

Company Registration No. 08604037 (England and Wales)

**HARTLEPOOL ASPIRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED**  
**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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# **HARTLEPOOL ASPIRE TRUST**

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# HARTLEPOOL ASPIRE TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mrs H Gordon  
Dr G Jones  
Ms C Ferguson (Resigned 10/07/2020)

### Trustees

Mrs H V Gordon (Chair)  
Mrs L Greig (Accounting Officer) (Appointed 13 December 2019)  
Dr G Jones  
Mrs A Malcolm  
Mr P R Hewitson  
Mrs P Holbrook  
Mrs G Fletcher  
Mrs E Latimer  
Mrs J Carter  
R Phillips (Resigned 28 November 2019)  
Mr A C Chapman (Resigned 15 October 2019)

### Senior management team

- Interim CEO	Mrs L Greig
- Interim Deputy CEO	Mrs S Lamplough
- Assistant Head Teacher	Mrs A Johnson
- Assistant Head Teacher	Mrs W Wharton
- Head of Corporate Services	Mrs L Robson
- Assistant Head Teacher (Catcote Futures)	Mr B Currell

### Company secretary

Mrs L Robson

### Company registration number

08604037 (England and Wales)

### Independent auditor

Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB

### Bankers

Lloyds Bank plc  
132 York Road  
Hartlepool  
TS26 9DD

### Solicitors

Womble Bond Dickinson  
Camden House  
Prince's Wharf  
Teesdale  
Stockton on Tees  
TS17 6QY

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates one special academy (Catcote Academy) for pupils aged 11 to 19 serving a catchment area of Hartlepool and surrounding areas. There were 170 students on roll as of May-20. The Trust also operates a facility for older students (Catcote Futures) which provides lifelong learning opportunities for people with disabilities. In addition to those on roll at the Academy, Catcote Futures accommodated 80 students. Catcote Futures is an exempt charity and wholly owned subsidiary of Hartlepool Aspire Trust.

#### **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 Hartlepool Aspire Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Catcote Academy.

Details of the trustees who served during the year, and to the date these accounts are approved 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 charitable company in the event of it being wound up while they are a member, or within one year after they cease 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.

##### Trustees' indemnities

Subject to the provision of the Companies Act 2006 and Article 6.3 every Director or other officer or auditor of the Trust is indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity.

##### Method of recruitment and appointment or election of trustees

Trustees are appointed or elected in accordance with the Articles of Association. The initial three Trustees were appointed on creation of the Trust. Appointment of additional Trustees (up to 6 may be appointed by the Members), or replacement of Trustees who resign their post is by such process as the Members determine. The Trustees also have the right to co-opt additional Trustees in accordance with the Articles of Association.

##### Policies and procedures adopted for the induction and training of trustees

The Trust contracts Stockton Borough Council to carry out Governance Officer duties. This includes a comprehensive training package. In addition, Trustees receive an induction pack including a guide to the responsibilities of a multi-academy trustee. Online training and regular face to face training is also available.

##### Organisational structure

The Members are responsible for ensuring that the ethos of the organisation is preserved and holding the Trustees to account for the performance of the organisations within the Trust.

The Board of Trustees is responsible for the management of the Trust by establishing a policy framework for the management teams to follow, monitor implementation of the policies and take corrective action if the policies are not being implemented to an appropriate standard.

The Board has established three committees to which oversight of finance, health and safety, the quality of education and staffing matters are delegated, this being the Finance and Audit Committee the Standards Committee and the Staffing Committee. The committees also have oversight of Catcote Futures affairs and committee membership is made up of Trustees from the Trust and Catcote Futures. The committees report to the Board on these issues termly.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The Trust, described above, provide strategic direction (in the form of policies) and oversight to the organisations within the Trust. Responsibilities are delegated to the Chief Executive Officer (CEO) as assigned under the job description and also include:

