

**Company Registration Number: 07690414 (England & Wales)**

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**



**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**HANLEY AND UPTON EDUCATIONAL TRUST  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	J Robinson B Unwin M Walters MBE D Webster
<b>Trustees</b>	J Robinson, Chair L F Cooke, Accounting Officer & Chief Executive Officer S Adeney S Fitzjohn N Lechmere S Price N Skellum J Speller K Taylor
<b>Company registered number</b>	07690414
<b>Company name</b>	Hanley and Upton Educational Trust
<b>Principal and registered office</b>	Church End Hanley Castle Worcester Worcestershire WR8 0BL
<b>Company secretary</b>	M Snape
<b>Accounting Officer</b>	L F Cooke
<b>Senior leadership team</b>	L F Cooke, Accounting Officer & Chief Executive Officer HUET, Headteacher Hanley Castle High School E Wilkins, Chief Financial Officer HUET, Business & Finance Director Hanley Castle High School R Johnston, Deputy Headteacher, Hanley Castle High School S Anderson-Kirby, Deputy Headteacher, Hanley Castle High School D Findlater, Assistant Headteacher, Hanley Castle High School J Burrows, Assistant Headteacher, Hanley Castle High School A Pratley, Headteacher, Hanley Swan, St Gabriel's with St Mary's Church of England Primary School P Bundy, Assistant Headteacher, Hanley Swan, St Gabriel's with St Mary's Church of England Primary School B Baynes, Headteacher Kempsey Primary School D Willetts, Deputy Headteacher, Kempsey Primary School M Smith, Headteacher, Welland Primary School G Williams, Assistant Headteacher, Welland Primary School
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Bankers</b>	Lloyds Bank plc 1st Floor 4 The Cross Worcester WR1 2LB
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 primary academies and 1 secondary academy for pupils aged 4 to 19 in Upton-upon-Severn and the surrounding area. It has a pupil capacity of 1,630 and had a roll of 1,651 in the school census on 1 October 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Hanley and Upton Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hanley & Upton Educational Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' liability**

Each Member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a Member.

**Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-
<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours.	- %
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**HANLEY AND UPTON EDUCATIONAL TRUST  
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**TRUSTEES REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Academy Trust shall have the following Members and Trustees as set out in its Articles of Association and funding agreement:

**Members**

- 1 Member appointed by the Diocesan Board of Education
- The Chair of the Directors
- 3 Members appointed according to the Articles of Association

**Trustees**

- 6 Trustees appointed by the Members
- 2 Trustees appointed by the Diocesan Board of Education
- The Chief Executive Officer

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed or re-elected. When appointing new Trustees, Members will consider the skills and experience mix of existing Trustees in order to ensure that the board has the necessary skills to contribute fully to the Trust's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Trust has a recruitment, induction and training procedure which is followed for every new appointment, whether Member or Trustee. The training and induction provided will depend upon their existing experience but should include attendance at an induction course, the provision of an induction handbook, a tour of the schools within the Academy Trust and a chance to meet staff and pupils. All Members and Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their respective roles. Advantage may also be taken of specific courses offered by the Local Authority (LA) and other bodies. A planned induction programme for new Trustees to be undertaken this spring and summer was postponed due to the disruption caused by the Coronavirus pandemic and will now be run hopefully as intended in the spring of 2021 or in an online version if that remains the only option.

**Organisational Structure**

The Board of Trustees normally meets a minimum of four times per annum. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures for committees, lead Trustees and other groups. It receives reports including policies for ratification. It monitors the activities of the committees and lead Trustees through the minutes of their meetings and reports. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two committees as follows:

**Audit Committee** - this meets a minimum of twice a year and is responsible for examining and reviewing the risk management process and agreeing a programme of work to address these risks, undertaking a programme of internal audit through a responsible officer, ensuring due compliance with public accountability, recommending the appointment of the external auditors and receiving the report of the auditors and ensuring any recommendations are actioned.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Pay and Performance Committee** - meets at least twice a year to assist the Board in fulfilling its responsibilities for the implementation of both its Pay and Performance Management Policies. In particular, it will monitor throughout the year and formally review annually the overall performance of staff and make recommendations to the Board in respect of pay awards to staff. With the External Adviser, it will monitor throughout the year and formally review annually the performance of the Chief Executive Officer, the Chief Financial Officer and headteachers, as a result of which it will make recommendations to the board in respect of their pay awards based on judgements of their overall performance and success in meeting the objectives set.

Additional committees to those mentioned above may be convened as appropriate.

The areas of responsibility for Members, Trustees and local governing bodies are delineated in the schemes of delegation. Three of the HUET's current member schools have been defined as supporting schools and have therefore been given the maximum delegation of governance functions and responsibilities. Welland Primary School joined the Trust in January 2019 as a supported school and as a consequence some of the governance responsibilities have been retained at Trust level, as set out in the schemes of delegation. A review of Welland's supported status was due at the July board meeting but due to the level of critical COVID-19 business was delayed until the October 2020 board meeting.

The following decisions are the responsibility of Members: amendments to the Articles of Association; the appointment of new Members or removal of current ones; the appointment and removal of Trustees; the appointment of the Trust's auditors by special resolution; the direction of the Trustees to take a specific action; and the power to change the name of the Charitable Company and, ultimately, wind up the Academy Trust.

The Board of Trustees has three core governance functions: to ensure clarity of vision, ethos and strategic direction; to hold executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and overseeing the financial performance of the HUET and ensuring its funds are well spent.

As both Charity Trustees and Directors of the Academy Trust, Trustees must ensure compliance with the HUET's charity objectives and with company and charity law. As such, the Board of Trustees is accountable to the Secretary of State for the Trust's adherence to its funding agreement. It is also accountable to the Diocesan Board of Education for any church schools within the HUET.

As set out in the schemes of delegation, responsibility for the day to day management of each academy is normally devolved to the headteacher and senior leadership team, with responsibility for strategic governance and other matters devolved to the local governing body for supporting schools and retained more at Trust level for supported schools. The HUET Trustees ensure that their oversight of internally delegated responsibilities and their understanding of and ability to deliver against external responsibilities meets all requirements.

The Chief Executive Officer is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider that the Board of Trustees and the senior leadership team comprise the key management personnel of the academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as Trustees.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the pay policy of the HUET when affordability issues are also taken into consideration.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Connected Organisations, including Related Party Relationships**

Hanley Castle has a Church Supplemental Agreement with the Hanley Castle Foundation Trust for the land on which the school buildings are built. The Hanley Castle High School Foundation Trust is a related party as it is the owner of the school's land and buildings. The Foundation Trust nominates one of its Trustees to also be a Member of the Hanley Castle High School local governing body, whilst the HUET nominates one of its Trustees (currently the Chair) to be a Trustee of the Foundation. Hanley Castle High School occupies the land at no cost for the shorter of the duration of the Funding Agreement or two years notice from the beneficial owners.

There are no related parties which either control or significantly influence the decisions and operations of the Hanley and Upton Educational Trust.

Hanley Swan has a Church Supplemental Agreement with the Board of Education of the Diocese of Worcester for the land on which the school buildings are built.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the HUET remains unchanged - to advance, for the public benefit, education in the United Kingdom, in particular by further improving schools, offering a high quality educational provision through a broad and balanced curriculum for all of its pupils and students, irrespective of ability and aptitude.

The principal object and activity of the charitable company is the operation of Hanley Castle High School, Hanley Swan St Gabriel's with St Mary's Church of England Primary School, Kempsey Primary School and Welland Primary School to provide free education and care for students of all abilities between the ages of 4 and 18.

The aims of the HUET during the year ended 31 August 2020 are:

**Belong** – all children and young people within the partnership will feel part of a happy, safe and caring community where the values of respect, honesty, friendship, kindness, responsibility and perseverance are promoted and celebrated.

**Aspire** – all children and young people will be encouraged and supported to aim very high developing fully their unique gifts, talents and abilities through a relentless focus on maximising learning opportunities both within and beyond the curriculum.

**Achieve** – all children and young people will be encouraged and supported to achieve their full potential, leaving the care of the partnership with outstanding academic qualifications, and the skills and personal qualities required to succeed in a rapidly changing world.

**All member schools** (founder and future) will remain non-selective and will be supported in maintaining any current religious affiliation.

This will be achieved through:

A relentless focus on raising the standard of educational attainment and achievement of students of all ages, abilities and aptitudes.

A stimulating learning environment, supported by consistent expectations.

Care, support and intervention that places the individual at the centre of everything that we do.

Celebration of all forms of success and reward of positive attitude and effort.

Close partnership between parents, schools and the children and young people to support progress.

Curriculum opportunities that promote understanding and appropriately challenge every child and young person.

Opportunities outside the curriculum that develop a broader personal development.

A clear understanding of rights and responsibilities in a global community.

**Objectives, Strategies and Activities**

Broad themes were agreed for the HUET development plan for 2019-2020. Priorities identified included:

- **The quality of education and outcomes** – to continue to develop the quality of the transition curriculum in English and maths / to continue to improve pupil outcomes in maths across all key stages / to continue to improve the consistency of outcomes for disadvantaged pupils across all curriculum areas and in all key stages.
- **Personal development and welfare** – to further improve the culture of safeguarding across all schools / further improve the attendance of disadvantaged pupils.



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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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- **Governance** – to develop the capacity of the HUET board in advance of expansion / to continue to improve monitoring of compliance with GDPR / to support Welland LGB in holding its headteacher to account.
- **Leadership and management** – to develop the HUET to meet the needs of housing developments in south Worcestershire – expansion of Hanley Castle to 180 PAN, Kempsey to 60 PAN, Welland to 30 PAN, Mayflower Academy free school bid / appoint DPO / maintain support to Welland Primary School (supported status).

The HUET schools have also continued to develop the scope of their work in initial teacher training in partnerships which include the University of Worcester, the Woodrush Teaching School Alliance and the Prince Henry's Teaching School Alliance.

In addition, each school had its own individual development priorities for 2019-20. These included:

**Hanley Swan**

- **Literacy** - continue to focus on raising standards within reading across the school and in KS2 Statutory Reading Assessments / continue to monitor closely the progress of disadvantaged children in reading and writing / continue to improve spelling in children's writing throughout the school.
- **Maths** - monitor and evaluate impact of implementation of GLOW maths across the school / continue to closely monitor the progress of disadvantaged children in numeracy.
- **Science** – continue to raise profile of science across the school.

**Welland**

- **Quality of education** - continue with redesign of curriculum across all key stages with a focus on intent, implementation and impact / continue to improve teaching and learning by maintaining the focus on improving literacy and numeracy and provision for SEND pupils.
- **Safeguarding** – continue to monitor processes closely / provide additional support where required / use of HUET safeguarding and attendance officer for most acute cases.
- **Leadership and management** – increase capacity by appointment of a SENCO / continue to restructure staffing, both teaching and non-teaching, to maximise effectiveness.

**Kempsey**

- **Leadership and management** – embed the use of CPOMS to further improve safeguarding / further develop the impact of governance, including tightening governor links to the school development plan / further develop the role of middle leaders.
- **Quality of education** – embed teaching for mastery and increase pupils' fluency in mathematics / improve curriculum mapping and sequencing / introduce curriculum knowledge and skill 'ladders' and assessment / improve the quality of the teaching of reading across the school for individual subjects.
- **Behaviour and attitudes** – increase levels of resilience in pupils to improve learning attitudes and behaviours / continue to address persistent absenteeism / continue to work with parents to develop consistent strategies between home and school.
- **Personal development** – further improve respectful lunchtime behaviours in the dining hall / encourage children to be aspirational about their own futures / continue to expand and extend the opportunities offered to pupils beyond the classroom.

