739,639

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Deprecia- tion) £	2021 Total £
Thomas Alleyne Academy	3,809,609	447,864	269,855	849,379	5,376,707
Roebuck Academy	1,461,931	108,300	122,247	384,858	2,077,336
Total	5,271,540	556,164	392,102	1,234,237	7,454,043

17 Commitments under operating leases**Operating leases**

At 31 August 2022, the total of the Academy's future minimum lease payments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Amounts due within one year	16,144	8,631
Amounts due between two and five years inclusive	34,870	71,172
Amounts due after five years	22,183	—
	73,197	79,803

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2022 Total funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	—	—	28,697,602	28,697,602
Current assets	—	1,019,111	473,394	1,492,505
Current liabilities	—	(784,670)	(4,021)	(788,691)
Long term liabilities	—	—	(31,727)	(31,727)
Pension liability	—	(845,000)	—	(845,000)
	—	(610,559)	29,135,248	28,524,689

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2021 Total funds £
<i>Fixed assets</i>	—	—	28,899,866	28,899,866
<i>Current assets</i>	—	842,487	194,927	1,037,414
<i>Current liabilities</i>	—	(881,813)	(4,021)	(885,834)
<i>Long term liabilities</i>	—	—	(36,192)	(36,192)
<i>Pension liability</i>	—	(3,181,000)	—	(3,181,000)
	—	(3,220,326)	29,054,580	25,834,254

19 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. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £119,336 (2021: £114,427) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

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

19 Pension and similar obligations (continued)***Valuation of the Teachers' Pension Scheme***

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,193,000 (2021: £738,293).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme 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.

19 Pension and similar obligations (continued)***Local government pension scheme***

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2022 was £330,000 (2021: £274,000), of which employer's contributions totalled £262,000 (2021: £218,000) and employees' contributions totalled £68,000 (2021: £56,000). The agreed contribution rate is 23.8% for employers until 31 March 2023. The current employee contribution rates are between 5.5% and 12.5%. The employee contribution rates and / or pay bands will be reviewed periodically and may change in future. This is to maintain the average contribution from employees 6.5% and to ensure the long term costs of the scheme are managed.

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:

Retiring today	2022	2021
Males	21.9	22.1
Females	24.4	24.5
Retiring in 20 years	2022	2021
Males	22.9	23.2
Females	26.0	26.2

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

	2022 £	2021 £
Current service cost	428,000	378,000
Interest income	(54,000)	(46,000)
Interest cost	109,000	86,000
	483,000	418,000

19 Pension and similar obligations (continued)***Valuation of the Teachers' Pension Scheme*** (continued)

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

	2022 £	2021 £
Opening defined benefit obligation	6,322,000	4,864,000
Current service cost	690,000	434,000
Contributions by scheme participants	68,000	56,000
Interest cost	109,000	86,000
Actuarial (gains)/losses	(3,081,000)	969,000
Benefits paid	(88,000)	(87,000)
	4,020,000	6,322,000

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

	2022 £	2021 £
Opening fair value of scheme assets	3,141,000	2,605,000
Contributions by employer	262,000	212,000
Contributions by scheme participants	68,000	56,000
Expected return	54,000	46,000
Actuarial (losses)/gains	(262,000)	309,000
Benefits paid	(88,000)	(87,000)
	3,175,000	3,141,000

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

	2022 £	2021 £
Equities	1,587,500	1,664,730
Bonds	730,250	910,890
Property	476,250	345,510
Cash	381,000	219,870
Total market value of assets	3,175,000	3,141,000
Present value of scheme liabilities	(4,020,000)	(6,322,000)
Deficit in the scheme	(845,000)	(3,181,000)

19 Pension and similar obligations (continued)**Valuation of the Teachers' Pension Scheme (continued)**

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

	2022	2021
Rate of increase in salaries	3.5%	3.3%
Rate of increase for pensions in payment	3.2%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	3.2%	2.9%
Commutation of pensions lump sums (pre April 2008)	50.00%	50.00%
Commutation of pensions lump sums (post April 2008)	75.00%	75.00%

20 Capital commitments

	2022 £	2021 £
Contracted but not provided for in the financial statements	489,931	202,554

During the year, The Hart Schools Trust Ltd entered into a contract for roofing works at the Thomas Alleyne Academy. The total contracted cost was for £498,624 for which £8,693 had been paid for as at 31 August 2022.

