

The Hart Schools Trust Ltd

Annual Report and Financial Statements

31 August 2023

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

Contents

Reports

Reference and administrative information	1
Trustees' report	3
Governance statement	18
Statement of regularity, propriety and compliance	30
Statement of Trustees' responsibilities	31
Independent auditor's report on the financial statements	32
Independent reporting accountant's report on regularity	37

Financial statements

Statement of financial activities	39
Balance sheet	40
Statement of cash flows	41
Principal accounting policies	43
Notes to the financial statements	49

Reference and administrative information

Members	Kit Davies Judy Glasman Andrew B Simmons
Trustees	Geoff Cleverdon (until 31 December 2022) Hilary Clifford Kit Davies Jonathan J E Ellam Paul Extance (from 16 January 2023) Socrates Karidis Louise Lee (from 1 November 2022) Mark C J Lewis Vicky Parsey Sahreen Siddiqui (from 1 November 2022) Andrew B Simmons Helen Stanton-Tonner (from 1 December 2022)
Company Secretary	Robert Dale
Key Management Personnel	
Chief Executive, Hart Schools Trust and Headteacher, the Thomas Alleyne Academy	Mark Lewis Lynsey Young (until 31 August 2023)
Headteacher, the Roebuck Academy	Andy Mari (from 1 September 2023)
Chief Finance Officer	Andrew McLeod
Company name	The Hart Schools Trust Ltd
Company registration number	07791933 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Registered office	The Thomas Alleyne Academy High Street Stevenage Hertfordshire SG1 3BE
Bankers	Barclays Bank plc 86 Town Centre, Hatfield, Herts AL10 0JP

Reference and administrative information

Solicitors

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

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

Internal auditors

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

Trustees' report Year to 31 August 2023

The Trustees present their report and audited financial statements of the charity for the year ended 31 August 2023. 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 1,432 on 31 July 2023 (2022: 1,405). The combined roll in September 2023 is 1,479.

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 2023 and to the date these accounts are approved are listed on page 1. The trustees of the Hart Schools Trust are also the directors of the charitable company for the purposes of company law.

Members' Liability

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

Each Member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a Member.

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Trustees (continued)

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

Induction and Development

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

Recruitment of Directors/Trustees and local governors

Trust Directors are appointed by the Members of the Trust.

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

Organisational Structure

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

During the period ended 31 August 2023, the Trust supported two schools:

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

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

The Chief Executive acts as the Trust's Accounting Officer.

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

- ◆ Efficient. The decision-making process is timely and harnesses the cost benefits of a group of schools operating within the Trust (and of the Trust's connections with North Hertfordshire College).
- ◆ Simple. The level of decision-making for specific matters is clearly understood by everyone involved.
- ◆ Consistent. Decisions made at different levels of the Trust are appropriate for the part of the Trust concerned but consistent with the Trust's overall strategy and policy framework.

The Board of Trustees:

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

Arrangements for setting pay and remuneration of key management personnel

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

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

The Chief Executive and key management personnel are appointed on salaries within a band similar to and benchmarked against national pay scales for maintained school senior leaders. Progression within the salary ranges depends upon performance in the relevant year. Performance assessment is carried out through review meetings with the Chief Executive with the performance evaluation reported to the Trust Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

Relevant union officials

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

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£11,511
Provide the total pay bill	£6,753,168
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.17%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
--	----

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 based on a service level agreement whose quality and value for money is regularly reviewed by the Trust Board. The current agreement covers the three years 2021/22, 2022/23 and 2023/24.

The 2022/23 Academy Trust Handbook requires the Trust to have the written consent of the Education and Skills Funding Agency (ESFA) for this arrangement, but such consent was not granted in 2021/22 and as the agreement covered three years, that position remains.

However, the ESFA gave no directions to the Trust in respect of the arrangement in 2021/22 and Trustees continue to believe that it represents good value for money having benchmarked it against similar agreements for central service costs adopted by other Trusts using independent analysis of information in the public domain.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties and other Connected Charities and Organisations (continued)

Since the previous correspondence with the ESFA on this matter, guidance in the 2023/24 Academy Trust Handbook relating to these relationships has changed and prior written approval is no longer required when a related party transaction relates to contracts and other agreements for the supply of goods or services to a trust by "colleges, universities and schools which are sponsors of the academy trust". That is the situation in this case.

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 receives services from HFL Education including visits from specialist education advisers. One of the Trustees is employed by HFL Education as a Governance adviser. The interest has been declared and the Trustee complies with the prevailing Code of Conduct advice in respect of conflicts of interest.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

Objectives, Strategies and Activities

The main objectives of the Trust are summarised below:

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

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

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

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

Trustees believe their mission is consistent with the guidance on providing public benefit. Students are drawn from the local community and provision is made to support those who are disadvantaged. In delivering our mission, we provide identifiable public benefits:

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

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

ACHIEVEMENT AND PERFORMANCE

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

Primary

Roebuck Academy

- ◆ Across all year-groups, the attendance level in 2022/23 was 93.1% (2021/22: 94.1%) which was above national average data.
- ◆ Key Stage 2 results showed a fall against 2021/22 results. 57% (2021/22: 63%) of children achieved age related expectations in reading, writing and mathematics combined, compared to a national average of 59%.
- ◆ 72% of children achieved Age-related Expectations (ARE) in Maths (2021/22: 78%), with 25% at Greater Depth (2021/22: 18%)
- ◆ 67% achieved ARE in reading (2021/22: 70%), with 26% at Greater Depth (2021/22: 28%).
- ◆ 69% achieved ARE in grammar, punctuation and spelling (2021/22: 65%), with 23% at Greater Depth (2021/22: 13%).