**Hanley Castle**

- **Quality of education** – close attainment gaps / implement strategies to support higher attainers / develop curriculum to improve sequencing and promote information retrieval / introduce cultural capital days to ensure full coverage of KS3 national curriculum / redevelop core RE as Religion and World Views.
- **Behaviour and attitudes** – improve support for those with mental health issues / reduce persistent absenteeism / improve impact of student voice via smart school council / embed restorative approach in behaviour management policy and practice.
- **Personal development** – achieve all Gatsby benchmarks as evidence of improved careers education and support / build on International School redesignation, particularly through further development of Tanzania link.
- **Leadership and management** – increase capacity of senior leadership team to improve post-16 outcomes and strengthen student support / embed use and impact of CPOMS / improve leadership of mathematics / improve staff wellbeing and morale / maintain financial health of school whilst continuing to develop facilities and accommodation to meet demands of PAN increase to 180 for September 2020.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The HUET aims to advance for the public benefit education in Hanley Castle, Hanley Swan, Kempsey and Welland and the surrounding area, offering a broad and balanced curriculum to students of all abilities.

The HUET provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As a Multi-Academy Trust with sponsor school status we have a duty to support other schools. We support these schools, especially our feeder primary schools, through use of our premises and specialist skills including secondments where appropriate.

**STRATEGIC REPORT**

**Achievements and Performance**

Hanley Swan was the first HUET school to undergo an external inspection since the HUET's inception in April 2017, and was rated 'excellent' following a SIAMs inspection in summer 2019.

However, the HUET underwent its first Ofsted inspections in 2020, with both Kempsey and Hanley Swan. Both schools were rated 'good' by Ofsted, and a number of significant strengths were identified in both. Summaries of both reports are provided below:

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

<b>School</b>	<b>Kempsey Primary School</b>		
<b>Inspection</b>	<b>Ofsted Section 5 28-29 January 2020</b>		
<b>Overall effectiveness</b>	Good	<b>Identified strengths</b> <ul style="list-style-type: none"> <li>• Pupils are happy and enjoy their work and the wider activities on offer</li> <li>• Attendance</li> <li>• Well-planned lessons</li> <li>• High standards of behaviour and attitudes to learning</li> <li>• Good understanding of other cultures</li> <li>• High expectations</li> <li>• Improvements in the planning of the teaching of mathematics</li> <li>• Reading has a high priority</li> <li>• High quality written work</li> <li>• Safeguarding strong</li> <li>• Bullying is dealt with effectively</li> </ul>	<b>Areas for development</b> <ul style="list-style-type: none"> <li>• Dip in outcomes in 2019 in reading, writing and mathematics</li> <li>• More to do to plan and assess work in some subjects, e.g. design and technology</li> </ul>
<b>The quality of education</b>	Good	<ul style="list-style-type: none"> <li>• Reception provision ensures children get off to a good start / acquire phonics skills promptly</li> <li>• By the end of Year 2 most pupils have achieved the expected standard in phonics / are reading regularly and often</li> <li>• The way in which mathematics is planned has been changed to allow pupils to learn and remember more</li> <li>• Rapid progress has been made with curriculum planning, ensuring there are plans for progressions and skills in place / pupils build on previous learning</li> <li>• Teachers know their subjects well</li> </ul>	<ul style="list-style-type: none"> <li>• The planning and sequencing of lessons in KS1</li> </ul>
<b>Behaviour and attitudes</b>	Good	<ul style="list-style-type: none"> <li>• High standards of behaviour – in class and around school</li> <li>• Zero exclusions since the school became an academy in 2017</li> <li>• Strong relationships / respect for each other's differences</li> <li>• Bullying is rare and dealt with effectively</li> <li>• Attendance</li> </ul>	<ul style="list-style-type: none"> <li>• Greater analysis to identify any patterns in behaviour / bullying incidents</li> </ul>
<b>Personal development</b>	Good	<ul style="list-style-type: none"> <li>• The school provides 'a wealth of activities and clubs for pupils to enjoy'</li> <li>• The high numbers of pupils joining 'in-year' are integrated successfully</li> <li>• High quality care and support (including for pupils' emotional well-being)</li> </ul>	<ul style="list-style-type: none"> <li>• Greater analysis to identify if disadvantaged / SEND pupils take up opportunities as regularly as other pupils</li> </ul>
<b>Leadership and management</b>	Good	<ul style="list-style-type: none"> <li>• Leaders have high expectations for pupils</li> <li>• They have identified and acted on the correct priorities (e.g. mathematics / PE / science)</li> <li>• The arrangements for safeguarding are effective</li> <li>• Governors ensure leaders carry out all their duties and meet their statutory responsibilities</li> <li>• SEND pupils are well-supported</li> </ul>	<ul style="list-style-type: none"> <li>• Standards in reading, writing and mathematics, including for those working in greater depth</li> </ul>
<b>Early Years Provision</b>	Good	<ul style="list-style-type: none"> <li>• Good start – settle quickly into routines</li> <li>• Start learning to read very early – acquire phonics skills promptly due to the way teachers plan and sequence lessons</li> </ul>	
<b>Previous inspection grade</b>	<b>Not previously inspected as an academy (maintained school previously judged to be good in 2014)</b>		

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**TRUSTEES REPORT (CONTINUED)  
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<b>School</b>	<b>Hanley Swan Primary School</b>		
<b>Inspection</b>	<b>Ofsted Section 8 3 March 2020</b>		
<b>Overall effectiveness</b>	Good	<b>Identified strengths</b> <ul style="list-style-type: none"> <li>Many areas of strength, as detailed below</li> <li>The school should be especially proud of the excellent outcomes for disadvantaged and looked after children</li> <li>Parents value and support the school, commenting on the quality of communication, the success in fostering a love of reading, the approachability of the staff, the excellent behaviour of pupils and the impressive range of opportunities provided for them</li> </ul>	<b>Areas for development</b>
<b>The quality of education</b>	Good	<ul style="list-style-type: none"> <li>Maths teaching is strong with a carefully thought out, well-sequenced curriculum which challenges pupils at all levels</li> <li>Reading is a priority for the school and develops a love of books: teachers obviously love books which makes pupils want to love them too!</li> <li>Phonics is taught really well by staff who are very well-trained</li> </ul>	<ul style="list-style-type: none"> <li>Some foundation subjects, such as geography, are 'work in progress'</li> </ul>
<b>Behaviour and attitudes</b>	Good	<ul style="list-style-type: none"> <li>Very positive with no concerns / bullying is rare</li> <li>Attendance is a strength – particularly the low level of persistent absenteeism despite high numbers of LAC children</li> </ul>	
<b>Personal development</b>	Good	<ul style="list-style-type: none"> <li>A strength - children understand and aspire to 'be all they can be'</li> <li>They take full advantage of a wealth of support, guidance and enriching experiences</li> </ul>	
<b>Leadership and management</b>	Good	<ul style="list-style-type: none"> <li>A strength</li> <li>There are no issues with the strong culture of safeguarding</li> <li>The school is really well led and can be confident of continuing in the same direction</li> <li>Hugely positive responses to survey questions from vast majority of parents</li> <li>A united, supportive and hard-working staff who feel trusted – 'a tight team which works together'</li> <li>A very positive picture with particularly good teaching of phonics and lovely questioning techniques</li> </ul>	<ul style="list-style-type: none"> <li>Combat the perceptions of some parents with SEND</li> </ul>
<b>Early Years Provision</b>	Good		
<b>Previous inspection grade</b>	Not previously inspected as an academy (maintained school previously judged to be good in 2014)		

Congratulations should go to the headteachers, staff and governors of both schools for this success.

### Coronavirus

Within days of the Ofsted inspection at Hanley Swan the educational landscape changed completely as the Coronavirus pandemic caused a national lockdown from 23 March.

The week beginning 9th March was perhaps the last normal week in the operation of the four HUET schools. At that point Kempsey and Hanley Swan were still celebrating and recovering from their respective successful Ofsted inspections, while a significant number of students and staff at Hanley Castle were involved in final rehearsals for the school's production of 'Made in Dagenham'.

As the week progressed and the national situation deteriorated, there was a significant increase in the number of children reporting illness in school, particularly at Hanley Castle.

The beginning of the week of 16<sup>th</sup> March saw the planning for the anticipated lockdown begin in earnest. Staff health surveys were completed across the schools to identify vulnerable staff and households. As events accelerated rapidly, those members of staff on the 'Red List', as well as those living in households with a vulnerable member, were asked to stay at home from Wednesday 18<sup>th</sup> March.

Planning for lockdown proper, from 23<sup>rd</sup> March, also presented many challenges. Many members of the senior leadership teams across the four schools had underlying health conditions which meant that they were obliged to work from home.

It should be noted that both Hanley Castle and Kempsey remained open for the entirety of the lockdown, offering the children of key workers and vulnerable children (those with EHCPs or with a social worker) full-time provision, including during school holidays.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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Kempsey also offered a 'Community Take Away' service for the village once a week. This was hugely successful – at times catering for over 100 people. It also ran a food bank which was busy throughout lockdown.

Provision for key worker and vulnerable children was offered for children at Welland and Hanley Swan by Upton Primary School which opened as a hub for children in our locality. Staff from both HUET schools supported provision at the Upton hub, with Margaret Smith, in particular, making a very significant contribution to its leadership.

The other major focus was, of course, ensuring that the remaining children across the HUET were provided with high quality remote learning as well as effective safeguarding provision in lockdown.

Following the announcement that schools should expand their provision from 1<sup>st</sup> June, all of the HUET schools complied with Government guidelines to offer more students face-to-face teaching or some contact with teachers before the summer break.

At Hanley Castle all Year 10 students were invited into school for three fortnightly extended morning sessions focusing on English, maths and science. Year 12 students were invited to attend for two extended morning sessions in each of their option subjects (6 - 8 sessions in total) during the weeks where Year 10 were not in school.

In addition, all students in Years 7 to 9 were invited into school for a catch-up session with tutors.

Remote safeguarding and pastoral support continued throughout.

Hanley Swan reopened gradually from 1 June. The first two weeks saw the return of children of key workers and vulnerable children (who had previously been accommodated at the Upton Hub). The third week saw the introduction of a Year 6 bubble, followed by a Year 1 bubble, with Forest School sessions for other year groups.

Higher levels of deprivation and key worker children meant that pupil numbers remained relatively high at Kempsey throughout lockdown, increasing sharply after Easter. From 1 June provision was expanded to accommodate children in Reception, Year 1 and Year 6. Bubbles for other year groups were added from 29 June to accommodate the increased demand from key worker, vulnerable and other children.

Welland reopened on 1<sup>st</sup> June for the children of key workers and vulnerable pupils (previously at the Upton Hub). This provision was expanded to include Reception and Year 1 from 15 June and Year 6 from 29 June.

**SATs / GCSE and A level results**

All external exams, from SATs to A levels, were cancelled by the Government.

Primary schools supplied teacher assessments for their Year 6 pupils, and are currently awaiting further guidance on arrangements for 2021. There will, of course, be some catching up to do to prepare for the SATs, and phonics and multiplication tests, but work is well in hand across all three schools.

