

The Hart Schools Trust Ltd

Annual Report and Financial Statements

31 August 2021

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

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Reference and administrative information

Members	K Davies J Glasman A B Simmons
Trustees	A B Simmons (Chair) G Cleverdon (Vice Chair) H Clifford (from 1 September 2021) K Davies J J E Ellam Socrates Karidis (from 6 October 2021) M C J Lewis (Managing Director) S Marshman V Parsey
Company Secretary	R M Dale
Key Management Personnel	M Lewis (Managing Director) Lynsey Young (Headteacher) Paul Harte (Chief Financial Officer)
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

Trustees' report Year to 31 August 2021

The Trustees present their report and audited financial statements of the charity for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The 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 1,361 on 31 July 2021. The combined roll in September 2021 is 1,406.

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 2021 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 Managing Director or the Chief Executive Officer of the sponsor. Any Director may be re-appointed or re-elected three times so that the maximum possible total time in office as a director (except for the Managing Director and the Chief Executive Officer) is 12 years.

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 2021, the Trust supported two schools:

- ◆ ***The Thomas Alleyne Academy.***
- ◆ ***The Roebuck Academy, Stevenage.***

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

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

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

The Board of Trustees:

Remains accountable overall to the Members (and to the relevant statutory authorities) for the operations of the Trust and the delivery of its objectives.

Appoints the Headteachers of the schools and monitors their performance.

Appoints a person as Managing Director of the Trust and delegates to him/her some or all of their duties of oversight of individual school Headteachers or delegates the functions of this role to the Chair of the Trust.

Appoints Local Governing Bodies to oversee the implementation of the Trust's strategy and policies in ways that are appropriate to each school and that takes account of the views of students and their parents and carers.

Arrangements for setting pay and remuneration of key management personnel

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

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

The Managing Director 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 Managing Director with the performance evaluation reported to the Trust Board.

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	0.1

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

Percentage of time spent on facility time (continued)

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	£4,049
Provide the total pay bill	£5,424,896
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.07%

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	4.20%
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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 on the basis of a service level agreement whose quality and value for money is regularly reviewed by the Trust Board.

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.

The Trust co-operates with the following charities in connection with safeguarding, mental health support, behavioural support and financial support for its learners:

Oak Church, School of Hard Knocks, Magic Breakfast, Haven, Stevenage Community Trust, Garden House Hospice, ELSA, OLLIE foundation, Stand By Me, Angels, and MIND.

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.*

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.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit (continued)

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

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

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

GCSE and A-level results for the year were, after some changes in direction from the government, based on 'teacher-assessed grades' – that is, assessments made by schools about how their students would have performed had examinations taken place. The process required by the regulator was different from that required in 2019/20, making year-on-year comparisons even more difficult and unreliable. This year, teachers had to determine student achievements based on evidence eg from classroom assessments, mock examination results or similar ways of establishing performance.

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

With the caveat that the following data will not form part of any national reporting and should be treated with caution for comparison purposes, the Trust schools report the following for 2020/21.

Primary

Roebuck Academy

Disruption from the COVID-19 emergency continued to affect learning during the year, although a high level of attendance (96%) was maintained. Behaviour has remained good overall.

ACHIEVEMENT AND PERFORMANCE (continued)

Primary (continued)

Roebuck Academy (continued)

The continuing increase in the number of pupils with special needs also placed serious pressure on teaching because of the limited availability of funding and specialist services. The school works with parents to try to access the right support to meet each child's needs.

Despite the restrictions imposed by the COVID-19 emergency, the school has continued to offer a broad and balanced curriculum including immersive experiences to enhance learning.

A recovery curriculum focussed on improving and accelerating the progress and attainment of all pupils with a specific emphasis on Reading.

To achieve this, Fluency sessions have been provided to all year groups focussing on the lower attaining 20%. Higher attaining pupils in years 1 and 2 are also being exposed to more challenging texts and comprehension sessions during daily supported reading. Pupils across Years 2 to 6 received a 'grouped' teaching approach in literacy lessons.

Mental health support was a further focus for both pupils and staff, and the school achieved the Healthy Young Minds Kite Mark. It was asked to contribute to Herts For Learning's Wellbeing Conference, 'Flourishing Lives', on 15 June 2021, having been asked to attend as a result of the impressive evidence submitted during assessment of the quality mark.

Secondary

Thomas Alleyne Academy

Key Stage 4 (GCSE)

Our calculated P8 score for 2021 is 0.13, showing that on average students achieved their indicator grades, or slightly better.

67% of students achieved a standard pass (grade 4 or above) in English and Maths, which is slightly lower than 70% in 2020.

51% of students achieved a strong pass (grade 5 or above) in English and Maths, the same as in 2020.

16% of students achieved a grade 9-7 in English and Maths, similar to 17% in 2020.

A-Level

In 2020, for the 28 students in the cohort, the average grade awarded was B+ compared to an average grade of B- last year.

The A level average point score by entry was 42.03 in 2021, compared to 35.74 in 2020.

All subjects had an average grade of B- or higher.

ACHIEVEMENT AND PERFORMANCE (continued)

All Year 13 students were able to move on to their first choice of destination: 26 students have moved on to higher education, 2 have secured higher level apprenticeships.