- implementing the agreed policies and procedures laid down by the Trust this includes the implementation of all statutory regulations, provisions within the Education Acts and compliance with the Master Funding Agreement
- advising the Trust on strategic direction, forward planning and quality assurance
- the leadership and management of the Academy Trust, and line management of all members of the Management Teams
- as Accounting Officer for the Trust, overall accountability and management of the Trust budget
- advising the Trust on the appointment of all Leadership posts across the Trust
- delegation of responsibility up to and including dismissal for all staff employed by the Trust
- the admission of pupils
- managing the delegated budget and resources
- the maintenance of good order and discipline by the students

The Academy and Catcote Futures have their own management teams which are responsible for implementation of the policies set out by the Board, monitoring their effectiveness and reporting back to the Board on the benefits realised or issues encountered. The CEO has overall responsibility for the Academy within the policy framework aided by a senior leadership team consisting of a Deputy CEO, Assistant Head Teachers and Head of Corporate Services. The Head of Corporate Services is responsible for the implementation of the Finance, Health and Safety and Human Resource policies on behalf of the CEO and is the Principal Finance Officer for the Trust.

#### Arrangements for setting pay and remuneration of key management personnel

The Trust assigns a seven point pay scale i.e. an Individual School Range (ISR) for the Chief Executive Officer (CEO). This is based on the school group size and any permanent additional relevant factors as determined within the framework of the School Teachers' Pay and Conditions document. These additional factors will relate to the Trust context and challenge, and the wider accountability of the CEO. The Trust will ensure that other than in exceptional circumstances, there is no overlap of salary ranges between the CEO and other leadership posts.

Progression on the ISR for the CEO will be subject to a review of the CEO's performance set against the annual appraisal review. A committee consisting of the Academy's School Improvement Partner, the Chair of Trustees and a member of the Staffing Committee carry out the appraisal review of the CEO and recommend any increments to the Trustees for approval.

The Trust determines a 5 point pay range for all other leadership posts from within the indicative pay points for the leadership scale contained in the School Teachers' Pay and Conditions Document. The relevant leadership range will be established and the range for individual posts will be determined according to the duties and responsibilities of the post. Progression on the pay range for a member of staff paid on the leadership scale will be subject to a review of their performance set against the annual appraisal review. The CEO will appraise leadership posts and recommend any increments to the Staffing Committee for approval.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	108.95

##### *Percentage of time spent on facility time*

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

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	8
Total pay bill	3,426,000
Percentage of the 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	100%
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#### Related parties and other connected charities and organisations

The Academy does not work in a federation with any other organisation but is developing relationships with other schools and colleges and other businesses where these partnerships assist in the achievement of Academy objectives. Catcote Futures is a wholly owned subsidiary of Hartlepool Aspire Trust. Catcote Academy provides management and administrative resource to support Catcote Futures, and also use of some specialist facilities. Catcote Academy charge Catcote Futures a management and resource charge calculated on a cost basis for this service.

#### **Objectives and activities**

##### Objects and aims

Hartlepool Aspire Trust is a Multi-Academy Trust established in 2013. The Trust is an educational establishment which comprises a single Academy, Catcote Academy, which provides education for students with wide range of special needs plus a wholly owned subsidiary, Catcote Futures, providing lifelong learning opportunities. The management system for the Hartlepool Aspire Trust is based around a high level vision and mission for the organisation along with strategic objectives that set out requirements that must be met in order to achieve the vision. Policies and procedures, and its management structure, also ensure that the Trust is managed in line with the strategic objectives and statutory requirements.

The vision of the Hartlepool Aspire Trust is "to be an innovative centre of excellence, providing outstanding, personalised education for all students". The Trust aims to provide the best quality education services for all learners, irrespective of age or disability.