Initially, Hanley Castle's Year 13 students were awarded exam board moderated centre assessed A level grades. These moderated grades were arrived at by the exam boards by applying an algorithm to our centre assessed grades (CAGs).

The school adhered strictly to Ofqual (the Government exam board regulator) and exam board guidance in order to produce both A level and GCSE CAGs for each student in each subject. This was a detailed and exhaustive process where class teachers, heads of subject and the school's leaders spent a number of weeks considering a wide range of evidence, including classwork, homework, mock exams and work completed during lockdown. As you would expect, significant weighting was given to work completed under exam conditions (e.g. mock exams) and fully standardised (e.g. coursework).

Despite the school's commitment to strictly adhering to the Ofqual and exam board guidelines, this process indicated that the CAGs submitted by Hanley Castle to the exam boards collectively represented the school's best ever A level and GCSE results. Value added at A level was higher than in all previous years (+0.22, compared with -0.11 in 2019). The same was true at GCSE level (+0.4 approx. compared to the school's normal performance which is generally in the range +0.2 - +0.3). However, the school is satisfied that this was justified due to the calibre of the students, as well as the rigour of its approach and determination to follow carefully the guidelines. It should be noted

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that these preliminary value-added outcomes may be adjusted downwards due to the inflated CAGs submitted by some other centres.

When the school received the moderated A level grades from the exam boards on results day we were hugely disappointed to see that 98 grades had been lowered, 11 of them by two grades. We shared the disappointment and upset felt by so many students, some of whom had missed out on university places as a result.

The announcement by Gavin Williamson that students would now be awarded their CAG, or the moderated grade from the exam board, whichever was the higher, was a big step in the right direction. Many students achieved the grades they fully merited and deserved.

However, this left two issues: whether universities had the capacity to accommodate the increased number of students who had met their UCAS offers; and how to address the unhappiness of a small number of students (and parents) who felt that the CAGs arrived at by the school in some subjects were unfairly low (particularly when compared to the CAGs awarded to students by other schools).

Fortunately, the vast majority of Year 13 students eventually secured places at either their first-choice universities or at acceptable alternatives.

#### **Other aims and objectives**

Despite the impact of the Coronavirus pandemic, the HUET has continued to make good progress towards its aims and objectives. A huge amount of work has been completed in terms of uniting financial systems and raising and implementing common policies, particularly those relating to the terms and conditions of the employees of the four schools, as well as those concerning safeguarding and health and safety.

During the last year the focus has remained on improving outcomes, particularly in numeracy and literacy.

In addition, the safeguarding culture across the HUET continues to improve from an already high baseline. Joint training, for both staff and governors, is ensuring greater consistency and effectiveness.

All four schools are experiencing significant demand, and each school has secured funding for either improvements and / or expansion to accommodation and facilities.

#### **The quality of education**

The HUET continues to focus relentlessly on the knowledge acquisition and progress of children and young people across all key stages. Work has continued to develop the quality of the transition curriculum in English and maths. CAGs and internal tracking data indicate that pupil outcomes in maths across all key stages are improving. Work continues to improve the consistency of outcomes for disadvantaged pupils across all curriculum areas and in all key stages, particularly amidst concerns that the lockdown has exacerbated existing inequalities.

#### **Hanley Castle**

Despite a significantly disrupted year, the impact of the SDP was felt prior to lockdown in March 2020:

- Evaluation of progress in closing attainment gaps is difficult to measure due to cancellation of summer 2020 GCSE and A-level exams. Centre Assessed Grades were in line with HCHS outcomes for previous years.
- Teaching and Learning strategies were implemented in September to support high prior attainers, and management support was put in place to improve outcomes in DT. A focus on vocabulary was introduced to support disadvantaged students (in particular), who have been shown through national research to be falling behind as a result of a reduced exposure to vocabulary that would otherwise enable them to access context in their curriculum.
- Significant progress was made in curriculum development, focusing on clear sequencing of concepts and strategies to promote retrieval of key knowledge on which new principles build ("sticky knowledge"). CPD was delivered to share principles and strategies across departments, building on training from an external provider. Year 9 'cultural capital days' were piloted to enrich SMSC through a 'big question' themed approach, beginning with the impact of art on society and culture. These days are designed to ensure that the small amount of National Curriculum content not covered in our 2-year KS3 is delivered and enhanced by the end of year 9. The core RE curriculum has been redeveloped as Religion and World Views (in line with a welcome new national focus) and has been given increased curriculum time in KS3.

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**Hanley Swan**

- Numeracy - the school's involvement in the GLOW maths project continues, with further training for teaching assistants and Reception / Year 1 teachers. The impact of the delivery of maths across the school has been closely monitored through observations, book trawls and data analysis, with a particular focus on the progress of disadvantaged pupils.
- Literacy - the school's focus on raising standards in reading and writing across the school in order to improve pupils' achievement in KS2 statutory reading assessments has involved a sustained close monitoring of the progress of pupils (particularly disadvantaged children) and maintaining the drive to improve spelling in children's writing throughout the school.
- A large proportion of children took part in the reading challenge in classes 1-3.
- All class teachers delivering whole class reading (WCR) regularly. Classes 3 and 4 recorded written responses in reading journals.
- All staff have observed at least one other team member teaching reading. A book trawl confirmed evidence of WCR teaching.
- Pupil Progress meetings were held. The progress of disadvantaged children was discussed and interventions logged.
- Science - expectations, long term plans, developments and targets were shared. Science folders were provided for each class. Teachers have developed a working knowledge of science.
- Science cluster meetings with Kempsey and Welland have increased good practice and moderation in line with national curriculum.
- School visits linked to science have taken place.

**Kempsey**

- The way in which mathematics is taught and learnt was transformed. Although it is too soon to know what effect this will have in terms of pupil outcomes, at the time of lockdown, pupils were demonstrating greater enjoyment of and engagement with Maths.
- Curriculum overviews are now in place for all year groups.
- Skills progression maps are in place for all subjects except music and MFL (subject lead was on maternity). These identify the level of learning expected in each subject for each year group.
- Following the Ofsted inspection, progression maps for reading, writing and grammar were updated and uploaded to the school website.

**Welland**

- Curriculum intent has been clearly defined for all subjects and is summarised on the school website, demonstrating the progression in skills and knowledge linked to the National Curriculum. The long-term rolling programme for the mixed age classes has been redesigned. Clear milestones have been identified and are being used by all teachers to ensure the correct pitch and expectation for foundation subjects. The impact of this work was due to be monitored and evaluated in the summer term of 2020. However, the impact of Covid prevented most of this happening; it will now be a focus for 2020 – 2021.
- Teachers from the school undertook a research project led and funded by GLOWmaths to investigate the 'mastery' teaching approach in mathematics. Lessons are now structured to ensure that learning is explicitly 'chunked' and embedded before moving on. This 'keep up' not 'catch up' approach has supported all pupils and improved the provision for SEND pupils.
- In English speech and language interventions were used to support pupils in Years 3 and 4. Resources were also provided (e.g. visual timetables, task boards, coloured overlays) and integrated into the classroom to make the provision dyslexia friendly and support independence for SEND learners.

**Personal development, behaviour and attitudes**

Safeguarding is an overarching priority for the HUET and all four of its schools. Regular training for Members, Trustees, Governors and staff is compulsory, and the pace of change in this area has made training sessions and follow-up essential to ensure that knowledge is kept up-to-date through accredited sessions. In September 2019 the staff and Governors of all four schools attended their annual update at Hanley Castle.

The cross-HUET safeguarding policy has been updated and is now firmly embedded, improving practice and procedures across the MAT, including successful Trustee led audits involving key Governors carried out at all four

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schools. All four schools have adopted the CPOMS whole school safeguarding monitoring system, with training undertaken in the autumn term of 2019.

Fire surveys have also been completed across all HUET schools and remedial action taken where appropriate. The schools have continued to focus on reducing persistent absenteeism, particularly for those students with SEND or who are disadvantaged. The 'Prevent' strategy has been fully implemented, with all staff trained to be aware of their roles and responsibilities in supporting students who are vulnerable to extremism and radicalisation.

An attendance and safeguarding officer was appointed in September 2019 to increase capacity in these key areas.

Good behaviour is a notable strength across the four HUET schools, and is routinely celebrated and rewarded. Decisive action is taken when necessary to maintain our consistently high standards.

**Hanley Castle**

- Student mental health has been supported through the proactive use of the school counsellor and training for all pastoral staff. Student and parental awareness of resources and external services have been promoted using email communication. Impact of our attendance officer has been increased through more successful home visits, with the intention of reducing persistent absenteeism.
- Student voice has been promoted through Smart School Council, e.g. use of non-reusable plastics.
- Pastoral support and sanctions have been improved to reflect a restorative approach.
- All Gatsby benchmarks have been achieved for careers education, information, advice and guidance. This involves incorporating careers links into all subjects, refreshing PSD lessons and improved recording of career activities.
- The school's International School Award was renewed, reflecting our many international links, including the continued fundraising for a new school building in Tanzania.

**Hanley Swan**

- The impact of revised safeguarding procedures and staff training were evidenced in the Ofsted report – children report feeling safe at Hanley Swan Primary School, safeguarding procedures are rigorous and all staff are fully trained.
- The school has worked closely with the other DSLs in the HUET, where good practice is shared and support is given where necessary.
- Attendance and behaviour are both strengths.

**Kempsey**

- The impact of revised safeguarding procedures and staff training were evidenced in the Ofsted report – children report feeling safe at Kempsey Primary School, safeguarding procedures are rigorous and all staff are fully trained.
- The school has worked closely with the other DSLs in the HUET, where good practice is shared and support is given where necessary.
- Standards of behaviour are high and attendance is very good.
- Work continues to develop pupils' resilience, using a whole school 'Learning Pit' approach and utilising the primary sports coordinator as a resource. Improvements seen before lockdown have not been sustained and this will continue to be a priority.
- Ofsted recognised the school's notable success in integrating pupils admitted in-year.
- Strategies at lunchtime were having a positive impact on behaviours prior to lockdown. Pupils were demonstrating greater respect towards each other and their environment.
- The school was commended by Ofsted for providing "a wealth of activities and clubs for pupils to enjoy".

**Welland**

- The culture of safeguarding has been strengthened: training has been provided for all staff; the behaviour policy has been rewritten; the lunchtime supervisor team has been strengthened with regular meetings and structured lunchtime arrangements; playleaders have been identified and responsibilities assigned to Year 6 buddies.
- Attendance levels remain similar to the previous year, with support given to specific families who have had poor attendance over many years. The improvement in these cases was significant. Advice was given and actioned for the attendance officer. Good attendance was celebrated in school through congratulations assemblies and termly awards.



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**Leadership and Management**

The benefits of the HUET remain obvious, with collaboration and good practice being shared at both senior and middle leadership level.

Joint staff training, particularly in safeguarding, has ensured that safeguarding policies and practice across the HUET are of a consistently high standard (as recognised in both this year's Ofsted inspections).

As well as working hard on their internal development plan priorities, the four schools are collaborating to further improve the transition curriculum in English, mathematics and IT, further improving provision for premium pupils, continuing to raise attainment in literacy and numeracy, further improving the quality of teaching and learning and developing middle and senior managers.