ACHIEVEMENT AND PERFORMANCE (continued)

Primary (continued)

Roebuck Academy (continued)

- ◆ Year 1 achieved a 75% pass rate for phonics (2021/22: 76%).
- ◆ Key Stage 1 SATs achieved a combined score of 54% (2021/22: 49%). Writing, Maths and Science all improved against 2021/22 outcomes; Reading was slightly lower.
- ◆ At the Early Years Foundation Stage (EYFS) 67% of pupils achieved a good level of development (GLD) (2021/22: 63%).

Secondary

Thomas Alleyne Academy

Across all year-groups, the attendance level in 2022/23 was 91.9% (2021/22: 92.5%) which was above national average data.

Key Stage 4 (GCSE)

- ◆ Our Progress 8 (P8) score for 2022/23 is -0.04 a significant improvement from 2018/19 - the last year in which public examinations were held before the COVID-19 emergency (-0.58).
- ◆ 62.7% (2021/22 65.5%) of students achieved a standard pass (grade 4 or above) in English and Maths, which is slightly lower than in 2018/19 when the figure was 63.9%. In Maths, the figure was 72.9% and in English the figure was 68.7%.
- ◆ 41% (2021/2: 48%) of students achieved a strong pass (grade 5 or above) in English and Maths, compared to 38.3% in 2019. In Maths the figure was 57.2% and in English the figure was 47%.
- ◆ 9% (2021/2: 13.7%) of students achieved a grade 9-7 in English and Maths, lower than the 10.5% of students in 2019. In Maths, the figure was 29.5% and in English the figure was 11.4% compared to 21.1% for Maths nationally and 18.8% for English nationally.
- ◆ The number of grade 9s achieved across subjects increased to 40, from 38 in 2022 and from 16 in 2019.

A-Level

- ◆ In 2022/23, the cohort of 30 students achieved an average of a C grade (2021/22: C+) compared to D+ in 2019 for a cohort of 27. Students achieved a 100% pass rate across all post-16 courses.
- ◆ In 2023, the A level average point score by entry was 30.33 , compared to 33.19 in 2022 and 21.39 in 2019.
- ◆ The majority of subjects had an average grade of C- or above. All subjects in 2022 had an average grade of C- or higher.

ACHIEVEMENT AND PERFORMANCE (continued)

School recruitment in 2022/23

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 2022	July 2023	Year Group	July 2022	July 2023
			Nursery	48	46
7	179	179	Reception	60	59
8	177	174	1	59	60
9	177	180	2	58	58
10	168	176	3	54	58
11	164	165	4	59	60
12	31	61	5	59	60
13	52	30	6	60	61
Total	948	965	Total	457	462
Combined Total				1,405	1,432

For September 2022, pupil numbers at both schools have risen to 463 at Roebuck and 1,016 at TAA (a Trust total of 1,479). Both schools recruited slightly over their Published Admissions Number (PAN) in 2022/23 because of appeals and a twin admission. Early indications for the pupil intake in September 2024 are that both schools will be close to or at capacity up to age 16.

Going Concern

The Trustees' assessment of going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future.

Supporting documentation

To make this assessment for the preparation of the financial statements of the academy trust for the year-ended 31 August 2023, Trustees considered the following evidence:

- ◆ Trust Board papers throughout 2022/23 which include budget papers for 2023/24 as well as three year I&E and cash forecasts out to 31/8/2026.

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.

ACHIEVEMENT AND PERFORMANCE (continued)

Going Concern (continued)

Supporting documentation (continued)

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 2024/25.

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

It is unlikely that either school will be able to increase pupil intake beyond the Pupil Admission Numbers (PANs) for TAA of 180 and for Roebuck of 60. Over the forecast period, there is one remaining area for potential revenue growth; the TAA sixth form and in 2023/24 this now exceeds 100 learners.

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 2024.

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.

ACHIEVEMENT AND PERFORMANCE (continued)

Financial position and forecast

Financial position

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

Cash balance at 31/08/2023 (at bank and in hand including capital)		£1,319,112
	TAA:	£913,528
	Roebuck:	£405,584
Available revenue reserves	TAA:	£355,437
	Roebuck:	£223,770
Reserves policy	<i>In 2022/23, the Trustees have actively sought to rebuild operating reserves, following a period of elevated capital investment. The aim is to achieve a reserves level equivalent to two months' operating expenditure. This is not expected to be achieved before 2023/24.</i>	

Key assumptions

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

- ◆ schools will continue to recruit student numbers at the same level.
- ◆ the cost of energy will rise by no more than 9% above current levels in 2023/24.
- ◆ non-pay inflation will be no more than 3% in 2023/24.
- ◆ a national pay award for teachers will be no more than 3% in 2023/24.

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.

ACHIEVEMENT AND PERFORMANCE (continued)

Conclusion

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

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

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

FINANCIAL REVIEW

Overall, the Trust had a stable year in 2022/23, but like all educational institutions it has had to operate in a very uncertain economic environment. The wider economic and political impact of the war in Ukraine and the other challenges to the UK economy have directly and indirectly impacted HST in three main areas:

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

These cost pressures are likely to continue well into 2023.

The Trust ended the year with overall cash higher than August 2022 and an increased level of free reserves.

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.

ACHIEVEMENT AND PERFORMANCE (continued)

Income and expenditure

Total income received in the accounting period to 31 August 2023 amounted to £9,795,871, which includes £357,396 of capital funding. These amounts and associated expenditure are shown between restricted funds and unrestricted funds in the statement of financial activities. Total expenditure for the period amounts to £9,609,779 which includes depreciation of £512,552 and expenditure allocated to the Pension reserve of £81,000. Because pupil numbers continued to rise at both schools, there was further year-on-year revenue growth from 2022/23 to 2023/24. However, Roebuck Academy reached capacity in 2021/22 against its PAN of 60 and the Thomas Alleyne Academy is routinely close to its PAN of 180. The principal opportunity for future growth in revenue will come from increasing the size of the sixth form which rose to c120 in September 2023.