This vision is supported by a more detailed mission statement in order to help members of the organisation relate to their contribution to achieving the overall vision of the organisation and hence provide a public benefit. The mission of the Trust is to "provide an environment where students are offered every opportunity to maximise their potential, grow in confidence, and above all, be happy and safe – 'working together, achieving success'.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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In setting objectives, the Trustees have given careful consideration to providing public benefit and strategic objectives are thus in place to support the achievement of the vision:

- **Effective Governance and Oversight**

Ensure that we can demonstrate to our stakeholders that Hartlepool Aspire Trust provides the best quality services to learners and provides value for money to tax payers

- **Engaged and well qualified workforce**

Ensure that personnel working with our learners are suitably qualified and appropriate for working with vulnerable people. We will encourage continuous development of staff and will engage staff in the development of the organisation

- **Excellence in Education Services for all our Learners**

Provide a stimulating and exciting learning environment for all, promote lifelong learning, recognise value and reward the achievement of each individual, develop responsibility, tolerance and consideration for others, strengthen the bond between school, home, education partners and the community

- **Maximise the personal development, behaviour and welfare of students and ensure the safety of all students, staff and visitors**

Create an environment in which barriers to learning are eradicated and ensure that our staff, students and visitors experience risk free surroundings

- **Financial Stability**

The financial position of the Trust must be managed carefully to ensure that the services provided by the Trust are sustainable

- **High Quality Educational Facilities**

The learning environment provided for students is important to help them maximise their potential. The educational facilities and accommodation will be managed carefully to provide a safe, stimulating learning environment, and minimise the risk of disruption to educational services as a result of failure of equipment or facilities

#### **Objectives, strategies and activities**

##### Effective governance and oversight:

Review Link trustees

Strengthen reporting systems

##### Engaged and well qualified workforce:

Develop training programme re 'readiness to learn'

Commence ITT (Initial teacher Training) programme

Continue SSAT (Schools, Students & Teachers network) legacy leadership programme

Improve strategic planning skills for middle leaders

##### Excellence in education services for all learners:

Develop pedagogy in conjunction with the 4 cornerstones of learning

Further develop understanding of key characteristics of all learners

Curriculum & Assessment Pathway Leaders embed new curriculum

Introduce a consistent approach to student communication across the Trust inc sign and symbols

Pilot CASS (Consistent Approach to Supporting Student) plans

Implementation of new assessment systems

##### Maximise personal development, behaviour and welfare of students and ensure the safety of all students, staff and visitors:

Achieve the Majority of GATSBY standards

Further develop the careers programme

Embark on the OPAL (Outdoor Play & Learning) Programme

Expand and develop the safeguarding team

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Financial Stability:

Expand information provided to stakeholders  
Acquire grant funding to enable improved outdoor provision

#### High Quality Educational Facilities:

Improve communication and scheduling of non-routine maintenance across all sites  
Development of outdoor spaces  
Ascertain feasibility of extended premises

#### Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit as set out by the Charity Commission whilst exercising their powers and duties. The activities of the Trust are driven by the vision to be an outstanding provider of education and for students to be offered every opportunity to maximise their potential and grow in confidence. All objectives aim to support this vision and therefore providing public benefit is embedded in the goals of the Trust.

The Trustees have carefully considered the Charity Commission's general guidance on public benefit when objectives have been set and activities planned.

## Strategic report

### **Achievements and performance**

The 2019/20 academic year was particularly challenging. The CEO, Alan Chapman, sadly died during October 2019 after a short illness. The loss of such an inspirational leader affected everyone in the Trust – staff, students and trustees. Following this loss, the immediate concern was to ensure the stability of the organisation with the high standard of education and care of students being paramount. With this in mind an Interim CEO (the Deputy CEO, Lisa Greig) was appointed in order to ensure stability until August 2021.

Catcote Academy was the subject of an Ofsted inspection during the year. The outcome was that the academy 'continues to be a good school'. The inspectors noted that the academy 'focus on what students can do, not what they can't'. They also noted that staff have a very good understanding of the students and that students thrive in their personal development. Catcote Futures also received an Ofsted visit. This monitoring visit was extremely positive with the college being deemed to be making 'reasonable progress' in all areas.

There has been a considerable amount of management resource necessary to manage the effects of the COVID-19 pandemic since March. During 'lockdown' periods the school/college remained open to those students whose parents were key workers and to those classed as vulnerable. Other students were provided with home learning opportunities with regular support and communication from Teachers to ensure continued learning and well-being of students. In depth risk assessments have been produced to minimise risks to staff, students and visitors from contracting the virus at school/college and its implementation has been closely monitored. In addition, a home learning policy and resources have been put in place. The Trust recognised the significant additional demands placed on parents whilst some students continued learning at home and therefore made arrangements for all students to have the opportunity to attend school/college before the end of the academic year with plans being in place for a full return in September.