This focus on developing middle and senior leaders is a priority, as the HUET seeks to develop and retain its most promising staff. Three senior leaders are currently working towards NPQH, while others have already completed NPQSL.

More whole-HUET policies have been raised and ratified – for example a common code of conduct for HUET staff.

The quality of self-evaluation has improved further, with all four schools working together to address the requirements of the new Ofsted framework, introduced in September 2019. The success of this was evidenced by this year's Ofsted outcomes

The consolidation of resources and prudent financial management have ensured that the HUET has been able to implement the September pay award in full and is well placed to remain viable as the local version of the National Funding Formula continues in its implementation.

Compliance with GDPR has been enhanced by the appointment and training of an effective DPO who has managed a number of issues, including complex SAR requests, very competently.

**Hanley Castle**

- The capacity of the senior leadership team was enhanced by: redesignating the assistant head (student support) role as a deputy headship; appointing a new assistant headteacher (post-16) to strengthen sixth form provision. The impact of the new assistant head has been immediate. They have already introduced a new focus to enhance Y11-12 transition, independent learning and a careers-pathway approach. This builds on an objective to raise ambition, including redesign of tutor group system, and a 'Year 12 ready' entry programme.
- CPOMs was embedded as a tool for better recording and acting on safeguarding concerns.
- Staff wellbeing, workload and morale was improved in the months prior to lockdown.
- Leadership of mathematics was improved by the appointment of a Lead Practitioner.
- A building programme is underway to accommodate the PAN increase to 180.

**Hanley Swan**

- Leadership and management were identified as strengths by Ofsted.
- The school's deputy head has commenced his NPQH project.
- The use of CPOMS has been fully embedded.

**Kempsey**

- The use of CPOMS has been fully embedded and training for it forms part of induction training for new members of staff. The use of CPOMS has heightened people's awareness, has ensured more "joined up thinking" and has generally enhanced the culture of safeguarding at the school.
- The impact of governance has been further developed, although this was more challenging during lockdown. The structure has been tightened and the two sub-committees meet regularly. The Standards and Resources committees report back to the LGB and provide more in-depth insight.
- The role of middle leaders has been developed further, with targets set for subject leads as part of performance management. The overhaul of the curriculum has also increased responsibility and accountability. For example, the maths lead successfully undertook a revamp of the maths curriculum and represented the school in a project with the GLOW hub. The English lead completed NPQSL.

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**Welland**

- James Laidler took over from Julia Husband as SENCO in January 2020. Teachers were supported to improve classroom resources for children with SEND. TAs were trained in a speech and language intervention programme which involved developing speaking and listening through narrative. Three EHCP assessments were submitted on behalf of pupils. Unfortunately, all three were declined for progression to the next stage.
- Two new permanent full-time teachers were appointed in KS2, making an immediate positive impact on improving the quality of teaching and learning and outcomes for children.
- The use of CPOMS has been fully embedded.

**Aligning teachers' pay more closely with performance**

The third full performance management cycle was successfully completed, including the Pay and Performance Committee's review of headteachers' performance. As a result, the HUET is confident that its pay policy is working effectively to provide a consistent framework within which excellent performance is incentivised and any underperformance challenged. There is a strong correlation between pay and performance, ensuring that the HUET and its schools achieve value for money.

**Improving the Trust's environment and facilities**

Demand for places at all four schools remains high. The RSC has approved PAN increases requested by the Local Authority for Hanley Castle, Kempsey and Welland, with additional capital funding of around £3 million to provide the necessary additional accommodation. Construction work is well underway at Hanley Castle and Kempsey.

Further housing developments planned for the area south of Worcester include a proposed new two-form entry primary school. The HUET has already met with LA officers and the local Parish Council to discuss its vision and plans for a proposed 'Mayflower Academy' Free School on the designated site. However, this project has been delayed further by the Coronavirus pandemic.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date, which excluding fixed assets and pension reserve was £431k or 5.1% of income as at August 2020. This together with £6,601k restricted fixed asset funds offset by the pension deficit of £4,452k leaves net assets as at 31 August 2020 of £2,580k.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers as at October 2019 were 1,651.

Another key financial performance indicator is staffing costs as a percentage of income. For 2020 this was 80.2%, which compared favourably to budget, 80.5%.

<b>KPIs for the year</b>	<b>Budget</b>	<b>Actual</b>
In year revenue deficit/surplus – before capital transfer	-£36K	+£127K
Reserves as at 31 August	£253K	£431K
Reserves as a % of income	3%	5%
Pupil numbers ( as at October 2019)		
Primary	530	571
Secondary	1100	1080
Total	1630	1651
Staff costs as percentage of income	80.5%	80.2%
Student Attendance (Covid impact)	95.0%	94.1%

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the going concern policy.

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**FINANCIAL REVIEW**

**Financial Review**

The Statement of Financial Activities for year ended 31st August 2020 includes 12 months for all schools whereas the comparative results for 2019 only include 8 months for Welland from 1st January 2019 to 31st August 2019.

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE via the ESFA and they are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

2019 figures have been restated due to a change in the accounting treatment of the land and buildings at Hanley Castle, which are no longer capitalised, and also a revaluation of the land and buildings at Welland primary which had to be estimated in 2019. It has been established that there is a two year supplemental agreement at Hanley Castle between the owners of the land ( the Hanley Castle High School Foundation Trust ) and the HUET to occupy the land and as such the capitalisation of the land and buildings at Hanley Castle has been reversed, the impact being £6,624k reduction in fixed assets and these costs are now shown as an expense in the SOFA within charitable activities. The Welland land and buildings valuation was reduced by £1,170k and therefore the overall impact on funds was a reduction of £7,794k from £9,279k to £1,485k.

During the year ended 31 August 2020, excluding the impact of fixed assets and the increase in the LGPS pension deficit the Trust reported an in-year surplus of £43k after transfer to capital with all individual schools maintaining positive reserves as at 31st August 2020.

The increase in Local Government Pension Scheme (LGPS) pension deficit of £403k to £4,452k was due to increasing liabilities and general market uncertainty.

Restricted Fixed Asset Fund income in the year of £2,244k related mainly to the expansion projects at Kempsey £680k and Hanley Castle £1,534k. The expenditure within fixed assets of £875k included the annual depreciation charge of £267k and the expenditure at Hanley on the new building which is not now capitalised £608k. The transfer from revenue of £85k was utilised to support IT investment across the HUET. The fund balance was £1,455k in year and stood at £6,601k as at 31 August 2020.

The total movement in funds in the year was £1,095k (£1,455k fixed assets, -£403k pension reserve and £43k general funds). Together with the restated brought forward funds from the previous financial year of £1,485k this resulted in carry forward funds of £2,580k of which £2,149k is restricted (£6,601k fixed assets and -£4,452k pension reserve) and £431k is unrestricted.

At 31 August 2020 the net book value of fixed assets was £5,278k and movements in tangible fixed assets are shown in note 14 to the financial statements. Significant additions in the year included the expansion at Kempsey and furniture and IT investment. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Trust has taken on the deficit in the LGPS in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 30 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy and Procedures which lays out the framework for financial management, including financial responsibilities of the HUET board, LGBs, headteacher, Chief Financial Officer, budget holders and other staff, as well as delegated authority for spending.

The Trustees have an appointed Responsible Officer Policy, a suitably qualified Trustee, to undertake a programme of internal checks on financial controls during the year ended 31 August 2020.

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**Reserves Policy**

The Trustees review the reserve levels of the HUET annually and this review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the HUET, the uncertainty over future income streams and other key risks identified during the risk review. At the end of the year of the total reserves of £2,580k the HUET's level of general reserves were £431k. The general reserves of £431k or 5% of income is in line with the targeted reserves and are held for future expenditure, for example one off building and maintenance work and to bridge the gap to Fairer Funding. The fixed asset reserves of £6,601k were invested in fixed assets. Whilst the HUET recognises a significant pension deficit of -£4,452k due to the accounting treatment of the LGPS this does not mean that an immediate liability for this amount crystallises.

The LGPS reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect. On a weekly basis this is achieved by transferring surplus funds to overnight deposit. Where cash flow allows, sums in excess of £50k may be invested on deposit for extended periods. Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher as Accounting Officer and Chief Financial Officer within strict guidelines approved by the Board of Trustees.

**Principal Risks and Uncertainties**

In addition to its regular reviews of the major risks to which the HUET is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks, earlier this year the Board of Trustees instigated through the Chairs' Forum a comprehensive review of the HUET's entire risk management strategy and risk register together with the adoption of a new risk management policy. Fundamentally, this links each individual risk in a matrix to the Scheme of Delegation category and HUET Development Plan section which it relates to. Risk owners will have a strengthened responsibility for monitoring and managing their risks. Each individual academy is now also required to maintain and manage its own risk register which is linked to the schemes of delegation and the academy's development plan. Where an academy risk is linked to a similar HUET risk, eg where accountability sits with the HUET but delivery lies predominantly at academy level, academies will be required to demonstrate to the board their on-going management of the risk. The HUET risk register made available as part of this end of year report has been produced under the new system.

The principal risks and uncertainties facing the HUET are as follows:

**COVID-19** – the principal risk facing the HUET at present stems from the COVID-19 pandemic and includes the partial/total closure of an academy(ies) due to a COVID case(s) or an external move to tiers 1-4 with a potential detrimental impact on teaching and learning, exam outcomes, safeguarding and support for SEND or other vulnerable children, and budgets. Each academy has its own detailed COVID-19 risk register in place and the board has asked academy chairs and heads to assess these risks on a fortnightly basis and report back to the board if there are any significant changes in the risk assessments.

**Financial** - the HUET has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the introduction of National Fairer Funding (NFF) is critical to the ongoing success of the Trust. In the last year over 95% of the HUET's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Whilst 3 of the 4 academies in the HUET have been asked and funded by the local authority to increase their intake, risks to revenue funding from a falling roll remain small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the HUET's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the success of the HUET is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and any impact from the risks associated with the development of the MAT are minimised.

**Safeguarding and child protection**- the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

**Staffing** - the success of the HUET is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The Trustees are aware of the potential pressures on staff due to ongoing funding issues and as a result work with the senior leadership team to monitor any impact on staff.

**Fraud and mismanagement of funds** - the HUET's Responsible Officer undertakes an annual programme of checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial procedures and develop their skills in this area.

The HUET has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the HUET. The register and plan are constantly reviewed and updated by committees in light of any new information and formally reviewed at each board meeting by the HUET Board.

The Trustees examine financial health formally four times a year, reviewing performance against budget and overall expenditure by means of regular update reports at all meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

The Board of Trustees recognises that the defined benefit scheme deficit (LGPS), which is set out in note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

## **FUNDRAISING**

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

## **PLANS FOR FUTURE PERIODS**

The Hanley and Upton Educational Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all ages and stages, continue to aim to attract high quality teachers and support staff in order to deliver its objectives and continue to work with partner schools to improve the educational opportunities for students in the wider community.

The HUET will continue to seek opportunities to strengthen its links legally and formally with partner schools to improve further the quality of educational provision for all children from the age of 4 to 19 within the schools involved, whilst retaining the distinctive character of each. This includes respecting and preserving the Christian ethos of Diocesan primary schools and the commitment of all schools to the spiritual, moral and cultural development of its students.