Roebuck Academy operates wrap-around provision (Buccaneers) for children of Roebuck parents only. This has continued to be valued by the community and has been operating at or near capacity during 2022/23. A budget surplus was generated during the year, but the increasing cost of living crisis may affect revenue in future years as families are forced to reduce discretionary spending.

Reserves policy

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its schools, and its finances.

The directors have implemented systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. They have implemented a programme of works to maintain and enhance the quality and condition of the estate and to ensure learners, staff and visitors are healthy and safe on site. 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 ongoing impact of disruption to learning during the COVID-19 emerge continued to be felt and this was not helped by the impact on family circumstances of high levels of inflation during 2022/23. As was evident nationally, some cohorts of learners showed persistent absence rates higher than before the pandemic; lower attendance is correlated with lower progress and achievement so remains a significant risk. Learning gaps that have affected particularly disadvantaged students have been identified and were being addressed with funding coming from government funding initiatives. A new attendance policy and reinforced expectations about punctuality are intended to improve the position in 2023/24.

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

The principal risks are:

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

INVESTMENT POLICY

The cash balances currently held relate to grants received for capital investment at the schools' premises; these are held for a relatively short period of time and would be called upon quickly, so cash is not currently invested in any long-term account.

FUNDRAISING

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

STREAMLINED ENERGY AND CARBON REPORTING

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

PLANS FOR FUTURE PERIODS

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

- ◆ Adding value to schools and their students is far more important than growing the Trust. We would rather work with fewer schools but ensure that our support makes a real difference.
- ◆ School improvement and curriculum collaboration between the Trust and its sponsor should be the key focus for the relationship, rather than the simple provision of shared services.

PLANS FOR FUTURE PERIODS (continued)

- ◆ Our strong preference is to expand the trust through tightly defined geographic clusters, rather than by embracing new schools from across a wider area. We believe that this approach will enable us to add more value, and foster more impactful collaboration both within the Trust and between the schools, North Hertfordshire College and Hart Learning & Development Ltd.
- ◆ We have therefore focussed our discussions on schools in the Stevenage area. We have been keen to talk to both primary and secondary schools, given the improvements we believe we can deliver by better integrating and managing transition between Key Stages.

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

Trust schools have continued to provide an inclusive and community-focussed experience for its learners, aiming to reduce gaps between students and with a strong emphasis on supporting under-served children. Both schools are working to develop strong reading habits and we have introduced additional diagnostic testing to identify where interventions are most needed. We have a strong STEM offer including launching a Life Sciences Academy to year 9 students through a partnership with North Hertfordshire College and Sir Lewis Hamilton's charity, Mission 44.

We continue to promote a broad extra-curricular offer across both schools and track attendance in our ambition to get all pupil premium students regularly attending a club. More than 50 students completed their bronze Duke of Edinburgh Award in 2022/23 and 17 achieved Silver.

Both schools continue to prepare learners well for examinations and assessments, with primary outcomes largely matching national average results and secondary GCSE outcomes delivering a Progress 8 outcome of 0 (up from 2019 when public examinations were last held on the same basis) despite the acknowledged national pressure to lower the proportion of learners achieving higher grades.

The teaching and pastoral teams continue to manage high levels of anxiety and stress among learners; work on character education which seeks to build resilience amongst other characteristics will make a significant contribution to doing so.

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

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no such funds.

AUDITOR

Insofar as the trustees are aware:

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

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

Andrew Simmons, Chair and Trustee
12 December 2023

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 Chief Executive, 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 2022/23 (2021/22: 5) in addition to holding an Annual General Meeting.

Attendance for the year was 89.19% (2021/22: 94.34%). Meetings took place both in-person and via videoconference facilities.

Governance statement Year to 31 August 2023

Governance (continued)

Name	Role	Appointed	Term	Board Meetings attended	Other committees supported
G Cleverdon	Audit & Risk Chair (until 31 December 2022)	25/09/2016	4 years	3/3 (100%)	
H F Clifford	Chair, TAA LGB	01/09/2021	4 years	7/7 (100%)	
K Davies	Vice-chair Sponsor Chief Executive	20/11/2017	4 years	7/7 (100%)	
J J E Ellam	Audit & Risk Chair (From 1 January 2023)	10/02/2016	4 years	7/7 (100%)	Audit
P A Extance		16/01/2023	4 years	4/4 (100%)	Audit
S Karidis		08/10/2021	4 years	7/7 (100%)	
L R Lee		01/11/2022	4 years	3/6 (50%)	
M C J Lewis	Chief Executive		Ex officio	7/7 (100%)	TAA LGB; Roebuck LGB
V Parsey		01/04/2016	4 years	6/7 (86%)	
S Siddiqui		01/11/2022	4 years	5/6 (83%)	
A B Simmons	Chair	05/10/2016	4 years	5/7 (100%)	Search
H Stanton-Tonner		01/12/2022	4 years	5/6 (83%)	

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.

Governance statement Year to 31 August 2023

Governance (continued)

The Board's work in 2022/23 focussed on reintroducing the wider opportunities that were temporarily unavailable to students during the covid-19 pandemic. This included a full reintroduction of the extra-curricular programme across the schools including foreign and UK residential visits. The character education programme that enriches the curriculum was further developed and both schools enhanced their work to prepare students for external assessments across all subjects.

Wider priorities were not neglected during this period. Improving the ageing estate at the Thomas Alleyne Academy continued, with capital investment including fire safety works and classroom refurbishment. The IT infrastructure was improved with a new MIS system implemented in both schools.

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 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 2022/23 but it is planned to undertake one during 2023/24.

The Trust Board undertook a self-evaluation which concluded that there was general satisfaction with the performance of the Board, the quality and reliability of information received and the issues addressed by the Board during the year. Board recruitment during the year broadened diversity and widened the skills base around the Board table, including financial skills and experience, which was a recommendation from the 2021/22 internal effectiveness review. The Board also developed its risk management practice with the appointment of a Business Manager to improve the risk register and the Board is now also beginning to identify and monitor 'emerging risks'.