The above has had an impact on the timely achievement of goals set at the beginning of the academic year however the trustees acknowledge that staff have continued to work towards these goals despite the additional pressures which have been experienced this year and have still achieved a considerable amount whilst continuing to ensure that the needs of the students is paramount.

Link Trustees have been reviewed to coincide with the new middle leader structure. This will ensure appropriate oversight and challenge of key areas. Reporting systems were assessed and improved to ensure relevant and timely reporting to Trustee's Committees.



# **HARTLEPOOL ASPIRE TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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Internal training structure and materials have been produced by middle leaders specialising in barriers to learning in order to ensure all staff fully understand how to support students to be ready to learn. Succession planning continued as the Trust embarked on ITT in order to ensure specialist SEN teachers are available. In addition, the SSAT legacy programme offered the opportunity to improve leadership skills including insight into other similar educational establishments. Middle leaders also attended training regarding strategic planning in order to further distributed leadership and autonomy. Subsequently they contributed to the SDP on a more detailed level thus improving commitment to plans and accountability.

The four cornerstones to learning were introduced to the planning process in order to improve opportunities for students to generalise skills and increase independence. This will be embedded throughout next year. Staff have been supported in reviewing student profiles and CASS plans to ensure the key characteristics of learners are evident and that both staff and students can always articulate the intent of the curriculum and their individual programmes.

Middle leaders have worked collaboratively to ensure students aspirations and aims are incorporated into long term plans for the curriculum. This will provide a clear overview for all staff in each pathway and ensure that students, rather than accountability measures, drive the curriculum and planning forward.

An initial audit of the approach to student communication methods across the Trust has been carried out. Training requirements have been identified to ensure students benefit from improved, consistent communication strategies across the Trust.

A focus on 'readiness to learn' saw a move from behaviour plans to CASS plans, focussing on behaviour as a form of communication. Classes have piloted a CASS plans with impact being favourable. The use of CASS plans will be introduced across the Trust next year.

MAPP, CSD and Progression steps have been embedded as assessment systems throughout this year. This has enabled improved accuracy in measuring progress, including lateral and linear progress, and has supported 'deep learning'. It has also improved 'next steps' planning in English and Maths.

By June of this year all Gatsby standards were being met. Employer and wider community engagement and workplace experience has increased further with more than 70 employer links in place. This has resulted in National recognition with an award for 'Excellence in Careers' being achieved. A review of the careers programme took place for the red pathway with Curriculum & Assessment leads to ensure careers education is embedded into the curriculum.

Outdoor Play and Learning (OPAL) offers improved opportunities for social engagement and learning during unstructured times. Staff training has taken place and resources acquired. Students now have the opportunity to explore, cooperate and learn through play whilst outside.

Staff were introduced to a wider concept of safeguarding including Safe People, Safe Children/Vulnerable Adults, and Safe Premises & Places. Staff and students have an improved understanding of what is required to ensure safe school/college and the extended safeguarding team has been established ensuring cohesion and consistency in the approach to safeguarding.

A significant amount of grant funding was secured for the Outdoor Learning & Fitness Zone to benefit not only students, but the wider SEN community. A review of financial reporting took place and further training on ICFP was also sought. An improved and extended management information pack will be implemented next year to support decision making.

To improve the ability of central services to effectively and efficiently support all sites, new scheduling software was introduced to enable better management of routine and reactive premises and ICT requirements. This has improved organisation, communication and deployment of staff.

The Outdoor Learning & Fitness Zone was completed during the year. Programmes for use will be incorporated into the timetable from next year including Forest School activities. Lettings will also commence, supporting ongoing maintenance costs.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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A feasibility study has taken place to assess the possibility of extending the premises in order to accommodate the increasing amount of Hartlepool SEN students. Plans for the possible extension are now being completed and communication with the Local Authority continue.