The HUET will seek to build closer links with other local schools, particularly those within the Upton Pyramid, to improve further the quality of educational provision for all children in our area. The HUET will play a prominent role in system improvement through its 'sponsor school' status and is prepared to work with the DfE and Regional Schools Commissioner to support those schools which are identified as underperforming.

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In addition, Hanley Castle will continue to develop the scope of its work in initial teacher training in partnerships which include the University of Worcester, the Woodrush Teaching School Alliance and the Prince Henry's Teaching School Alliance.

**The quality of education**

- All HUET schools will continue to improve: their curricula, quality of their mathematics provision, the quality of the transition curriculum in English and maths, the consistency of outcomes for disadvantaged children and the consistency of outcomes for children with SEND.
- In addition, all schools will implement a recovery curriculum to ensure that ground lost during the lockdown in the spring and summer terms of 2020 is recovered.
- They will also prepare for remote and blended learning in the event of further COVID issues.

**Personal development, behaviour and attitudes**

- All HUET schools will develop further strategies to improve pupils' emotional health and wellbeing.
- They will develop systematic approaches to improving the uptake by disadvantaged and SEND pupils of trips, visits and other extra-curricular activities.
- They will seek to further improve behaviour and attendance, particularly the behaviour and attendance of disadvantaged pupils.

**Leadership and management**

- The HUET will further increase its capacity to drive internal improvements and support expansion, including to meet the needs of increased demand due to housing developments in our area.
- The HUET will develop each school's facilities, premises and IT to accommodate the planned PAN increases.
- The HUET will continue to improve safeguarding arrangements across all of its schools.
- It will update its systems to ensure compliance with the EU GDPR.
- It will further improve succession planning to ensure that its success is sustained.
- The HUET will continue to provide support to Welland Primary School (supported status) in order to prepare it for a successful Ofsted inspection when the time comes.
- The HUET will maintain strong financial controls to ensure that the Trust remains in good financial health.

Priorities for each school include:

**Hanley Swan**

- The quality of education – consolidate and improve further KS2 progress, particularly in reading / continue to develop the delivery of foundation subjects / continue to monitor and evaluate the impact of GLOW maths across the school, with a particular focus on disadvantaged children.
- Personal development, behaviour and attitudes – further develop strategies to improve emotional health and wellbeing.
- Leadership and management – continue to improve succession planning by supporting staff undertaking NPQH / NPQSL.

**Welland**

- The quality of education – continue to raise standards in early reading / embed mastery teaching in mathematics / evaluate and revise long term planning to ensure gaps filled over time.
- Personal development, behaviour and attitudes – maintain focus on improving safeguarding culture / support new staff with CPOMS / develop further strategies to ensure that pupils feel safe in school and promote respectful relationships and behaviour during break and lunchtime / continue to improve attendance.
- Leadership and Management - implement staff restructuring (two teachers changing year groups / new NQT and RQT) / mentor and support new teachers / build capacity in middle leadership with enhanced subject leader roles and accountability.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Kempsey**

- The quality of education – develop the use of knowledge organisers to drive topic planning / ensure appropriate catch up programmes in place to accelerate pupil progress / improve KS2 progress towards national average, including for those with the potential to work at greater depth / improve the implementation of curriculum intent for some non-core subjects / improve the teaching of phonics in KS1.
- Personal development, behaviour and attitudes – ensure strategies are implemented to develop pupils' mental health and emotional well-being following extended lockdown and in light of current social turbulence / develop strategies to build a feeling of whole school community despite "bubbles" / further reinforce high standards of behaviour.
- Leadership and management - continue to embed the role of subject leads throughout the school / develop the role of members of the academy standards committee (formerly LGB) members in the light of the appointment of a new chair and vice chair / continue to build a culture of respect and resilience / ensure secure transition opportunities for Y6 pupils moving to HCHS / undertake a whole school skills audit to determine focussed CPD for staff.

**Hanley Castle**

- The quality of education - develop teacher and student skills for effective online learning, based on understood expectations and educational principles / embed use of Rosenshine's Principles to prioritise and structure learning / continue to focus on curriculum development, including catch-up and 'cultural capital days' / continue to support the progress of disadvantaged students / post-16 - continue to embed new philosophy to raise aspirations, build resilience, promote independent learning skills and thus improve post-16 outcomes.
- Personal development, behaviour and attitudes – improve engagement, particularly in the light of increased COVID restrictions / continue to develop strategies to support and improve student mental health / maintain the quality of careers advice and support, without work experience.
- Leadership and management – operate a COVID-safe school and respond effectively to positive cases / complete and adopt the new build / manage finances in the face of lower than anticipated student numbers / support staff wellbeing and confidence / maintain quality of communication with parents in the absence of face-to-face meetings and events / continue to recruit in sufficient numbers to Year 7 and Year 12.

Full details of all our plans for the future are given in the HUET Development Plan, which is available on our website or from the Company Secretary, and in academy development plans which can be obtained from the individual schools.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The HUET and its Trustees do not act as the custodian Trustees of any other charity with the exception of those Trustees who are Trustees of the Hanley Castle High School Foundation Trust.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware
- and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**AUDITORS**

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at the HUET AGM in January 2021.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2020 and signed on its behalf by:



**S Price  
(Chair of Trustees)**



**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Hanley and Upton Educational 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 Officer of the Hanley and Upton Educational Trust for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the HUET and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Robinson, Chair	5	5
L F Cooke, Accounting Officer & Chief Executive Officer	5	5
S Adeney	4	5
S Fitzjohn	4	5
N Lechmere	3	5
S Price	4	5
N Skellum	5	5
J Speller	3	5
K Taylor	5	5

Membership of the Board of Trustees has remained unchanged through the year. The Board of Trustees has continued to focus its activities on the three core governance functions:

- it has ensured that the clarity of vision, ethos and strategic direction as documented for the HUET underpin all its discussions and decision making;
- it has held executive leaders to account for the educational performance of the organisation and its pupils through detailed assessment of the high quality descriptive and data driven reports provided by the CEO and headteachers, and for the performance management of staff through the responsibilities delegated to the pay and performance committee; and
- through review of the equally high quality financial reports provided by the CFO, it has overseen the financial performance of HUET and ensured, in extremely challenging financial times, that its funds have continued to be well spent.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

However, for 2019/20 this has only been a part of the story. The impact of the coronavirus pandemic was first felt in the HUET schools from February 2020 and from this point, the work of the Board of Trustees has been predominantly focused on supporting the HUET leadership in its work in guiding the Trust and its academies through this extremely difficult time. In the context of its own legal responsibilities with regard to coronavirus related decisions, the Board has actively reviewed and challenged the individual academy Covid-19 risk assessments and, through regular meetings between heads and chairs of LGBs reported through the HUET Chair, monitored the ongoing situation in each academy. All meetings have, and continue to be held, via the Teams platform. A number of trustees have poor internet connectivity in our predominantly rural area making interactive activities via Teams particularly difficult. As a result, and because the Board were unwilling to impose further commitments on senior staff involved, training for both Members and Trustees planned for the spring has been postponed.

**Governance Review**

The quality of governance remained a central part of the HUET SEF and in self evaluation procedures using the Ofsted framework. The outcomes of this self evaluation are recorded in each academy's SEF. During the last 12 months significant progress has been made in further improving the quality of governance, although not through the route originally planned. Formal governance self evaluation activity is normally undertaken by the Board of Trustees in the spring but in 2020 these plans were disrupted by the pandemic for the reasons outlined above.

However, significant progress was made by utilising the Chairs' Forum (HUET Chair together with LGB Chairs) who have been able to work closely together and then share and develop their work with both the Leadership Forum and Board of Trustees at each of their meetings and integrate feedback received to their ongoing work. A major benefit from this format has been the development of closer relationships between the HUET and the LGBs via their chairs and the resultant improved embedding of the governance process across the HUET. One LGB Chair has changed during the year (Welland), and the increased number of Chairs' Forum meetings has proved to be valuable in helping a new chair to 'bed-in' to both their LGB role and understanding the wider HUET context.

The Chair's Forum has worked in four main areas:

Coronavirus – regular review of individual academy risk assessments from a governance point of view through the collation and analysis of output from fortnightly meetings between heads and chairs which have been in place since the increased provision to most pupils in June. This allowed trustees to be assured that their legal responsibilities were being safeguarded.

HUET risk management process – the 2018/19 Governance Statement had flagged up the need to extend the HUET risk management assessment process down to LGB/school level which was to be investigated as part of the 2019/20 governance review to be undertaken by the Board of Trustees. The Chairs' Forum has undertaken a comprehensive review of the HUET's entire risk management strategy and risk register together with the adoption of a new risk management policy. Fundamentally, this links each individual risk in a matrix to the specific Scheme of Delegation category and HUET Development Plan section which it relates to. Risk owners will have a strengthened responsibility for monitoring and managing their risks. Each individual academy is now also required to maintain and manage its own risk register which is also linked to the schemes of delegation and the academy's development plan. Where an academy risk is linked to a similar HUET risk, eg where accountability sits with the HUET but delivery lies predominantly at academy level, academies will be required to demonstrate to the board their on-going management of the risk. The HUET risk register made available as part of the 2019/20 end of year reporting has been produced under the new system.

HUET self evaluation and development plan – linked to the work on the HUET risk management process, Chair's and through them the Board and LGBs, are now much more involved in the HUET self evaluation process and the construction of the HUET Development Plan. This will significantly strengthen the integrity of that plan and ownership by the HUET governance structure.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

Safeguarding - Chairs continued to work to ensure that the ownership and implementation of the Trust's safeguarding principles and policies developed so strongly in 2017/18, continued to be embedded at LGB level as well as amongst Members and Trustees. The governance aspect of this work is lead by the Board's Safeguarding Lead, Kate Taylor, who undertakes annual school safeguarding audits, although the pandemic has impacted on the ability to undertake these in the last year.

In addition, Trustees continued to provide appropriate challenge and support regarding senior leadership, teaching and learning and outcomes. Trustees were assured that the Trust's financial position remained stable with contingency plans in place for the anticipated failure to increase income against unavoidable expenditure, including Covid related costs, in the short term. Resources were seen to have been managed effectively and efficiently to facilitate improvement in staffing levels, facilities, and accommodation to benefit all student groups. Trustees' own expertise, experience and knowledge of the Trust and its schools ensured they remain well placed to shape its direction and policies, identify strategic priorities, and to monitor and evaluate actions taken by the leadership of each of the schools within the Trust.

It is an important governance objective to ensure that Members are appropriately informed to undertake their high level role and they have been involved alongside Trustees in some of the self evaluation and safeguarding training, whilst also receiving briefing on the HUET's academic performance and other achievements against objectives. There remains a Member vacancy to be filled: as with Trustees, the policy of the Members has been to fill vacancies only as and when replacement candidates with suitable skills are identified, preferring if necessary to keep a vacancy until that time. This has been delayed by the pandemic, but it is anticipated that the vacancy will be filled by the 2019/20 AGM in January 2021. However, it should be noted that one beneficial outcome of the pandemic for Members has been the ease with which they can now 'sit in' on board meetings whilst they are held on Teams and this allows them to better undertake their oversight role and understand the workings of the Board and the HUET more generally.