The Board's financial position continued to strengthen while work on the estate also continued.

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

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

North Hertfordshire College,
Cambridge Road
Hitchin,
SG4 0JD

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

Appointments to the Board

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

Four Trustees were appointed during the year:

- ◆ Paul Extance
- ◆ Louise Lee
- ◆ Sahreen Siddiqui
- ◆ Helen Stanton-Tonner

Paul Extance is a qualified accountant with a degree in Economics and an MBA and experience in financial and governance roles in the commercial sector. Louise Lee and Sahreen Siddiqui have backgrounds in executive leadership and quality improvement in schools (primary and secondary) outside the Hertfordshire area and as Ofsted inspectors. They provide additional rigorous challenge on teaching and learning quality. Helen Stanton-Tonner works as the Director of Education and Inclusion for the Independent Schools Association providing advice and support for schools at all levels and engaging with stakeholders on these issues.

One Trustee (Geoff Cleverdon) stepped down from the Board and as Chair of the Audit & Risk Committee at the end of the financial year (31 December 2022).

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

Audit & Risk Committee

The Audit & Risk Committee is a sub-committee of the Board, made up of four non-executive members of the Board and its sub-committees (neither the Chair nor Accounting Officer are members).

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

The Audit 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.

Audit & Risk Committee (continued)

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.

During the year, the Chair (Geoff Cleverdon) stepped down upon retiring from the Board and Jonathan Ellam took over the role. A new financially-qualified and experienced member was appointed to the Board in January 2023 and also agreed to join the Audit & Risk Committee.

The Audit & Risk Committee met four times in 2022/23 (2021/22: 4) and plans to meet four times in 2023/24. Attendance for the year was 94% (2021/22: 100%).

Name	Role	Audit Committee Meetings attended
Geoff Cleverdon	Audit Chair (until 31 December 2022) Trustee	2/2 (100%)
Howard Crompton	LGB member	3/4 (750%)
Jonathan Ellam	Trustee Audit Chair (from 1 January 2023)	4/4 (100%)
Paul Extance	Trustee	2/2 (100)
Andy Palmer	LGB member	4/4 (100%)

Search Committee

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

The Committee did not meet in 2022/23, but members interviewed Trustee candidates and made recommendations about appointments to the Board.

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.

Local governing bodies (continued)

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 2022/23, one co-opted governor stepped down at the end of the academic year because of work-related pressures and the headteacher resigned having secured a role in another part of England. A new headteacher was appointed with effect from 1 September 2023. The Acting Chair (Vice-chair) handed over to a new Chair also with effect from 1 September 2023.

Since the end of the year, a staff governor has stepped down as a result of securing a role outside the school, but has been appointed as a Trust governor. There is currently one vacancy for a staff governor which is planned to be filled by the end of 2023.

As well as its programme of meetings, several in-school learning walks and governor review sessions took place. These successfully evidenced efforts being undertaken by the whole school team to address learning priorities (which in 2022/23 focussed on Reading) and to provide support for higher levels of anxiety and other mental health needs. Governors could see for themselves the excellent behaviour of the learners (also noted by other visitors) and purposeful lessons and were confident that the school had prepared learners well for SATs in summer 2023. A Equality, Diversity and Inclusion audit identified strong practice and made recommendations for further improvements. The school's sporting activity and success increased substantially as a result of the effective deployment of Sports Premium funding and there was a wide range of other enrichment to develop pupils' cultural capital.

The most recent Ofsted inspection report received in 2022 confirmed that Roebuck was a Good school with a large number of strengths. The school remains popular with parents, has a strong local reputation and is full.

The LGB met five times in 2022/23 (2021/22: 5). Attendance was 91.67% (2021/22: 80.00%).

Local governing bodies (continued)

The Roebuck Academy (continued)

Name	Role	Appointed	Stepped down	LGB Meetings attended
Hayley Cannon	Parent Governor	01/09/2022		4/5 (80.00%)
Michelle Chapman	Staff Governor ¹	27/09/2022		5/5 (100.00%)
Matt Cox	Co-opted	01/03/2020	31/08/2023	3/5 (60.00%)
Clare Elson	Staff Governor	01/11/2017		5/5 (100.00%)
Catherine Everett	Parent Governor	01/12/2020		5/5 (100.00%)
Celia Farley	Trust Governor	11/04/2018		5/5 (100.00%)
Nadia Hodges	Trust Governor Chair (from 01/09/23)	01/05/2019		5/5 (100.00%)
Alison Hollick	Parent Governor	01/03/2019		5/5 (100.00%)
Mark Lewis	Trustee	ex officio		5/5 (100.00%)
Andy Mari	Headteacher (from 01/09/23)	n/a		0/0
Andy Palmer	Acting Chair Trust Governor	19/02/2016		5/5 (100.00%)
Victoria Upton	Trust Governor	01/07/2017		4/5 (80.00%)
Lynsey Young	Headteacher (until 31/08/23)	n/a		4/5 (80.00%)

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. In addition, up to two co-opted places are available. There is a historic association with Trinity College, Cambridge, and one governor is nominated by that College.

In 2022/23, three governors stepped down for work-related reasons. One parent governor was elected and two governors were co-opted. Vacancies for the Trinity College Governor and for a Trust Governor currently remain to be filled.

¹ Reappointed as a Trust Governor from 1 September 2023

Local governing bodies (continued)

The Thomas Alleyn Academy (continued)

As well as its regular programme of governance meetings (a mix of in-person and on-line sessions), several in-school learning walks and governor review sessions took place. These successfully evidenced efforts being undertaken by the whole school team to provide support for higher levels of anxiety and other mental health needs. Work to push forward Character Education development resulted (in October 2022) in the award of the Association for Character Education’s kitemark. This work contributed to the relaunch at the start of this year of the school’s values which are expressed as Courage, Determination and Empathy.