School Recruitment in 2020/21

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 2020	July 2021	Year Group	July 2020	July 2021
			Nursery	35	45
7	174	179	Reception	59	60
8	172	179	1	52	57
9	166	169	2	57	58
10	155	170	3	60	57
11	148	153	4	56	61
12	28	57	5	28	60
13	32	28	6	30	28
Total	875	935	Total	377	426

For September 2021, pupil numbers at both schools have risen to 455 at Roebuck and 951 at TAA and early indications for the pupil intake in September 2022 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 in relation to the preparation of the financial statements of the academy trust for the year ended 31 August 2021, the Trustees have considered the following evidence:

Trust Board papers throughout 2020/21 which include budget papers for 2021/22 as well as three year I&E and cash forecasts out to 31/8/2024.

ACHIEVEMENT AND PERFORMANCE (continued)

Going Concern (continued)

Supporting documentation (continued)

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.

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 which have been considered by Ofsted to provide Good leadership.

Because of the Education and Skills Funding Agency's lagged funding model, core funding is secure for 2022/23.

Neither school currently depends significantly upon external income; this has been advantageous during the COVID-19 lockdown, 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 2022.

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	<i>£278k (TAA) as at 31/08/21</i> <i>£24k (Roebuck) as at 31/08/21</i>
Available revenue reserves	<i>Deficit - £179k 31/08/20</i> <i>Deficit - £39k 31/08/21 (after TAA's funds have been moved to capital).</i>
Reserves policy	<i>The Trust is working to address the current revenue reserve deficit and expects to achieve this in 2021/22.</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.***
- ◆ ***a payroll increase of 1.5% for all staff and reviewed those staff who will be eligible to move up pay scales, and non-pay increases of 2.5%.***

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

The 2020/21 accounts show:

- ***An operating surplus of £140k for the full year before pension adjustments.***
- ***An operational margin, which at 1.8% is better than other small academy trusts.***
- ***That payroll costs were 73.5% of revenue, a decrease on the two prior years and also in line with similar Trusts.***
- ***An ending cash balance of £0.5m.***

Restatements of some prior year numbers in respect of leasehold land have been made following a reassessment of historic accounting treatment which has positively impacted the valuation of fixed assets. These do not affect the operating position of the Trust.

A revision of how funding for the science block redevelopment was reported in the 2019/20 accounts has been made to ensure clearer segregation between revenue and capital which has also been flowed through into the 2020/21 statutory accounts. A deficit on revenue reserves has been mostly reduced during 2020/21 and will be fully cleared in 2021/22.

The final statutory accounts for 2020/21 highlights show an operational loss of £731k, inclusive of pension charges (Actuarial losses) of £660k, staff pension costs of £222k and pension interest of £40k.

The estimated pension deficit is £3,181k compared with a 2019/20 deficit of £2,259k (please see note 16 in statutory accounts).

Key 2020/21 TRADING headlines

The 2020/21 accounts show that:

- ***Other trading income activities were significantly reduced from 2019/20 at £108k compared with a prior year of £307k. This reflected the impact of COVID-19 on some income lines, although these were mainly matched by lower costs.***
- ***The Trust recognised £149k of COVID-19 support funding and used this to mitigate the risks and impact of the emergency on students.***
- ***Staff costs increased by £386k but support costs were lower by £290k.***

Both schools continue to have growing rolls with strong forecasts for intakes in 2022/21, although the limit of growth is now being reached. This means that income forecasts remain reasonably secure for the forecast period. Recovery in other income is likely in 2021/22 but has been forecast prudently.

FINANCIAL REVIEW (continued)

Considerable effort has been spent on improving the Trust's estate during the past few years; while such a task can never be said to be complete, and there are Capital Improvement Fund bids being prepared for 2021/22, work to address a historic backlog of work going back (in the case of TAA) to before academy conversion has reduced the need for urgent action.

Summary

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

Income and Expenditure

Total income received in the accounting period to 31st August 2021 amounted to £8,117,061. 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 £8,187,805.

Because pupil numbers continued to rise at both schools, there was further year-on-year revenue growth from 2019/20 to 2020/21. Roebuck Academy will reach capacity in 2021/22 against its PAN of 60. The Thomas Alleyne Academy is routinely close to its PAN of 180 and the principal opportunity for growth will come from increasing the size of the sixth form.

Roebuck Academy operates wrap-around provision (Buccaneers) for pupils which until 2020/21 had been shared with another local school. Restrictions imposed as a result of the COVID-19 emergency meant that this arrangement was no longer possible and the provision will operate for Roebuck parents only from 2021/22. The COVID-19 restrictions reduced income from Buccaneers during 2020/21 and operating for Roebuck only in future may see this situation continue.

Reserves policy

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

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

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

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.

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

PLANS FOR FUTURE PERIODS (continued)

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.

FUTURE PLANS

The impact of the COVID-19 emergency that began in early 2020 continued to varying degrees throughout 2020/21, including a further period of providing face-to-face learning for the children of key workers plus online learning for other groups.