The HUET Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the Board of Trustees in fulfilling its responsibilities with particular reference to financial reporting, internal control, risk management and external audit.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
N Lechmere	2	2
K Taylor	2	2
P G Saunders (Independent Chair)	2	2
E Wilkins - CFO - (In Attendance)	2	2
N Skellum - RO - (In Attendance)	1	2

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the HUET delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Delivering an in year surplus of £127k (before transfer of capital of £85k) compared to a budgeted deficit of - £36k. All individual schools returned an in year surplus for the year before transfer to capital.
- No significant issues arising from external audit or internal audit work carried out by the Responsible Officer.
- Maintaining strict control over staff costs. The number of staff has remained fairly static over the last five years whereas pupil numbers continue to rise. Staff costs per pupil are significantly lower than both the Worcestershire and national average and as a percentage of income were better than budget.
- Maintaining reserves as at 31st August 2020 of £431k or 5% of income.
- Conducting an annual benchmarking exercise which indicated that the Trust's costs are lower than most other similar trusts, whilst income is considerably lower than the national average due to the low funding of Worcestershire Local Authority.
- Expansion projects at both Kempsey and Hanley Castle have progressed well despite the impact of the pandemic and are on target to be completed on time and within budget.
- Funding was secured to expand Welland primary from September 2021.
- Maintaining tight control over financial position of trust throughout the lockdown period and negotiating fairly with suppliers, ensuring staff all paid in line with government guidelines and utilising job retention scheme where appropriate.
- Closely monitoring exceptional costs during the pandemic and where possible submitting claims to government for financial support.
- SRMA audit conducted in October 2019.
- Successful Salix application for LED lighting at both Kempsey and Welland.
- Continued investment in IT across the trust including laptops at Hanley Castle and Hanley Swan
- New website at Welland and replacement servers at Welland and Kempsey.
- All schools successfully migrated to Windows 10.

**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 HUET 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 Hanley and Upton Educational Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the HUET is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the HUET's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. As described above, the whole HUET risk management process has been reviewed, updated and strengthened by the Chairs' Forum and progress has been reported to the Board at each of its meetings. Final recommendations will be made to the October Board of Trustees meeting and it is anticipated that the new risk management system, including a revised and strengthened format for the HUET risk register and individual risk registers for each academy will significantly enhance the Board's capacity to assess, mitigate and manage risk.

**THE RISK AND CONTROL FRAMEWORK**

The HUET'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 Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mrs N Skellum as Responsible Officer (RO) for the year ended 31 August 2020.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the HUET's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll costs, cash and bank and credit card procedures
- Review of Academies Financial Handbook Schedule of requirements – the "musts"
- Review of significant capital project expenditure
- Review of Welland management accounts
- Review of Governance procedures
- Review of Strategic & Operational procedures including budget cycle

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

There were no significant issues identified as part of the Responsible Officer's review. On an annual basis RO reports to the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the reviewer
- the work of the external auditors
- the financial management and governance self-assessment process
- the work of the executive managers within the HUET who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 3 December 2020 and signed on their behalf by:



**Mr S Price**  
Chair of Trustees



**Mrs L F Cooke**  
Accounting Officer

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Hanley and Upton Educational Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019 to 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019 to 2020.

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



Miss L F Cooke  
Accounting Officer

Date: 3<sup>rd</sup> December 2020



**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The CEO, CFO and Headteachers of each school (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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the CEO, CFO and Headteachers of each school to prepare financial statements for each financial year. Under company law the CEO, CFO and Headteachers of each school 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 CEO, CFO and Headteachers of each school are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The CEO, CFO and Headteachers of each school 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 CEO, CFO and Headteachers of each school 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 CEO, CFO and Headteachers of each school 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 CEO, CFO and Headteachers of each school on 3 December 2020 and signed on its behalf by:



**S Price**  
Chair of Trustees

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY  
AND UPTON EDUCATIONAL TRUST**

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**OPINION**

We have audited the financial statements of Hanley and Upton Educational Trust (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY  
AND UPTON EDUCATIONAL TRUST (CONTINUED)**

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**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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

**OPINION 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY  
AND UPTON EDUCATIONAL TRUST (CONTINUED)**

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**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' 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 Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

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



**Andrew Wood FCCA (Senior statutory auditor)**  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

15 December 2020

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HANLEY AND UPTON EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hanley and Upton Educational Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HANLEY AND UPTON EDUCATIONAL TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Hanley and Upton Educational Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HANLEY AND  
UPTON EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**CONCLUSION**

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



Andrew Wood FCCA  
Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: 15th December 2020

**HANLEY AND UPTON EDUCATIONAL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
<b>INCOME FROM:</b>						
Donations and capital grants	3	7,231	8,344	2,244,644	2,260,219	1,171,306
Charitable activities	4	312,989	7,984,516	-	8,297,505	7,532,379
Other trading activities	5	47,977	-	-	47,977	99,624
Investments	6	532	-	-	532	693
<b>TOTAL INCOME</b>		<b>368,729</b>	<b>7,992,860</b>	<b>2,244,644</b>	<b>10,606,233</b>	<b>8,804,002</b>
<b>EXPENDITURE ON:</b>						
Raising funds		991	-	-	991	25,908
Charitable activities	7	299,226	8,193,603	874,740	9,367,569	8,461,884
<b>TOTAL EXPENDITURE</b>		<b>300,217</b>	<b>8,193,603</b>	<b>874,740</b>	<b>9,368,560</b>	<b>8,487,792</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>68,512</b>	<b>(200,743)</b>	<b>1,369,904</b>	<b>1,237,673</b>	<b>316,210</b>
Transfers between funds	21	(25,699)	(59,257)	84,956	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>42,813</b>	<b>(260,000)</b>	<b>1,454,860</b>	<b>1,237,673</b>	<b>316,210</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	30	-	(143,000)	-	(143,000)	(1,251,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>42,813</b>	<b>(403,000)</b>	<b>1,454,860</b>	<b>1,094,673</b>	<b>(934,790)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		388,039	(4,049,000)	5,146,040	1,485,079	2,419,869
Net movement in funds		42,813	(403,000)	1,454,860	1,094,673	(934,790)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>430,852</b>	<b>(4,452,000)</b>	<b>6,600,900</b>	<b>2,579,752</b>	<b>1,485,079</b>

The notes on pages 41 to 71 form part of these financial statements.

**HANLEY AND UPTON EDUCATIONAL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:07690414**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	As restated 2019 £
<b>FIXED ASSETS</b>			
Tangible assets	14	5,278,332	4,977,998
<b>CURRENT ASSETS</b>			
Stocks	15	1,804	1,302
Debtors	16	2,028,826	359,998
Cash at bank and in hand		741,417	1,226,921
		<u>2,772,047</u>	<u>1,588,221</u>
Creditors: amounts falling due within one year	17	(989,434)	(995,801)
<b>NET CURRENT ASSETS</b>		<u>1,782,613</u>	<u>592,420</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,060,945</u>	<u>5,570,418</u>
Creditors: amounts falling due after more than one year	18	(29,193)	(36,339)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>7,031,752</u>	<u>5,534,079</u>
Defined benefit pension scheme liability	30	(4,452,000)	(4,049,000)
<b>TOTAL NET ASSETS</b>		<u><u>2,579,752</u></u>	<u><u>1,485,079</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	6,600,900	5,146,040
Restricted funds excluding pension asset	21	6,600,900	5,146,040
Pension reserve	21	(4,452,000)	(4,049,000)
<b>Total restricted funds</b>	21	<u>2,148,900</u>	<u>1,097,040</u>
<b>Unrestricted income funds</b>	21	<u>430,852</u>	<u>388,039</u>
<b>TOTAL FUNDS</b>		<u><u>2,579,752</u></u>	<u><u>1,485,079</u></u>



HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER:07690414

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 37 to 71 were approved by the Trustees, and authorised for issue on 03 December 2020 and are signed on their behalf, by:



**S Price**  
Chair of Trustees

The notes on pages 41 to 71 form part of these financial statements.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	23	(569,990)	(114,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	25	91,632	193,229
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	24	(7,146)	7,173
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(485,504)</b>	<b>86,381</b>
Cash and cash equivalents at the beginning of the year		<b>1,226,921</b>	<b>1,140,540</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	26, 27	<b>741,417</b>	<b>1,226,921</b>

The notes on pages 41 to 71 form part of these financial statements

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hanley and Upton Educational Trust meets the definition of a public benefit entity under FRS 102.

**1.2 GOING CONCERN**

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

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 year it is receivable and to the extent the goods have been provided or on completion of the goods and services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**1.4 EXPENDITURE**

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE (CONTINUED)**

• **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 TAXATION**

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

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

**1.7 TANGIBLE FIXED ASSETS**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is provided on the following bases:

Freehold property	- Buildings 50 years, leasehold land 125 years
Furniture and equipment	- 10-20% straight line
Motor vehicles	- 33.33% straight line
Office equipment	- 10-20% straight line
Computer equipment	- 33.33% straight line

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.

**1.8 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.9 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 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.

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 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 bases 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 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.14 PENSIONS**

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

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

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

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

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.15 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 a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 28.

**1.16 FUND ACCOUNTING**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.



**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trust are required to recognise the land & buildings held at the year-end. The land & buildings transferred into the Trust on conversion of Welland Primary School has been calculated using a proportion of the insurable value, using existing Academies within the Trust as a benchmark. This is deemed to be the most appropriate method of valuation whilst a formal ESFA valuation is awaited.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
<b>DONATIONS</b>					
Transfer from Local Authority on conversion	-	-	-	-	871,017
Donations	7,231	8,344	-	15,575	10,038
Capital Grants	-	-	2,244,644	2,244,644	290,251
	<u>7,231</u>	<u>8,344</u>	<u>2,244,644</u>	<u>2,260,219</u>	<u>1,171,306</u>
<b>TOTAL 2019 AS RESTATED</b>	<u>8,303</u>	<u>(323,577)</u>	<u>1,486,580</u>	<u>1,171,306</u>	

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION - DIRECT COSTS**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA GRANTS</b>				
General Annual Grant	-	7,022,205	7,022,205	6,633,952
Start up grants	-	-	-	25,000
Other DfE group grants	-	798,272	798,272	431,225
	-	7,820,477	7,820,477	7,090,177
<b>OTHER GOVERNMENT GRANTS</b>				
High Needs	-	110,999	110,999	58,386
Other government grants	-	52,840	52,840	42,625
	-	163,839	163,839	101,011
<b>OTHER FUNDING</b>				
Internal catering income	7,476	-	7,476	10,784
Income from hosting trainee teachers	10,298	-	10,298	12,677
Sales to students	13,073	-	13,073	14,072
Trip income	237,717	200	237,917	215,523
High Needs	44,425	-	44,425	88,135
	312,989	7,984,516	8,297,505	7,532,379
<b>TOTAL 2019</b>	<b>341,191</b>	<b>7,191,188</b>	<b>7,532,379</b>	

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	13,096	13,096	20,016
Breakfast club	27,710	27,710	26,228
Other	7,171	7,171	53,380
	47,977	47,977	99,624
<b>TOTAL 2019</b>	<b>99,624</b>	<b>99,624</b>	

**HANLEY AND UPTON EDUCATIONAL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**6. INVESTMENT INCOME**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	532	532	693
	<u>532</u>	<u>532</u>	
TOTAL 2019	693	693	
	<u>693</u>	<u>693</u>	