Attendance remained a high priority for the school across the year, and it remained above the reported national average at the year-end. There was a gap between the attendance of pupil premium and non pupil premium students, and addressing this remains a priority for 2023/24. The school continues to identify and remove barriers to attendance before the start of the new academic year including providing support for a second-hand school uniform shop, and making telephone calls and home visits to encourage 100% attendance. Attendance is recognised by the LGB as being linked to outcomes so this will continue to be a focus for effort.

Results at GCSE in summer 2023 were good, and the provisional Progress 8 score of 0 showed considerable improvement since 2019 (the suggested benchmark year) when it had been -0.58. A-level outcomes were also better than in 2019 though slightly below those achieved in 2021/22 by a larger cohort.

The LGB was also pleased that work to promote the sixth form had paid off and that in September 2023, the number of students in Y12 and Y13 was c120.

The LGB met five times in 2022/23 (2021/22: 5). Attendance was 77.05% (2020/21: 71.43%).

Name	Role	Appointed	Stepped down	LGB Meetings attended
Robert Baldock	Parent Governor	14/02/2019		5/5 (100.00%)
Hilary Clifford	Chair	01/09/2021		5/5 (100.00%)
Julia Cooke	Staff Governor	01/09/2017		5/5 (100.00%)
Rachel Coultart	Co-opted Governor	01/04/2023		2/2 (100.00%)
Howard Crompton	Trust Governor	01/09/2017		3/5 (60.00%)
Caterina Ducati	Trinity College Governor	01/09/2019	26/06/2023	3/4 (75.00%)
David Gray	Vice-chair	23/11/2017		40.00%
Mark Lewis	Head teacher	N/A		5/5 (100.00%)
Tara McGovern	Trust Governor	01/09/2016	03/11/2022	0/1 (0.00%)

Governance statement Year to 31 August 2023

Local governing bodies (continued)

The Thomas Alleyne Academy (continued)

Name	Role	Appointed	Stepped down	LGB Meetings attended
Jo Mellett	Parent Governor	14/02/2019		2/5 (40.00%)
Kerry Pritchett	Trust Governor	06/10/2021	31/08/2023	4/5 (80.00%)
Phil Rolt	Co-opted Governor	01/03/2023		1/2 (50.00%)
Lynsey Steadman	Staff Governor	01/09/2017		3/5 (60.00%)
Jenny White	Trust Governor	22/09/2017		5/5 (100.00%)
Stephanie Williams	Parent Governor	01/03/2023		2/2 (100.00%)

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 Chief Executive 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 Chief Executive 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 educational and wider societal outcomes, as well as estates safety and management, 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:

- ◆ Enhancing the curriculum offer at post-16 and Key Stage 4 to ensure student success and retention.

Review of Value for Money (continued)

- ◆ Continuing to recruit rising student numbers in both schools.
- ◆ Reviewing the curriculum resources and schemes used at Roebuck Academy
- ◆ Using support from North Hertfordshire College to ensure there was value for money in estates work across the trust.
- ◆ Using senior team expertise for traded work with external partners.
- ◆ Increasing the value of external lettings of the school premises.

The Purpose of the System of Internal Control

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

The 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 2022 to 31 August 2023 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 2022 to 31 August 2023 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;

Capacity to Handle Risk (continued)

The Risk and Control Framework (continued)

- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ identification and management of risks.

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

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

On an annual basis, the internal scrutiny providers report to the Board of Trustees through the Audit & Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Audit & Risk Committee includes within its annual report to the Board an outline of the outlining the areas reviewed, key findings, recommendations and conclusions.

During the year, internal scrutiny was carried out in respect of Key Financial Controls, Equality, Diversity and Inclusion, Health and Safety compliance, and teaching and learning.

Actions to address all of the small number of recommendations made 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 Chief Executive'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.

Governance statement Year to 31 August 2023

Review of effectiveness (continued)

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 12 December 2023 and signed
on its behalf by:



.....

Andrew Simmons - Chair

Statement of regularity, propriety and compliance Year to 31 August 2023

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, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022 (see pages 6 and 7 for more information about the related party transaction with the Hart Learning Group, which sponsors the Trust).

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

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

Mark Lewis - Accounting Officer

Date: 12 December 2023

Statement of Trustees' responsibilities Year to 31 August 2023

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 2022 to 2023;
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12 December and signed on its behalf by:



Andrew Simmons - Chair

Independent auditor's report to the members of The Hart Schools Trust Ltd

Opinion

We have audited the financial statements of The Hart Schools Trust Ltd (the 'charitable company') for the year ended 31 August 2023 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 2022 to 2023.

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 2023 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 2022 to 2023 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.

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 2022 to 2023, the Academy Trust Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ 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.

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

- ◆ 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
- ◆ 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.

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

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.



Hugh Swainson (Senior Statutory Auditor)

For and on behalf of

Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

18 December 2023

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

In accordance with the terms of our engagement letter dated 9 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Hart Schools Trust funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them (please see pages 6 and 7 for further information in respect of the related party transaction with the Hart Learning Group, which sponsors the Hart Schools Trust).



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

18 December 2023

Statement of financial activities (including income and expenditure account) Year to 31 August 2023

	Notes	Unrestricted general funds £	Restricted general funds £	Restricted fixed assets fund £	2023 Total funds £	2022 Total funds £
Income from:						
Donations and capital grants	2	—	—	357,396	357,396	523,994
Other trading activities	4	274,614	—	—	274,614	199,945
Charitable activities:						
Funding for the academy's educational operations	3	91,363	9,044,531	—	9,135,894	8,382,342
Investment income		27,967	—	—	27,967	—
Total		393,944	9,044,531	357,396	9,795,871	9,106,281
Expenditure on:						
Charitable activities:						
Academy trust educational operations	5	351,929	8,745,298	512,552	9,609,779	9,234,846
Total		351,929	8,745,298	512,552	9,609,779	9,234,846
Net income (expenditure)		42,015	299,233	(155,156)	186,092	(128,565)
Transfers between funds	17	—	(77,472)	77,472	—	—
Actuarial gain on defined benefit schemes	20	—	503,000	—	503,000	2,819,000
Net movement in funds		42,015	724,761	(77,684)	689,092	2,690,435
Reconciliation of funds						
Total funds brought forward		—	(610,559)	29,135,248	28,524,689	25,834,254
Total funds carried forward		42,015	114,202	29,057,564	29,213,781	28,524,689

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

The notes on pages 49 to 65 form part of these financial statements.