21 Related Party Transactions

During the year The Hart Schools Trust Ltd made sales to North Hertfordshire College amounting to £0.00 (2021: £105,000). The Trust also made purchases for goods and services amounting to £304,711 (2021: £361,248) from North Hertfordshire College. There were no amounts outstanding at the year end (2021: none).

During the year The Hart Schools Trust Ltd made purchases for goods and services from Hart Learning Group amounting to £11,208 (2021: £7,277). North Hertfordshire College and Hart Learning Group are deemed related parties via the connection to the sponsor of the Trust. There were no amounts outstanding at the year end (2021: none).

The Hart Learning Group provided the Trust with the services of various employees under the Group organisation, including the CEO, Group Finance Director and Finance Manager, as part of a Service Level Agreement. The total cost of this to the Trust amounted to £128,537 (2021: £154,400). This amount is included in the total amount made for purchases of goods and services above.

North Hertfordshire College (which also trades as the Hart Learning Group) is deemed a related party because it acts as the Sponsor of the Hart Schools Trust. The Hart Learning Group provides corporate service functions for the Trust via a Service Level Agreement. In entering into this transaction, the academy trust has taken steps to ensure that the requirements of the Academy Trust Handbook are met including: benchmarking the cost of the agreement against similar agreements; receiving confirmation from the Board of the Hart Learning Group that the services are provided 'at cost'; considering the quality of provision delivered by the Hart Learning Group over the preceding years; and conducting a single

21 Related Party Transactions (continued)

tender procurement in line with its financial regulations. It submitted information in advance to the ESFA to seek written approval but did not receive this. However, the ESFA has given no directions in respect of terminating the agreement, which lasts for three years (2021/22, 2022/23 and 2023/24) and taking account of the fact that the Hart Learning Group is an exempt charity with similar aims and the same regulator, Trustees still consider that the arrangement represents value for money.

No other related party transactions took place in the period of account, other than certain trustee' remuneration and expenses already disclosed in note 9.

22 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £3,637 (2021: £4,855) and disbursed £4,900 (2021: £5,920) from the fund. An amount of £2,328 (2021: £1,065) is included in other creditors relating to undistributed funds that is repayable to ESFA.

23 Comparative information

	Notes	Unrestricted general funds £	Restricted general funds £	Restricted fixed assets fund £	2021 Total funds £
<i>Income from:</i>					
<i>Donations and capital grants</i>	2	10,172	24,023	416,666	450,861
<i>Other trading activities</i>	4	107,929	—	—	107,929
<i>Charitable activities:</i>					
<i>Funding for the academy's educational operations</i>	3	155,936	7,402,335	—	7,558,271
Total		274,037	7,426,358	416,666	8,117,061
<i>Expenditure on:</i>					
<i>Charitable activities:</i>					
<i>Academy trust educational operations</i>	6	274,037	7,442,006	471,762	8,187,805
Total		274,037	7,442,006	471,762	8,187,805
<i>Net expenditure</i>		—	(15,648)	(55,096)	(70,744)
<i>Transfers between funds</i>	16	—	(105,930)	105,930	—
<i>Actuarial losses on defined benefit schemes</i>	19	—	(660,000)	—	(660,000)
<i>Net movement in funds</i>		—	(781,578)	50,834	(730,744)
<i>Reconciliation of funds</i>					
<i>Fund balances brought forward at 1 September 2020 as previously stated</i>		—	(2,438,748)	29,003,746	26,564,998
<i>Opening funds adjustment</i>		—	—	—	—
<i>Total funds brought forward as restated</i>		—	(2,438,748)	29,003,746	26,564,998
<i>Total funds carried forward</i>		—	(3,220,326)	29,054,580	25,834,254