**7. EXPENDITURE**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	As restated Total 2019 £
Expenditure on fundraising trading:					
Direct costs	-	-	991	991	25,908
Education:					
Direct costs	5,908,684	1,008,478	324,926	7,242,088	6,458,063
Support costs	1,089,759	624,601	411,121	2,125,481	2,003,821
	<u>6,998,443</u>	<u>1,633,079</u>	<u>737,038</u>	<u>9,368,560</u>	<u>8,487,792</u>
TOTAL 2019 AS RESTATED	<u>6,273,125</u>	<u>1,420,287</u>	<u>794,380</u>	<u>8,487,792</u>	

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Education	7,242,088	2,125,481	9,367,569	8,461,884
	<u>7,242,088</u>	<u>2,125,481</u>	<u>9,367,569</u>	
TOTAL 2019 AS RESTATED	<u>6,458,063</u>	<u>2,003,821</u>	<u>8,461,884</u>	

**HANLEY AND UPTON EDUCATIONAL TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of direct costs**

	<b>Total funds 2020 £</b>	<b>As restated Total funds 2019 £</b>
Pension finance costs	27,000	24,000
Staff costs	5,883,416	5,212,777
Depreciation	267,042	183,694
Educational supplies	73,878	76,754
Examination fees	85,731	110,793
Staff development	20,545	27,076
Other costs	251,510	223,465
Supply teachers	25,268	27,818
Maintenance of premises and equipment	607,698	571,686
	<b>7,242,088</b>	<b>6,458,063</b>

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Pension finance costs	46,000	45,000
Staff costs	1,088,736	1,032,530
Other costs	33,195	23,693
Maintenance of premises and equipment	195,833	207,349
Cleaning	110,269	18,742
Rent and rates	53,327	47,126
Energy costs	87,833	101,036
Insurance	47,415	42,940
Security and transport	23,942	30,422
Catering	119,074	121,254
Technology costs	119,485	125,926
Office overheads	107,003	100,291
Legal and professional	77,832	91,500
Bank interest and charges	707	982
Governance costs	14,830	15,030
	<b>2,125,481</b>	<b>2,003,821</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	2020 £	As restated 2019 £
Operating lease rentals	38,776	41,207
Depreciation of tangible fixed assets	267,042	183,694
Fees paid to auditors for:		
- audit	13,500	13,250
- other services	1,830	1,780
	<u>293,148</u>	<u>240,731</u>

**10. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,124,815	4,828,061
Social security costs	474,442	443,798
Pension costs	1,372,895	973,448
	<u>6,972,152</u>	<u>6,245,307</u>
Agency staff costs	25,268	27,818
	<u>6,997,420</u>	<u>6,273,125</u>

	2020 £	2019 £
Severance payments	18,128	-
	<u>18,128</u>	<u>-</u>

**b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS**

There were two staff compromise costs incurred during the year (2019: none). Individually the amounts paid were £9,763 and £8,365.

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**10. STAFF (CONTINUED)**

**c. STAFF NUMBERS**

The average number of persons employed by the Academy Trust during the year was as follows:

	2020 No.	2019 No.
Teachers	85	85
Educational support	60	66
Administration and clerical	48	54
Management	13	11
	<u>206</u>	<u>216</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	74	73
Educational support	43	36
Administration and clerical	28	28
Management	12	11
	<u>157</u>	<u>148</u>

**d. HIGHER PAID STAFF**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	-
In the band £70,001 - £80,000	3	3
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the CEO, CFO and Headteachers of each school. 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 £510,112 (2019: £459,273).

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**11. CENTRAL SERVICES**

The Academy Trust has provided the following central services to its academies during the year:

- Insurance
- Legal and professional services
- Human resources and payroll
- Educational support services
- Financial services
- Premises services
- Audit services
- Others as required

The Academy Trust charges for these services on the following basis:

The Academy Trust charged these services on a fair basis as agreed between the CEO and Local Governing Bodies, being 5% of total income, less SEN funding, Pupil Premium and other income as deemed appropriate.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Hanley Castle High School	268,800	212,399
Kempsey Primary School	55,968	47,677
Hanley Swan C-of-E Primary School	24,468	20,457
Welland Primary School	28,980	12,511
<b>TOTAL</b>	<b>378,216</b>	<b>293,044</b>

**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: Mrs L F Cooke: remuneration £110,000 - £115,000 (2019: £110,000 - £115,000), employer's pension contributions £25,000 - £30,000 (2019: £15,000 - £20,000).

During the year ended 31 August 2020, expenses totalling £589 were reimbursed to 3 Trustees (2019 - £ NIL).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy Trust 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £1,199 (2019 - £1,199). The cost of this insurance is included in the total insurance cost.

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**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
<b>COST OR VALUATION</b>						
At 1 September 2019 (as previously stated)	13,104,018	54,333	909,645	5,785	434,764	14,508,545
Prior Year Adjustment	(8,406,392)	-	-	-	-	(8,406,392)
At 1 September 2019 (as restated)	4,697,626	54,333	909,645	5,785	434,764	6,102,153
Additions	417,171	77,859	47,835	9,000	15,511	567,376
At 31 August 2020	5,114,797	132,192	957,480	14,785	450,275	6,669,529
<b>DEPRECIATION</b>						
At 1 September 2019 (as previously stated)	746,194	22,417	698,452	2,309	266,261	1,735,633
Prior Year Adjustment	(611,478)	-	-	-	-	(611,478)
At 1 September 2019 (as restated)	134,716	22,417	698,452	2,309	266,261	1,124,155
Charge for the year	97,409	33,969	97,685	1,818	36,161	267,042
At 31 August 2020	232,125	56,386	796,137	4,127	302,422	1,391,197
<b>NET BOOK VALUE</b>						
At 31 August 2020	4,882,672	75,806	161,343	10,658	147,853	5,278,332
At 31 August 2019 (as restated)	4,562,910	31,916	211,193	3,476	168,503	4,977,998



**HANLEY AND UPTON EDUCATIONAL TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. STOCKS**

	2020	2019
	£	£
Goods for resale	1,804	1,302

**16. DEBTORS**

	2020	2019
	£	£
Trade debtors	18,313	5,643
Other debtors	120,598	97,747
Prepayments and accrued income	1,733,238	181,345
VAT recoverable	156,677	75,263
	<u>2,028,826</u>	<u>359,998</u>

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**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Salix loans	7,146	7,146
Trade creditors	446,874	394,463
Other taxation and social security	114,773	112,322
Other creditors	188,595	165,824
Accruals and deferred income	232,046	316,046
	<u>989,434</u>	<u>995,801</u>
	2020 £	2019 £
Deferred income at 1 September 2019	205,234	114,460
Resources deferred during the year	126,165	205,234
Amounts released from previous periods	(205,234)	(114,460)
	<u>126,165</u>	<u>205,234</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips due to run in the 2020/21 year, totalling £NIL (2019: £74,145), and grants received in advance totalling £126,165 (2019: £131,089)

Included within creditors due within one year is a Salix loan balance of £4,000. The full value of the loan outstanding is £24,000, £20,000 of which is shown as due over one year (note 18). The loan is repayable in six-monthly instalments over the remaining 8 year of the loan with an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £1,000. The full value of the loan outstanding is £6,500, £5,500 of which is shown as due over one year (note 18). The loan is repayable in six-monthly instalments over 7 years, with repayments starting in January 2019. There is an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £2,146. The full value of the loan outstanding is £5,839, £3,693 of which is shown as due over one year (note 18). The loan is repayable in annual instalments until October 2022. There is an applicable annual interest rate of NIL%.

**HANLEY AND UPTON EDUCATIONAL TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Other loans	29,193	36,339

Included within creditors due within one year is a Salix loan balance of £4,000. The full value of the loan outstanding is £24,000, £20,000 of which is shown as due over one year (note 18). The loan is repayable in six-monthly instalments over the remaining 8 year of the loan with an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £1,000. The full value of the loan outstanding is £6,500, £5,500 of which is shown as due over one year (note 18). The loan is repayable in six-monthly instalments over 7 years, with repayments starting in January 2019. There is an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £2,146. The full value of the loan outstanding is £5,839, £3,693 of which is shown as due over one year (note 18). The loan is repayable in annual instalments until October 2022. There is an applicable annual interest rate of NIL%.

**19. FINANCIAL INSTRUMENTS**

	2020 £	2019 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	741,417	1,226,921

Financial assets measured at fair value through income and expenditure comprises cash at bank.

**20. PRIOR YEAR ADJUSTMENTS**

A prior year adjustment has been raised in respect of the land & buildings of Welland Primary School, which transferred into the Trust during the 2019/20 financial year. The land & buildings were originally valued based on an insurance value calculation. During the year ended 31 August 2020, the ESFA have provided an updated valuation. As a result, an adjustment has been raised to reduce the fixed asset cost and donation income from the transfer from the Local Authority on conversion by £1,170,908. The impact on the current year is a reduction to the Restricted Fixed Asset Fund bought forwards.

A further adjustment has been raised to remove the historic land & building costs and accumulated depreciation of Hanley Castle High School. This school is deemed to occupy the land on a two-year supplemental agreement. As such, in accordance with the Academies Financial Handbook, these assets should not be recognised on the Balance Sheet. The impact of this adjustment in the current year is to reduce the bought forward net book value of Fixed Assets and the Restricted Fixed Asset Fund opening reserves by £6,624,006. The adjustment impacting on the results to 31 August 2019 is to adjust the closing net book value of fixed assets by £6,624,006. The expenditure, shown as maintenance of premises and equipment within the analysis of expenditure within the Restricted Fixed Asset fund, has increased by £444,685. The opening Restricted Fixed Asset Fund reserve has increased by £6,179,321.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. STATEMENT OF FUNDS**

	Balance at 1 September 2019 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	388,039	368,729	(300,217)	(25,699)	-	430,852
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	6,987,794	(6,928,537)	(59,257)	-	-
Universal Infant Free School Meals	-	7,384	(7,384)	-	-	-
Higher Needs funding	-	92,209	(92,209)	-	-	-
Pupil Premium (PP)	-	34,411	(34,411)	-	-	-
Other ESFA grants	-	470,893	(470,893)	-	-	-
Other grants	-	391,825	(391,825)	-	-	-
Donations	-	8,344	(8,344)	-	-	-
Pension reserve	(4,049,000)	-	(260,000)	-	(143,000)	(4,452,000)
	<u>(4,049,000)</u>	<u>7,992,860</u>	<u>(8,193,603)</u>	<u>(59,257)</u>	<u>(143,000)</u>	<u>(4,452,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Land and buildings transferred in	4,004,156	-	(85,629)	-	-	3,918,527
Fixed assets purchased from GAG and other restricted funds	503,109	-	-	84,956	-	588,065
Devolved Formula Capital funding (DFC)	153,878	41,089	(33,670)	-	-	161,297
Academies Capital Maintenance Fund (ACMF)	22,063	-	-	-	-	22,063

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Condition Improvement Fund (CIF)	382,627	-	(71,180)	-	-	311,447
PAN expansion	-	2,202,605	(585,687)	-	-	1,616,918
Donated capital funding	80,207	950	(98,574)	-	-	(17,417)
	<u>5,146,040</u>	<u>2,244,644</u>	<u>(874,740)</u>	<u>84,956</u>	<u>-</u>	<u>6,600,900</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>1,097,040</u>	<u>10,237,504</u>	<u>(9,068,343)</u>	<u>25,699</u>	<u>(143,000)</u>	<u>2,148,900</u>
<b>TOTAL FUNDS</b>	<u>1,485,079</u>	<u>10,606,233</u>	<u>(9,368,560)</u>	<u>-</u>	<u>(143,000)</u>	<u>2,579,752</u>

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

**RESTRICTED FUNDS:**

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Universal Infant Free School Meals - income from the ESFA for the provision of free school meals.