Balance sheet as at 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	11		28,634,978		28,697,602
Current assets					
Debtors	12	655,177		630,253	
Cash at bank and in hand		1,319,112		862,252	
		1,974,289		1,492,505	
Current liabilities					
Creditors: amounts falling due within one year	13	(945,224)		(788,691)	
Net current assets			1,029,065		703,814
Total assets less current liabilities			29,664,043		29,401,416
Creditors: amounts falling due after more than one year	14		(27,262)		(31,727)
Net assets excluding pension scheme liability			29,636,781		29,369,689
Pension liability	19		(423,000)		(845,000)
NET ASSETS			29,213,781		28,524,689
Funds of the academy trust					
Restricted income funds					
Fixed asset fund	16	29,057,564		29,135,248	
Restricted income fund		537,202		234,441	
Pension reserve		(423,000)		(845,000)	
Total restricted funds			29,171,766		28,524,689
Unrestricted funds			42,015		—
TOTAL FUNDS			29,213,781		28,524,689

The financial statements on pages 49 to 65 were approved by the Board of Trustees and authorised for issue on 12 December 2023 and are signed on their behalf by:



A B Simons
 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 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	A	476,385	108,895
Cash flows from investing activities	C	(15,060)	231,062
Cash flows from financing activities	B	(4,465)	(4,465)
Change in cash and cash equivalents in the year		456,860	335,492
Cash and cash equivalents at 1 September 2022		862,252	526,760
Cash and cash equivalents at 31 August 2023		1,319,112	862,252

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

	2023 £	2022 £
Net income (expenditure) for the reporting period (as per the statement of financial activities)	186,092	(128,565)
Adjusted for:		
Depreciation charges	512,552	495,196
Capital grants from DfE and other capital income	(434,868)	(523,994)
Defined benefit pension scheme cost less contributions payable	44,000	428,000
Defined benefit pension scheme finance cost	37,000	55,000
Increase in debtors	(24,924)	(119,599)
Increase (decrease) in creditors	156,533	(97,143)
Net cash provided by operating activities	476,385	108,895

B. Cash flow from financing activities

	2023 £	2022 £
Repayments of borrowing	(4,465)	(4,465)
Net cash used in financing activities	(4,465)	(4,465)

C. Cash flows from investing activities

	At 31 August 2023 £	At 31 August 2022 £
Purchase of tangible fixed assets	(449,927)	(292,932)
Capital grants from DfE/ESFA	434,868	523,994
Net cash (used in) provided by operating activities	(15,060)	231,062

D. Analysis of cash and cash equivalents

	At 31 August 2023 £	At 31 August 2022 £
Cash in hand and at bank	1,319,112	862,252

Statement of cash flows Year to 31 August 2023

E. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash	862,252	456,860	1,319,112

Statutory information

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

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

Principal accounting policies Year to 31 August 2023

Going concern (continued)

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

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

Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

The present values of the Local Government Pension Scheme defined benefits liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19 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 2022 and has been used by the actuary in valuing the pension liability at 31 August 2023.

Principal accounting policies Year to 31 August 2023

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:

- ◆ Furniture and fittings – between 3-5 years straight line
- ◆ Computer equipment – between 3-5 years straight line
- ◆ Leasehold buildings – 50 years straight line

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

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

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

Liabilities

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

Provisions

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

Principal accounting policies Year to 31 August 2023

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 12. 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 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

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

Fund accounting

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

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder.

Pensions costs and other post-retirement benefits

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

Pensions costs and other post-retirement benefits (continued)

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

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

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

Agency Arrangements

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

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2023 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 2023.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2023 Total funds £	2022 Total funds £
Capital grants	—	—	357,396	357,396	523,994
	—	—	357,396	357,396	523,994

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Restricted fixed asset funds £</i>	<i>2022 Total funds £</i>
<i>Capital grants</i>	—	—	523,994	523,994
	—	—	523,994	523,994

3 Funding for academy's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	2023 Total £	2022 Total £
DfE/ESFA grants				
General Annual Grant (GAG)	—	7,266,855	7,266,855	6,813,223
Other DfE / ESFA grants				
. UIFSM	—	128,860	128,860	129,071
. Pupil Premium	—	374,740	374,740	331,987
. Supplementary grant	—	232,253	232,253	—
Other DfE Group grants	—	192,200	192,200	168,601
	—	8,194,908	8,194,908	7,442,882
Other government grants				
Local Authority grants	—	583,397	583,397	568,931
COVID-19 Additional funding (DfE/ESFA)				
Catch-up and recovery premium	—	69,286	69,286	51,253
Other DfE/ESFA COVID-19 funding	—	—	—	7,344
	—	69,286	69,286	58,597
Other income from the academy trust's educational operations	91,363	196,940	288,303	311,932
	91,363	9,044,531	9,135,894	8,382,342