A second year of disrupted examination arrangements for Y11 and Y13 placed substantial pressures on teachers at the Thomas Alleyne Academy. However, the process that resulted in the award of Teacher Assessed Grades (TAGs) as robust and only a small number of appeals were received, none of which were upheld. The expectation is that summer 2022 will see a reversion to examinations, possibly with some adaptations to reflect the impact of two years' disruption in education, and with criteria for the higher grades tightened to bring down the proportion of candidates receiving them. This will make for another very challenging year for teachers and students and preparation for exams will need to reflect that.

Working in a more tightly constrained physical environment in 2020/21 – albeit restrictions began to be lifted from the latter half of the spring term – has also brought challenges for both schools, including the continuation of support for mental health issues for students and staff. Ensuring learners were able to receive enrichment activities continued to require innovation on the part of both schools' staff. Plans for the coming year include relaunching clubs and after school activities and returning to more external enrichment visits and experiences. The successful and very popular Duke of Edinburgh scheme programme at the Thomas Alleyne Academy is also returning with increased participation, and there will be more opportunities for music-making and drama in both schools.

While both school communities have adapted well to challenging circumstances, additional stresses are likely to remain during the coming academic year.

As the impact of the COVID-19 emergency starts to diminish, the Trust is once more looking to see where it can provide support for other schools in the Stevenage and North Hertfordshire area. In the light of a government statement that all schools will need to become academies in the coming years, it 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.

Trustees' report - Year to 31 August 2021

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 1 December 2021 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'Andrew Simmons', is written over a large, horizontal, oval-shaped scribble.

Andrew Simmons, Chair and Trustee

1 December 2021

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 information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board met six times in 2020/21 in addition to holding an Annual General Meeting. Attendance for the year was 97.96% (2018/19: 84.62%). All meetings took place using videoconference facilities and no meetings were cancelled.

Name	Role	Appointed	Term	Board Meetings attended	Other committees supported
G Cleverdon	Audit Chair	25/09/2016	4 years	7/7 (100%)	
H F Clifford	Chair, TAA LGB	01/09/2021	4 years	0/0	
K Davies	Vice-chair Sponsor Chief Executive	20/11/2017	4 years	7/7 (100%)	
J J E Ellam	Chair, TAA LGB (until 31/08/21)	10/02/2016	4 years	7/7 (100%)	Audit
M C J Lewis	Managing Director		Ex officio	7/7(100%)	TAA LGB Roebuck LGB
S Marshman	Chair, Roebuck LGB	01/07/2017	4 years	6/7 (86%)	
V Parsey		01/04/2016	4 years	7/7 (100%)	
A B Simmons	Chair	05/10/2016	4 years	7/7 (100%)	Search

Governance

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 2020/21 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.

Governance reviews

No external review of governance was undertaken in 2020/21. The Trust Board intends to undertake a self-evaluation as part of its programme of strategic thinking workshops in the spring term of 2021/22.

Local governing bodies continue to be active and engaged and Ofsted inspections of both the Thomas Alleyne Academy and the Roebuck Academy have 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

Governance statement Year to 31 August 2021

Governance reviews (continued)

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.

No Trustees were appointed during the year. However, a new Trustee (Hilary Clifford) was appointed to take up their role as Trustee and Chair of the Thomas Alleyne Academy Local Governing Body (LGB) with effect from 1 September 2021 and Dr Socrates Karidis was appointed as a Trustee with effect from 6 October 2021.

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 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 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 2020/21 (2019/20: 2) and plans to meet four times in 2021/22. Attendance for the year was 100% (2019/20: 100%).

Audit & Risk Committee (continued)

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	2/2 (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 2020/21.

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 2020/21, there were two co-opted governors.

The local governing body met more frequently than normal in order to respond to the ongoing COVID-19 emergency. All meetings were held by videoconference during the year.

Local governing bodies (continued)

The Roebuck Academy (continued)

Having successfully re-opened at the end of 2019/20, the school managed to maintain its record of no 'bubble' closures until the very end of 2020/21, as wider COVID-19 restrictions were lifted across England. Governors monitored the management of risk and the provision of support for anxiety and mental health for the school community, including staff. They also considered how lost learning would be addressed through adjustments to the curriculum. Support for disadvantaged pupils was vital; home visits were used to encourage attendance and this also helped identify other needs. Wherever possible, families were signposted to other agencies for help.

The school continued to challenge itself to improve and governors reviewed reports on Safeguarding and from the Hertfordshire Improvement Partner that supported their assessment that the school continued to be Good. Governors anticipated that the school would receive an Ofsted inspection at some point during 2021/22 (an expected visit in 2019/20 or 2020/21 having been delayed by the COVID-19 emergency) and this came about at the end of September 2021. At the time of writing the final report has yet to be published.

As anticipated, during 2020/21 three long serving local governors reached the ends of their terms of office and, their children having left the school, did not wish to serve a further term. A co-opted local governor stood down having moved out of the area and one governor resigned as a result of the COVID-19 emergency affecting her business. One parent governor was appointed

The LGB met seven times in 2020/21 (2019/20: 7). Attendance was 80.65% (2019/20: 78.00%).