Higher Needs funding - funding provided by Local Authorities for the Academy Trust to fund further support for students with additional needs.

Start Up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

Pupil Premium (PP) - represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Other ESFA grants - restricted income from the ESFA which is to be used in accordance with the terms of the funding.

Other grants - income which has been received for specific purposes.

Donations - incoming donations received for specific purposes, as specified by the donor.

Pension reserve - this represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

**RESTRICTED FIXED ASSET FUNDS:**

Land and buildings transferred in - this represents the buildings and equipment donated to the Academy Trust from the Local Authority on conversion to an academy.

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**21. STATEMENT OF FUNDS (CONTINUED)**

Fixed assets purchased from GAG - this represents capital assets that have been purchased out of restricted GAG funding.

Devolved Formula Capital funding (DFC) - this represents funding from the ESFA to cover the maintenance and purchase of the academy's assets.

Academies Capital Maintenance Funding (ACMF) - are restricted grants related to a grant provided to the Academy Trust from the Academies Capital Maintenance Fund was used on various capital projects.

Condition Improvement Fund (CIF) - are restricted grants related to a grant provided to the Academy Trust from the Condition Improvement fund to be used for capital works.

PAN expansion - are restricted grants related to capital funding to enable the Trust to increase their PAN.

Donated capital funding - are restricted amounts received in the form of donations to be used on capital enhancements.

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**21. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Hanley Castle High School	200,771	155,753
Kempsey Primary School	178,729	201,721
Hanley Swan C-of-E Primary School	18,900	6,552
Welland Primary School	28,131	17,984
Central services	4,321	6,029
Total before fixed asset funds and pension reserve	430,852	388,039
Restricted fixed asset fund	6,600,900	5,146,040
Pension reserve	(4,452,000)	(4,049,000)
<b>TOTAL</b>	<b>2,579,752</b>	<b>1,485,079</b>

**TOTAL COST ANALYSIS BY ACADEMY**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Hanley Castle High School	3,943,923	536,771	31,347	1,746,211	6,258,252	5,822,451
Kempsey Primary School	933,597	134,418	20,069	251,523	1,339,607	1,169,054
Hanley Swan C-of-E Primary School	397,662	78,357	10,539	94,402	580,960	573,371
Welland Primary School	435,433	95,369	9,959	120,230	660,991	443,421
Central services	102,801	127,844	-	(228,937)	1,708	88,801
<b>ACADEMY TRUST</b>	<b>5,813,416</b>	<b>972,759</b>	<b>71,914</b>	<b>1,983,429</b>	<b>8,841,518</b>	<b>8,097,098</b>

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**21. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2018 (as restated) £	Income (as restated) £	Expenditure (as restated) £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 (as restated) £
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	355,052	449,811	(339,113)	(77,711)	-	388,039
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	6,633,952	(6,623,640)	(10,312)	-	-
Universal Infant Free School Meals	-	75,657	(75,657)	-	-	-
Higher Needs funding	-	58,386	(58,386)	-	-	-
Pupil Premium (PP)	-	220,554	(220,554)	-	-	-
Other ESFA grants	-	110,582	(110,582)	-	-	-
Other grants	-	67,057	(67,057)	-	-	-
Donations	-	5,423	(5,423)	-	-	-
Start up grants	-	25,000	(25,000)	-	-	-
Pension reserve	(2,262,000)	(329,000)	(207,000)	-	(1,251,000)	(4,049,000)
	<u>(2,262,000)</u>	<u>6,867,611</u>	<u>(7,393,299)</u>	<u>(10,312)</u>	<u>(1,251,000)</u>	<u>(4,049,000)</u>



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**21. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2018 (as restated) £	Income (as restated) £	Expenditure (as restated) £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Land and buildings transferred in	2,859,623	1,196,329	(51,796)	-	-	4,004,156
Fixed assets purchased from GAG and other restricted funds	473,131	-	(58,045)	88,023	-	503,109
Devolved Formula Capital funding (DFC)	91,019	111,002	(48,143)	-	-	153,878
Academies Capital Maintenance Fund (ACMF)	22,063	-	-	-	-	22,063
Condition Improvement Fund (CIF)	880,980	99,042	(597,395)	-	-	382,627
PAN expansion	-	80,207	-	-	-	80,207
	<u>4,326,816</u>	<u>1,486,580</u>	<u>(755,379)</u>	<u>88,023</u>	<u>-</u>	<u>5,146,040</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>2,064,816</u>	<u>8,354,191</u>	<u>(8,148,678)</u>	<u>77,711</u>	<u>(1,251,000)</u>	<u>1,097,040</u>
<b>TOTAL FUNDS</b>	<u>2,419,868</u>	<u>8,804,002</u>	<u>(8,487,791)</u>	<u>-</u>	<u>(1,251,000)</u>	<u>1,485,079</u>

**HANLEY AND UPTON EDUCATIONAL TRUST  
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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,278,332	5,278,332
Current assets	430,852	659,286	1,681,909	2,772,047
Creditors due within one year	-	(630,093)	(359,341)	(989,434)
Creditors due in more than one year	-	(29,193)	-	(29,193)
Provisions for liabilities and charges	-	(4,452,000)	-	(4,452,000)
<b>TOTAL</b>	<b>430,852</b>	<b>(4,452,000)</b>	<b>6,600,900</b>	<b>2,579,752</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD (AS RESTATED)**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,977,998	4,977,998
Current assets	388,039	818,221	381,961	1,588,221
Creditors due within one year	-	(781,882)	(213,919)	(995,801)
Creditors due in more than one year	-	(36,339)	-	(36,339)
Provisions for liabilities and charges	-	(4,049,000)	-	(4,049,000)
<b>TOTAL</b>	<b>388,039</b>	<b>(4,049,000)</b>	<b>5,146,040</b>	<b>1,485,079</b>

**HANLEY AND UPTON EDUCATIONAL TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	As restated 2019 £
Net income for the period (as per Statement of financial activities)	1,237,673	316,210
<b>ADJUSTMENTS FOR:</b>		
Depreciation	267,042	183,694
Capital grants from DfE and other capital income	(658,476)	(714,183)
Interest receivable	(532)	(693)
Defined benefit pension scheme obligation inherited	-	329,000
Defined benefit pension scheme cost less contributions payable	187,000	138,000
Defined benefit pension scheme finance cost	73,000	69,000
(Increase)/decrease in stocks	(502)	3,038
(Increase)/decrease in debtors	(1,668,828)	500,619
(Decrease)/increase in creditors	(6,367)	244,901
Land and buildings transferred from local authority on conversion	-	(1,179,919)
Cash received from local authority on conversion	-	(3,688)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(569,990)</b>	<b>(114,021)</b>

**24. CASH FLOWS FROM FINANCING ACTIVITIES**

	2020 £	2019 £
Repayments of Salix loans	(7,146)	(4,500)
Cash inflows from Salix loans	-	7,985
Cash received from local authority on conversion	-	3,688
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(7,146)</b>	<b>7,173</b>

**25. CASH FLOWS FROM INVESTING ACTIVITIES**

	2020 £	As restated 2019 £
Interest received	532	693
Purchase of tangible fixed assets	(567,376)	(521,647)
Capital grants from DfE Group	658,476	714,183
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>91,632</b>	<b>193,229</b>

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**26. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash in hand	741,417	1,226,921
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>741,417</b>	<b>1,226,921</b>

**27. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2019 £	Cash flows £	Other movements £	At 31 August 2020 £
Cash at bank and in hand	1,226,921	(485,504)	-	741,417
Debt due within 1 year	(7,146)	7,146	(7,146)	(7,146)
Debt due after 1 year	(36,339)	-	7,146	(29,193)
	<b>1,183,436</b>	<b>(478,358)</b>	<b>-</b>	<b>705,078</b>

**28. AGENCY ARRANGEMENTS**

The academy distributes 16-19 Bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2020 the academy received £17,103 (2019: £23,934) and disbursed £13,693 (2019: £17,242) from the fund. An amount of £10,100 (2019: £6,691) is included in other creditors relating to undistributed funds.

**29. CAPITAL COMMITMENTS**

	2020 £	2019 £
<b>CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS</b>		
Acquisition of tangible fixed assets	658,927	-

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**30. PENSION COMMITMENTS**

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

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

Contributions amounting to £128,590 were payable to the schemes at 31 August 2020 (2019 - £97,512) 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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £852,976 (2019 - £558,238).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

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**30. PENSION COMMITMENTS (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 2020 was £452,000 (2019 - £372,000), of which employer's contributions totalled £370,000 (2019 - £297,000) and employees' contributions totalled £ 82,000 (2019 - £75,000). The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment / inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.6	22.8
Females	25.0	25.8
<i>Retiring in 20 years</i>		
Males	24.2	25.1
Females	27.0	28.2

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	4,307	3,906
Mortality assumption - 1 year increase	4,651	4,169
CPI rate +0.1%	4,600	4,196
Pay growth +0.1%	4,468	4,064

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**30. PENSION COMMITMENTS (CONTINUED)**

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	1,666,000	1,742,000
Other bonds	134,000	123,000
Government bonds	169,000	184,000
Property	136,000	147,000
Cash	106,000	71,000
Other	316,000	189,000
<b>Total market value of assets</b>	<b>2,527,000</b>	<b>2,456,000</b>

The actual return on scheme assets was £42,000 (2019 - £95,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(557,000)	(391,000)
Past service cost	-	(43,000)
Interest income	43,000	56,000
Interest cost	(116,000)	(125,000)
<b>Total amount recognised in the statement of financial activities</b>	<b>(630,000)</b>	<b>(503,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
<b>At 1 September</b>	<b>6,505,000</b>	<b>4,275,000</b>
Conversion of Academy Trust	-	329,000
Current service cost	557,000	391,000
Interest cost	116,000	125,000
Employee contributions	82,000	75,000
Actuarial gains	(225,000)	1,285,000
Benefits paid	(56,000)	(18,000)
Past service cost	-	43,000
<b>At 31 August</b>	<b>6,979,000</b>	<b>6,505,000</b>

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**30. PENSION COMMITMENTS (CONTINUED)**

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020 £	2019 £
<b>At 1 September</b>	<b>2,456,000</b>	<b>2,013,000</b>
Interest income	48,000	61,000
Actuarial losses	(368,000)	34,000
Employer contributions	370,000	296,000
Employee contributions	82,000	75,000
Benefits paid	(56,000)	(18,000)
Admin expenses	(5,000)	(5,000)
<b>At 31 August</b>	<b>2,527,000</b>	<b>2,456,000</b>

**31. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	27,324	37,746
Later than 1 year and not later than 5 years	19,214	42,362
	<b>46,538</b>	<b>80,108</b>

**32. MEMBERS' LIABILITY**

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.



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**33. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the Academy Trust received income from Upton CofE Primary School, a school in which B Unwin is also a governor, totalling £1,250 (2019: £1,250). The income was received on an arm's length basis and in entering the transaction the Academy Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

**34. GENERAL INFORMATION**

Hanley and Upton Educational Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Church End, Hanley Castle, Worcester, Worcestershire, WR8 0BL.