3 Funding for academy's educational operations (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>2022 Total £</i>
<i>DfE/ESFA grants</i>			
<i>General Annual Grant (GAG)</i>	—	6,813,223	6,813,223
<i>Other DfE / ESFA grants</i>			
<i>. UIFSM</i>	—	129,071	129,071
<i>. Pupil Premium</i>	—	331,987	331,987
<i>Other DfE Group grants</i>	—	168,601	168,601
	<u>—</u>	<u>7,442,882</u>	<u>7,442,882</u>
<i>Other government grants</i>			
<i>Local Authority grants</i>	—	568,931	568,931
<i>COVID-19 Additional funding (DfE/ESFA)</i>			
<i>Catch-up premium</i>	—	51,253	51,253
<i>Other DfE/ESFA COVID-19 funding</i>	—	7,344	7,344
	<u>—</u>	<u>58,597</u>	<u>58,597</u>
<i>COVID-19 Additional funding (non- DfE/ESFA)</i>			
<i>Coronavirus Job Retention Scheme grant</i>	—	—	—
<i>Other COVID-19 funding</i>			
<i>Other income from the academy trust's educational operations</i>	119,043	192,889	311,932
	<u>119,043</u>	<u>8,263,299</u>	<u>8,382,342</u>

Notes to the financial statements Year to 31 August 2023

4 Other trading activities

	2023 Total funds £	2022 Total funds £
Trip income	112,587	65,809
Other income	162,027	134,136
	274,614	199,945

5 Expenditure

	Staff costs £	Non-pay expenditure		2023 Total funds £	2022 Total funds £
		Premises £	Other costs £		
Academies educational operations					
- Direct costs	5,992,787	512,551	690,564	7,195,902	6,387,730
- Allocated support costs	842,251	818,136	753,489	2,413,876	2,847,116
	6,835,038	1,330,687	1,444,053	9,609,778	9,234,846

Net expenditure for the period includes:

	2023 Total funds £	2022 Total funds £
Operating lease rentals	16,144	8,631
Depreciation – owned assets	512,552	495,196
Auditor's remuneration:		
. Audit	13,600	11,235
. Other services	9,410	8,560

6 Charitable Activities – Academy’s Educational Operations

	2023 Total funds £	2022 Total funds £
Direct costs	7,195,902	6,387,730
Support costs	2,413,876	2,847,116
	9,609,778	9,234,846
Analysis of support costs		
Support staff costs	842,251	1,337,611
Technology costs	33,200	41,197
Premises costs	818,136	742,094
Other support costs	679,284	691,767
Governance costs	41,005	34,447
	2,413,876	2,847,116

7 Staff

(a) Staff costs

Staff costs during the year were:

	2023 Total funds £	2022 Total funds £
Wages and salaries	5,080,424	4,733,987
Social security costs	504,922	465,886
Pension costs	1,180,092	1,455,048
	6,765,438	6,654,921
Agency staff cost	69,600	25,053
	6,835,038	6,679,974

(a) Staff costs

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

	2023 No.	2022 No.
Teachers	86	87
Administration and support	90	75
Management	2	2
	178	164

7 Staff (continued)

(a) Staff costs

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

	2023 No.	2022 No.
£60,001 - £70,000	7	4
£70,001 - £80,000	2	2
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—
	10	7

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 £304,076 (2022: £267,465).

8 Central services

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

9 Related party transactions – Trustees’ remuneration and expenses

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

M Lewis (Executive Principal and Trustee):

Remuneration - £110,001 - £115,000 (2022: £105,001 - £110,000)

Employer's pension contributions paid – £25,001 - £30,000 (2022 : £20,001 - £25,000)

Trustees' expenses

During the year ended 31 August 2023, no travel and subsistence expenses totalling were paid to trustees (2022 : £nil).

Other related party transactions involving trustees are set out in note 21.

10 Trustees’ and officers’ insurance

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

11 Tangible fixed assets

	Leasehold land and buildings £	Inherited assets £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost						
At 1 September 2022	2,637,813	28,989,000	—	543,643	66,621	32,237,077
Additions	—	—	313,122	78,046	58,760	449,928
At 31 August 2023	2,637,813	28,989,000	313,122	621,689	125,381	32,687,005
Depreciation						
At 1 September 2022	177,343	2,851,160	—	462,643	48,329	3,539,475
Charge for the year	53,012	402,160	—	42,183	15,197	512,552
At 31 August 2023	230,355	3,253,320	—	504,826	63,526	4,052,027
Net book value						
At 31 August 2023	2,407,458	25,735,680	313,122	116,863	61,855	28,634,978
At 31 August 2022	2,460,470	26,137,840	—	81,000	18,292	28,697,602

12 Debtors

	2023 £	2022 £
Trade debtors	3,232	2,165
VAT recoverable	66,968	47,811
Prepayments and accrued income	584,977	580,277
	655,177	630,253

13 Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	363,019	223,795
Social security and other taxes	123,544	114,129
CIF loan	4,021	4,021
Other creditors	132,356	111,862
Accruals and deferred income	322,284	334,884
	945,224	788,691

	2023 £	2022 £
Deferred income at 1 September 2022	197,111	244,692
Released from previous years	(197,111)	(244,692)
Resources deferred in the year	137,334	197,111
Deferred income at 31 August 2023	137,334	197,111

14 Creditors: Amounts falling due after more than one year

	2023 £	2022 £
CIF loans:		
Due between 1-2 years	8,558	8,558
Due between 2-5 years	18,704	23,169
	27,262	31,727

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

15 Member's Liability

Each member of the company undertakes to contribute to the assets of the Trust in the event of it being wound up while he / she is a member, or within one year after he / she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he / she ceases to be a member.