Local governing bodies (continued)

The Roebuck Academy (continued)

Name	Role	Appointed	Stepped down	LGB Meetings attended
Linsey Brewis	Parent Governor	10/11/2016	30/11/2020	2/3 (67%)
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	11/04/2018		5/7 (71%)
Nadia Hodges	Trust Governor	01/05/2019		4/7 (57%)
Alison Hollick	Parent Governor	01/03/2019		4/7 (57%)
Zeta Jackson	Trust Governor	01/12/2016	30/11/2020	2/3 (67%)
Mark Lewis	Trustee	ex officio		7/7 (100%)
Stephen Marshman	Chair	01/11/2017		7/7 (100%)
Fiona Minett-Watkins	Parent Governor	01/03/2019	05/03/2021	2/4 (50%)
Jaimie Nelson	Parent Governor	01/07/2017	31/03/2021	5/5 (100%)
Andy Palmer	Trust Governor	19/02/2016		7/7 (100%)
Reena Shah	Co-opted	21/02/2020	04/02/2021	2/4 (50%)
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 Trinity College, Cambridge, and one governor is nominated by the College. In 2020/21, there was also one co-opted governor.

The local governing body met more frequently than normal in order to respond to the COVID-19 emergency. During 2020/21, six meetings were held by videoconference, with the final meeting of the year (July 2021) held in school in a COVID-secure fashion.

Local governing bodies (continued)

The Thomas Alleyne Academy (continued)

During 2020/21, the local governing body considered and approved a development of the school's Values based on the concept of Character Education. These were launched in September 2021 and are expressed as Courage, Determination and Empathy. They have been positively received by the school community and the reward and recognition system has been aligned with these values.

Governors encouraged the school to continue to work to raise aspirations among its community, encourage excellent attendance and behaviour. It supported the headteacher's decision to ban mobile phones from school from September 2021, to encourage students to have less screen time, following the two years of disrupted and sometimes on-line learning. This has been largely accepted by students and welcomed by most parents.

Governors monitored performance and progress and continued to engage in Governor in School sessions – though for the most part these took place virtually during the year – at which presentations and discussions with other staff were facilitated.

During the year, one governor resigned and a governor (a former student) was co-opted onto the LGB, increasing diversity and bringing additional science-based skills and experience to the table.

At the end of the year, the Chair came to the end of his term of office. As he had moved away from the immediate area, he did not propose to serve another term, though he was willing to continue to serve as a Trustee and the Trust Board was content for this to be so. As a result of an interview process involving Trustees and members of the local governing body, a new Chair (Hilary Clifford) was appointed to take office from 1 September 2021, also joining the Trust Board as a Trustee.

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.

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.

Governance statement Year to 31 August 2021

Local governing bodies (continued)

The Thomas Alleyne Academy (continued)

The LGB met seven times in 2020/21. Attendance was 90.80% (2019/20: 90.48%).

Name	Role	Appointed	Stepped down	LGB Meetings attended
Robert Baldock	Parent Governor	14/02/2019		7/7 (100%)
Hilary Clifford	Chair (from 1 September 2021)	01/09/2021		0/0 (-)
Julia Cooke	Staff Governor	01/09/2017		7/7 (100%)
Howard Crompton	Trust Governor	01/09/2017		7/7 (100%)
Caterina Ducati	Trinity College Governor	01/09/2019		6/7 (86%)
Jonathan Ellam	Chair (until 31 August 2021)	01/09/2017	31/08/2021	7/7 (100%)
David Gray	Vic-chair	23/11/2017		7/7 (100%)
Mark Lewis	Head teacher	N/A		7/7 (100%)
Tara McGovern	Trust Governor	01/09/2016		6/7 (86%)
Jo Mellett	Parent Governor	14/02/2019		7/7 (100%)
Gary Phillips	Trust Governor	01/05/2019	31/08/2021	5/7 (71%)
Kerry Pritchett	Trust Governor	06/10/2021		0/0 (-)
Lynsey Steadman	Staff Governor	01/09/2017		7/7 (100%)
Chloe Tayler	Co-opted	01/03/2021	30/09/2021	2/3 (67%)
Jenny White	Trust Governor	22/09/2017		4/7 (57%)

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 Grounds Maintenance).

Using benchmarking data to ensure curriculum-led financial planning took place across the Trust.

Using benchmarking data to ensure the senior team was the right size and that teaching hours for all staff were at the right level.

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.

Reducing lunch duty costs by amending the structure of the academy day.

Reviewing the Financial Regulations to ensure procedures for managing bad debts were clear and that procurement thresholds were in line with the latest guidance on the Public Contracts Regulations.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

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

The system of internal control has been in place in the Hart Schools Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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 an internal audit service from RSM UK Audit LLP. The Internal Auditor's role 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:

Key Financial Controls

Estates Management

On an annual basis, the Internal Auditor reports 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.

During the year, RSM completed the planned programme of internal audit reports and made recommendations concerning three high, two medium and one low priority actions relating to estates management and two low priority actions relating to Key Financial Controls. 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.

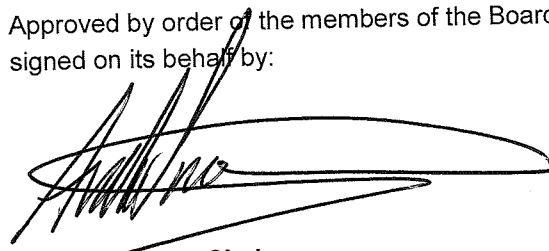
Review of effectiveness

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 1 December 2021 and signed on its behalf by:



A B Simmons - Chair



M Lewis - Accounting Officer

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

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

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

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

M C J Lewis - Accounting Officer

Date: 1 December 2021

Statement of Trustees' responsibilities - Year to 31 August 2021

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 2020 to 2021***
- ◆ ***make judgments and accounting estimates that are reasonable and prudent***
- ◆ ***state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements***
- ◆ ***prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.***

The 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 1 December 2021 and signed on its behalf by:


A B 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 2021 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 2020 to 2021.

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 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 2020 to 2021, the Academies Financial Handbook 2020, 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.



17.12.2021

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 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hart Schools Trust Ltd during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

17.12.2021

Hugh Swainson

Buzzacott LLP

Chartered Accountants

130 Wood Street

London

EC2V 6DL

Statement of financial activities (including income and expenditure account)
Year to 31 August 2021

	Notes	Unrestricted general funds £	Restricted general funds £	Restricted fixed assets fund £	2021 Total funds £	2020 Total funds as restated £
Income from:						
Donations and capital grants	2	10,172	24,023	416,666	450,861	841,358
Other trading activities	4	107,929	—	—	107,929	306,771
Charitable activities:						
Funding for the academy's educational operations	3	155,936	7,402,335	—	7,558,271	6,796,923
Total		<u>274,037</u>	<u>7,426,358</u>	<u>416,666</u>	<u>8,117,061</u>	<u>7,945,052</u>
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	274,037	7,442,006	471,762	8,187,805	7,802,185
Total		<u>274,037</u>	<u>7,442,006</u>	<u>471,762</u>	<u>8,187,805</u>	<u>7,802,185</u>
Net (expenditure)/income		—	(15,648)	(55,096)	(70,744)	142,867
Transfers between funds	17	—	(105,930)	105,930	—	—
Actuarial losses on defined benefit schemes	20	—	(660,000)	—	(660,000)	(136,000)
Net movement in funds		—	(781,578)	50,834	(730,744)	6,867
RECONCILIATION OF FUNDS						
Fund balances brought forward at 1 September 2020 as previously stated		—	(2,438,748)	29,003,746	26,564,998	25,054,907
Opening funds adjustment		—	—	—	—	1,503,224
Total funds brought forward as restated		—	<u>(2,438,748)</u>	<u>29,003,746</u>	<u>26,564,998</u>	<u>26,558,131</u>
TOTAL FUNDS CARRIED FORWARD		—	<u>(3,220,326)</u>	<u>29,054,580</u>	<u>25,834,254</u>	<u>26,564,998</u>

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

The notes on pages 49 to 64 form part of these financial statements. The analysis of certain categories of income and expenditure within the Statements of Financial Activities and the related notes to the financial statements have been updated within the comparative figures to better align with the Academies Accounts Direction.

Balance sheet As at 31 August 2021

	Notes	2021 £	2021 £	2020 as restated £	2020 as restated £
Fixed assets					
Tangible assets	12		28,899,866		28,417,672
Current assets					
Debtors	13	510,654		1,053,705	
Cash at bank and in hand		526,760		174,617	
		1,037,414		1,228,322	
Current liabilities					
Creditors: amounts falling due within one year	14	(885,834)		(649,484)	
Net current assets (liabilities)			151,580		578,838
Total assets less current liabilities			29,051,446		28,996,510
Creditors: amounts falling due after more than one year	15		(36,192)		(172,512)
Net assets excluding pension scheme liability			29,015,254		28,823,998
Pension liability	20		(3,181,000)		(2,259,000)
NET ASSETS			25,834,254		26,564,998
Funds of the academy trust					
Restricted income funds					
Fixed asset fund	17	29,054,580		29,003,746	
Restricted income fund		(39,326)		(179,748)	
Pension reserve		(3,181,000)		(2,259,000)	
Total restricted funds			25,834,254		26,564,998
Unrestricted funds			—		—
TOTAL FUNDS			25,834,254		26,564,998

The financial statements on page 38 to 64 were approved by the Board of Trustees and authorised for issue on 1 December 2021 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 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash provided by (used in) operating activities	865,410	(566,942)
Cash flows from investing activities	(513,267)	453,663
Change in cash and cash equivalents in the year	352,143	(113,279)
Cash and cash equivalents at 1 September 2020	174,617	287,896
Cash and cash equivalents at 31 August 2021	526,760	174,617

Reconciliation of net (expenditure) income to net cash flow from operating activities

	At 31 August 2021 £	At 31 August 2020 £
Net (expenditure) income for the reporting period (as per the statement of financial activities)	(70,744)	142,687
Adjusted for:		
Depreciation charges	471,762	468,745
Capital grants from DfE and other capital income	(440,689)	(684,791)
Defined benefit pension scheme cost less contributions payable	222,000	200,000
Defined benefit pension scheme finance cost	40,000	45,000
Decrease in stock	—	1,200
Decrease (increase) in debtors	534,051	(864,569)
Increase in creditors	100,030	124,786
Net cash provided by (used in) operating activities	865,410	(566,942)

Cash flows from investing activities

	At 31 August 2021 £	At 31 August 2020 £
Purchase of tangible fixed assets	(953,956)	(231,128)
Capital grants from DfE/ESFA	440,689	684,791
Net cash provided by (used in) operating activities	(513,267)	453,663

Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2020 £
Cash	174,617	352,143	526,760

Statement of cash flows Year to 31 August 2021

Analysis of cash and cash equivalents

	At 31 August 2021 £	At 31 August 2020 £
Cash in hand and at bank	526,760	174,617

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.

ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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.

Critical Accounting Estimates and assumptions (continued)

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 2021.

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.

Tangible fixed assets (continued)

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.

Taxation (continued)

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.

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 23.

Prior year adjustments

In the financial statements for the year ended 31 August 2015 to the year ended 31 August 2020 depreciation was incorrectly charged on the land element of the land and buildings asset in relation to Thomas Alleyne School. Additionally in the financial statements for the year ended 31 August 2018 to the year ended 31 August 2020 depreciation was incorrectly charged on the land element of the land and buildings fixed asset for Roebuck School.

In the year ended 31 August 2019 capital works on the construction of a new science block commenced. This was funded by way of a Capital Improvement Fund grant (CIF grant). The Academy was notified of the successful outcome of this funding, and works began prior to the 31 August 2019, therefore the conditions of probability of receipt, entitlement and measurability were met and the income should have been recognised in that financial year, with unspent surplus to be carried forward into the year ended 31 August 2020 in the restricted fixed asset fund.

In the year ended 31 August 2019 capital income of £130,000 was received, but not disclosed as capital income in the year end accounts.

In the financial years prior to the year ended 31 August 2020 transfers to and from the restricted fixed asset fund when asset additions in the year exceeded capital income had not been accounted for.

The impact of these adjustments on the funds previously reported are set out below.

Principal accounting policies Year to 31 August 2021

	Unrestricted general funds £	Restricted funds		Total funds £
		General funds £	Fixed asset funds £	
Reconciliation of reported funds				
Total funds as at 1 September 2019 (as previously stated)	75,258	(1,689,892)	27,252,265	25,910,631
Adjustment for depreciation related to 2018/19 and earlier	—	—	647,500	647,500
Surplus/(deficit) for 2019/20 (as previously stated)	(5,005)	(253,027)	(597,692)	(855,724)
Adjustment for depreciation relating to 2019/20	—	—	177,620	177,620
Adjustment for accruing of CIF income	—	—	684,971	684,971
Reclassification of income	—	(130,000)	130,000	—
Revised surplus/deficit	(5,005)	(383,027)	394,899	6,867
Revised transfers	(70,253)	(365,829)	436,082	—
Total funds as at 31 August 2020 (as restated)	—	(2,438,748)	29,003,746	26,564,998

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2021 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 2021.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2021 Total funds £	2020 Total funds £
Capital grants	—	24,023	416,666	440,689	841,358
Other donations	10,172	—	—	10,172	—
	<u>10,172</u>	<u>24,023</u>	<u>416,666</u>	<u>450,861</u>	<u>841,358</u>

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>2020 Total funds</i> £
<i>Capital grants</i>	—	841,358	841,358
<i>Other donations</i>	—	—	—
	<u>—</u>	<u>841,358</u>	<u>841,358</u>

3 Funding for academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	2021 Total £	2020 Total As restated £
DfE/ESFA grants				
General Annual Grant (GAG)	—	5,943,512	5,943,512	5,796,658
Other DfE / ESFA grants				
. UIFSM	—	120,369	120,369	96,342
. Pupil Premium	—	315,473	315,473	313,274
Other DfE Group grants	—	349,654	349,654	244,357
	—	6,729,008	6,729,008	6,450,631
Other government grants				
Local Authority grants	—	406,880	406,880	148,008
COVID-19 Additional funding (DfE/ESFA)				
Catch-up premium	—	98,160	98,160	—
Other DfE/ESFA COVID-19 funding	—	50,401	50,401	—
	—	148,561	148,561	—
COVID-19 Additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	—	2,926	2,926	—
Other COVID-19 funding				
Other income from the academy trust's educational operations	155,936	114,960	270,896	198,284
	155,936	7,402,335	7,558,271	6,796,923

The trust received £98,160 of funding for catch-up premium and costs incurred in respect of this funding totalled £98,160.

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

Notes to the financial statements Year to 31 August 2021

4 Other trading activities

	2021 Total funds £	2020 Total funds £
Hire of facilities	62,610	69,491
Income from other charitable activities	40,716	160,772
Income from ancillary trading activities	4,603	76,508
	107,929	306,771

5 Expenditure

	Staff costs £	Non-pay expenditure		2021 Total funds £	2020 Total funds (Restated £)
		Premises £	Other costs £		
Academies educational operations					
- Direct costs	5,308,734	471,762	392,102	6,172,598	5,497,174
- Allocated support costs	740,971	580,061	694,175	2,015,207	2,305,011
	6,049,705	1,051,823	1,086,277	8,187,805	7,802,185

Net income/(expenditure)for the period includes:

	2021 Total funds £	2020 Total funds £
Operating lease rentals	7,262	—
Depreciation – owned assets	471,762	646,365
Auditor's remuneration:		
. Audit	9,750	9,000
. Other services	7,750	—