Notes to the financial statements Year to 31 August 2023

16 Movement in funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	234,441	7,266,855	(6,886,622)	(77,472)	537,202
Pupil premium	—	374,740	(374,740)	—	—
UIFSM	—	128,860	(128,860)	—	—
Catch-up and recovery premium	—	69,286	(69,286)	—	—
Supplementary grant	—	232,253	(232,253)	—	—
Other DfE/COVID-19 funding	—	—	—	—	—
Other grants	—	192,200	(192,200)	—	—
Local authority grants	—	583,397	(583,397)	—	—
Other income from the academy trust's educational operations	—	196,940	(196,940)	—	—
Pension reserve	(845,000)	—	(81,000)	503,000	(423,000)
	(610,559)	9,044,531	(8,745,298)	425,528	114,202
Restricted fixed assets fund					
DfE/ESFA capital grants	2,862,340	357,396	(96,592)	—	3,123,144
Transfer on conversion	26,137,840	—	(402,160)	—	25,735,680
Capital expenditure from GAG	135,068	—	(13,800)	77,472	198,740
	29,135,248	357,396	(512,552)	77,472	29,057,564
Total restricted funds	28,524,689	9,401,927	(9,257,850)	503,000	29,171,766
Unrestricted funds					
General funds	—	393,943	(351,928)	—	42,015
Total funds	28,524,689	9,795,870	(9,609,778)	503,000	29,213,781

16 Movement in funds (continued)

Comparative for movements in funds:

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

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

Restricted general funds

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

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

Pension reserve

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

Restricted fixed asset fund

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

16 Movement in funds (continued)

Analysis of fund balances by Academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Thomas Alleyne Academy	355,447	59,204
Roebuck Academy	223,770	175,237
Total before fixed asset and pension reserve	579,217	234,441
Fixed asset fund	29,057,564	29,135,248
Pension reserve	(423,000)	(845,000)
Total	29,213,781	28,524,689

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) £	2023 Total £
Thomas Alleyne Academy	4,343,463	565,835	458,201	1,083,485	6,450,984
Roebuck Academy	1,789,497	136,243	232,363	475,847	2,633,950
Total	6,132,960	702,078	690,564	1,559,332	9,084,934

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

17 Commitments under operating leases

Operating leases

At 31 August 2023, the total of the Academy's future minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Amounts due within one year	10,138	16,144
Amounts due between two and five years inclusive	31,942	34,870
Amounts due after five years	14,973	22,183
	57,053	73,197

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2023 Total funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	—	—	28,634,978	28,634,978
Current assets	42,015	1,478,405	453,869	1,974,289
Current liabilities	—	(941,203)	(4,021)	(945,224)
Long term liabilities	—	—	(27,262)	(27,262)
Pension liability	—	(423,000)	—	(423,000)
	<u>42,015</u>	<u>114,202</u>	<u>29,057,564</u>	<u>29,213,781</u>

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2022 Total funds £
<i>Fixed assets</i>	—	—	28,697,602	28,697,602
<i>Current assets</i>	—	1,019,111	473,394	1,492,505
<i>Current liabilities</i>	—	(784,670)	(4,021)	(788,691)
<i>Long term liabilities</i>	—	—	(31,727)	(31,727)
<i>Pension liability</i>	—	(845,000)	—	(845,000)
	<u>—</u>	<u>(610,559)</u>	<u>29,135,248</u>	<u>28,524,689</u>

19 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

Prior to 31 August 2023, 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 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Contributions amounting to £133,606 (2022: £119,336) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The actuarial valuation of the TPS which applied during the year ended 31 August 2023 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 latest actuarial valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £822,000 (2022: £1,193,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

19 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2023 was £398,000 (2022: £330,000), of which employer's contributions totalled £314,000 (2022: £262,000) and employees' contributions totalled £84,000 (2022: £68,000). 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on the GOV.UK website.

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

Retiring today	2023	2022
Males	21.1	21.9
Females	24.1	24.4
Retiring in 20 years		
Males	21.0	22.9
Females	25.1	26.0

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

	2023 £	2022 £
Current service cost (net of employer contributions)	44,000	428,000
Interest income	(141,000)	(54,000)
Interest cost	178,000	109,000
	81,000	483,000

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

	2023	2022
	£	£
Opening defined benefit obligation	4,020,000	6,322,000
Current service cost	358,000	690,000
Contributions by scheme participants	84,000	68,000
Interest cost	178,000	109,000
Actuarial gains	(496,000)	(3,081,000)
Benefits paid	(107,000)	(88,000)
	4,037,000	4,020,000

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

	2023	2022
	£	£
Opening fair value of scheme assets	3,175,000	3,141,000
Contributions by employer	314,000	262,000
Contributions by scheme participants	84,000	68,000
Expected return	141,000	54,000
Actuarial gains/(losses)	7,000	(262,000)
Benefits paid	(107,000)	(88,000)
	3,614,000	3,175,000

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

	2023	2022
	£	£
Equities	1,843,000	1,587,500
Bonds	867,000	730,250
Property	506,000	476,250
Cash	398,000	381,000
Total market value of assets	3,614,000	3,175,000
Present value of scheme liabilities	(4,037,000)	(4,020,000)
Deficit in the scheme	(423,000)	(845,000)

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

	2023	2022
Rate of increase in salaries	3.5%	3.5%
Rate of increase for pensions in payment	3.0%	3.2%
Discount rate for scheme liabilities	5.2%	4.3%
Inflation assumption (CPI)	3.0%	3.2%
Commutation of pensions lump sums (pre April 2008)	50.00%	50.00%
Commutation of pensions lump sums (post April 2008)	75.00%	75.00%

20 Capital commitments

	2023 £	2022 £
Contracted but not provided for in the financial statements	468,602	489,931

21 Related Party Transactions

The Trust made purchases for goods and services amounting to £256,698 (2022: £304,711) from North Hertfordshire College. There were no amounts outstanding at the year end (2022: none).

During the year The Hart Schools Trust Ltd made purchases for goods and services from Hart Learning Group amounting to £nil (2022: £11,208). 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 (2022: 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 £16,738 (2022: £128,537). This amount is included in the total amount made for purchases of goods and services above.

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

21 Related Party Transactions (continued)

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

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

22 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £2,266 (2022: £3,637) and disbursed £2,940 (2022: £4,900) from the fund. An amount of £674 (2022: £2,328) is included in other creditors relating to undistributed funds that is repayable to ESFA.

23 Comparative information

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