6 Charitable Activities – Academy’s Educational Operations

	2021 Total funds £	2020 Total funds (Restated) £
Direct costs	6,172,598	5,497,174
Support costs	2,015,207	2,305,011
	8,187,805	7,802,185
Analysis of support costs		
Support staff costs	740,971	938,938
Technology costs	23,810	90,541
Premises costs	580,061	571,575
Other support costs	643,303	679,382
Governance costs	27,062	24,575
	2,015,207	2,305,011

7 Staff

(a) Staff costs

Staff costs during the year were:

	2021 Total funds £	2020 Total funds £
Wages and salaries	4,413,791	4,108,945
Social security costs	426,428	309,782
Pension costs	1,172,293	1,125,808
	6,012,512	5,544,535
Support staff cost	37,193	—
	6,049,705	5,544,535

8 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:

	2021 No.	2020 No.
Teachers	90	81
Administration and support	73	73
Management	2	2
	165	156

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

	2021 No.	2020 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	—
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—
	6	5

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 £251,276 (2020: £243,339).

9 Central services

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

10 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 - £100,001 - £110,000 (2020: £95,001 - £100,000)

Employer's pension contributions paid - £20,001 - £25,000 (2020: £20,001 - £25,000)

Trustees' expenses

During the year ended 31 August 2021, no travel and subsistence expenses totalling were paid to trustees (2020: £175 to 1 trustee)

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

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £	Inherited assets £	Furniture and equipment £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2020	1,508,931	28,989,000	434,391	57,867	—	30,990,189
Additions	683,148	—	92,381	—	178,427	953,956
At 31 August 2021	<u>2,192,079</u>	<u>28,989,000</u>	<u>526,772</u>	<u>57,867</u>	<u>178,427</u>	31,944,145
Depreciation						
At 1 September 2020 (Restated)	103,171	2,046,840	393,254	29,252	—	2,572,517
Charge for the year	30,178	402,160	29,885	9,539	—	471,762
At 31 August 2021	<u>133,349</u>	<u>2,449,000</u>	<u>423,139</u>	<u>38,791</u>	<u>—</u>	3,044,279
Net book value						
At 31 August 2021	<u>2,058,730</u>	<u>26,540,000</u>	<u>103,633</u>	<u>19,076</u>	<u>178,427</u>	28,899,866
At 31 August 2020 (Restated)	<u>1,405,760</u>	<u>26,942,160</u>	<u>41,137</u>	<u>28,615</u>	<u>—</u>	28,417,672

13 Debtors

	2021 £	2020 £
Trade debtors	193	4,610
Other debtors	—	2,835
VAT recoverable	29,266	50,459
Prepayments and accrued income	481,195	995,801
	<u>510,654</u>	<u>1,053,705</u>

14 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	114,390	147,206
Social security and other taxes	107,622	97,320
CIF loan	4,021	—
Other creditors	237,346	103,382
Accruals and deferred income	422,455	301,576
	885,834	649,484

	2021 £	2020 £
Deferred income at 1 September 2020	376,386	221,738
Released from previous years	(376,386)	(221,738)
Resources deferred in the year	244,692	376,386
Deferred income at 31 August 2021	244,692	376,386

Included within deferred income as at 31 August 2021 is £244,692 (2020: £376,386) falling due within one year and £Nil (2020: £Nil) falling due after more than one year.

15 Creditors: Amounts falling due after more than one year

	2021 £	2020 £
CIF loans	36,192	—
Accruals and deferred income	—	172,512
	36,192	172,512

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.

16 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.

17 Movement in funds

	Balance at 1 September 2020 restated £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(386,095)	5,943,512	(5,514,836)	(105,930)	(63,349)
Pupil premium	179,960	315,473	(495,433)	—	—
UIFSM	—	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>
Restricted fixed assets fund					
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>
Unrestricted funds					
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>

17 Movement in funds (continued)

Comparative for movements in funds:

	<i>Balance at 1 September 2019 restated</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains, losses and transfers</i>	<i>Balance at 31 August 2020 restated</i>
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	138,703	5,796,658	(5,740,627)	(580,829)	(386,095)
UIFSM	—	96,342	(96,342)	—	—
Pupil premium	49,405	313,274	(182,719)	—	179,960
Local authority funds	—	148,008	(148,008)	—	—
Other	—	469,028	(442,641)	—	26,387
Pension reserve	(1,878,000)	—	(460,000)	79,000	(2,259,000)
	<u>(1,689,892)</u>	<u>6,823,310</u>	<u>(7,070,337)</u>	<u>(501,829)</u>	<u>(2,438,748)</u>
Restricted fixed assets fund					
DfE Capital Grants	828,445	814,971	(17,912)	436,082	2,061,586
Transfer on conversion	27,344,320	—	(402,160)	—	26,942,160
	<u>28,172,765</u>	<u>814,971</u>	<u>(420,072)</u>	<u>436,082</u>	<u>29,003,746</u>
Total restricted funds	<u>26,482,873</u>	<u>7,638,281</u>	<u>(7,490,409)</u>	<u>(65,747)</u>	<u>26,564,998</u>
Total unrestricted funds	75,258	306,771	(311,776)	(70,253)	—
Total funds	<u>26,558,131</u>	<u>7,945,052</u>	<u>(7,802,185)</u>	<u>(136,000)</u>	<u>26,564,998</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.

17 Movement in funds (continued)

Analysis of fund balances by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Thomas Alleyne Academy	(125,754)	(288,874)
Roebuck Academy	86,428	109,126
Total before fixed asset and pension reserve	(39,326)	(179,748)
Fixed asset fund	29,054,580	29,003,746
Pension reserve	(3,181,000)	(2,259,000)
Total	25,834,254	26,564,998

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) £	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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Deprecia- tion) £	2020 Total £
Thomas Alleyne Academy	3,212,881	845,578	335,596	939,736	5,333,791
Roebuck Academy	909,134	502,503	114,626	360,388	1,886,651
Total	4,122,015	1,348,081	450,222	1,300,124	7,220,442

18 Commitments under operating leases

Operating leases

At 31 August 2021, the total of the Academy's future minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Amounts due within one year	8,631	—
Amounts due between two and five years inclusive	71,172	—
	79,803	—

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2021 Total funds £
Fixed assets	—	—	28,899,866	28,899,866
Current assets	—	842,487	194,927	1,117,414
Current liabilities	—	(881,813)	(4,021)	(885,834)
Long term liabilities	—	—	(36,192)	(36,192)
Pension liability	—	(3,181,000)	—	(3,181,000)
	—	<u>(3,220,326)</u>	<u>29,054,580</u>	<u>25,834,254</u>

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2020 Total funds £
Fixed assets	—	—	28,417,672	28,417,672
Current assets	—	642,248	586,074	1,228,322
Current liabilities	—	(649,484)	—	(649,484)
Long term liabilities	—	(172,512)	—	(172,512)
Pension liability	—	(2,259,000)	—	(2,259,000)
	—	<u>(2,438,748)</u>	<u>29,003,746</u>	<u>26,564,998</u>

20 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 £114,427 (2020: £104,561) were payable to the schemes at 31 August 2021 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.

20 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 2023

The employer's pension costs paid to TPS in the period amounted to £738,293 (2020: £700,808).

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.

20 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 2021 was £274,000 (2020: £269,000), of which employer's contributions totalled £218,000 (2020: £215,000) and employees' contributions totalled £56,000 (2020: £54,000). 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	2021	2020
Males	22.1	21.9
Females	24.5	24.1
Retiring in 20 years		
Males	23.2	22.8
Females	26.2	25.5

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

	2021 £	2020 £
Current service cost	378,000	425,000
Interest income	(46,000)	(45,000)
Interest cost	86,000	80,000
	418,000	460,000

20 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:

	2021 £	2020 £
Opening defined benefit obligation	4,864,000	4,251,000
Current service cost	434,000	425,000
Contributions by scheme participants	56,000	54,000
Interest cost	86,000	80,000
Actuarial losses	969,000	153,000
Benefits paid	(87,000)	(99,000)
	6,322,000	4,864,000

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

	2021 £	2020 £
Opening fair value of scheme assets	2,605,000	2,373,000
Contributions by employer	212,000	215,000
Contributions by scheme participants	56,000	54,000
Expected return	46,000	45,000
Actuarial gains	309,000	17,000
Benefits paid	(87,000)	(99,000)
	3,141,000	2,605,000

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

	2021 £	2020 £
Equities	1,664,730	1,380,650
Bonds	910,890	911,750
Property	345,510	234,450
Cash	219,870	78,150
Total market value of assets	3,141,000	2,605,000
Present value of scheme liabilities	(6,322,000)	(4,864,000)
Deficit in the scheme	(3,180,000)	(2,259,000)

20 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):

	2021	2020
Rate of increase in salaries	3.3%	2.60%
Rate of increase for pensions in payment	2.9%	2.20%
Discount rate for scheme liabilities	1.7%	1.70%
Inflation assumption (CPI)	2.9%	2.20%
Commutation of pensions lump sums (pre April 2008)	50.00%	50.00%
Commutation of pensions lump sums (post April 2008)	75.00%	75.00%

21 Capital commitments

	2021 £	2020 £
Contracted but not provided for in the financial statements	202,554	683,172

During the year The Hart Schools Trust Ltd entered into a contract for Fire Safety improvement works at the Thomas Alleyne Academy. The total contracted cost was for £416,666 for which £214,112 had been paid for as at 31 August 2021.

22 Related Party Transactions

During the year The Hart Schools Trust Ltd made sales to North Hertfordshire College amounting to £105,000 (2020: £105,000). The Trust also made purchases for goods and services amounting to £361,248 (2020: £324,203) from North Hertfordshire College. There were no amounts outstanding at the year end (2020: none).

During the year The Hart Schools Trust Ltd made purchases for goods and services from Hart Learning Group amounting to £7,277 (2020: £18,313). 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 (2020: 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 £154,500. This amount is included in the total amount made for purchases of goods and services above.

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

All related party transactions took place on a cost basis and in accordance with the requirements of the Academies Financial Handbook (effective June 2020), including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal

22 Related Party Transactions (continued)

procurement procedures related to connected and related party transactions. The services were provided at no more than cost.

No other related party transactions took place in the period of account, other than certain trustee' remuneration and expenses already disclosed in note 10.

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £4,855 and disbursed £5,920 from the fund. An amount of £1,065 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2020 are £6,073 received, £4,450 and £1,623 included in other creditors.