#### Key performance indicators

##### Finance:

Performance against a financial budget for the period September 2019 to August 2020 has been monitored and performance reported to Trustees and Finance & Audit Committee throughout the year.

During the academic year 2019/20 income is 2% more than anticipated. Whilst a deficit for the year was expected (excluding capitalisation and depreciation) the overall result was better than anticipated due to planned use of reserves for identified projects/purchases being delayed and a temporary reduction in staffing costs.

Reserves remain above the level dictated by the Trust's reserve policy and a considerable amount of reserves have been committed to develop the facilities of the Academy for the benefit of its students, enabling the medium term premises and ICT strategic plans to be carried out in addition to the 3 year teaching and learning strategy.

##### Teaching and Learning:

The quality of teaching and learning was at least good. The Trust takes a holistic view when it comes to monitoring and evaluating teaching and learning. Monitoring mechanisms include scrutiny of planning and moderation, observation and student interviews that demonstrate the impact of the curriculum and the strategies that the staff have applied to meet the needs of individual students. In addition, the remote learning and the welfare support given to students during lock down was monitored. Through its monitoring mechanisms 30% of teaching is highlighted as being outstanding. The Ofsted visit during March confirmed that the Academy was Good.

##### Progress of students:

Student's progress was assessed in February 2020. Due to the introduction of home learning during the national 'lockdown' periods, since then it has not been appropriate to make any further summative assessment. Progress was measured in Yellow and blue pathway, against their individual MAPP (Mapping and Assessing Pupil Progress) learning intentions. In red pathway progress is measured against their end of year target and their achievement in accreditation.

##### Yellow and blue pathway:

- Overall, a very large majority of students (83%) have met or exceeded their expectations
- There is a difference between boys (72%) and girls (95%) meeting or exceeding their expectations. The students not meeting expectations have been identified and interventions have been put in place for those students.
- There is a small difference between children who are looked after, our LAC students (71%) and students who are not LAC (82%), meeting and exceeding expectations. Teachers have given detailed information about additional support and interventions which are in place to try and close this gap.
- There is almost no difference between disadvantaged and non-disadvantaged students. A large majority of disadvantaged students (85%) have met or exceeded their targets whilst a very large majority of non-disadvantaged students (87%) met or exceeded their expectations.
- All KS4 and KS5 students are on track to achieve their qualifications at the end of the year.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Red pathway:

- Almost all students in each core subject, across all key stages are making expected progress towards meeting their targets in progression steps at KS3, or towards gaining their accreditation at KS4 and 5.
- There is no significant gap between any groups of students i.e. girls/ boys / looked after children (LAC)/ free school meal (FSM)/ pupil premium (PP) students.
- At KS3 there are 3 students that had not made expected progress by February however plans are in place to ensure they reach targets
- At Key stage 4 Red pathway 94% of students gained all their accreditation (English, Maths, Science and ICT at Entry level. FSM students achieved slightly better than non-FSM students.
- At KS 4 Yellow/blue pathway 75% gained their accreditation, which represented 100% of students were accreditation was possible.
- At KS 5 100% of students gained a qualification. In red pathway the majority of students gained accreditation in Functional English and Maths, Employability and Life Skills. All blue and yellow pathway achieved the accreditation they were entered for.

#### Attendance:

Attendance as at March 2020 continued to be well above other special school's nationally and was in line with all secondary schools nationally. Attendance for Y7-11 was 93.2%, and for 6th form was 94%. There is very little difference between FSM and Non-FSM students overall and children in local authority care (CLA) have slightly better attendance at 96%.

Attendance rates have remained very consistent for the last 4 years demonstrating that the systems for monitoring attendance are very effective. National figures are currently only available for Autumn 2019 with special schools nationally having an absence rate of 10.1% compared to 6.2% for the Academy. Secondary schools had an absence rate of 5.6%.

The COVID-19 pandemic has resulted in some students participating in home learning as opposed to attending the school/college.

#### Student Transition:

##### Destination data of Y11 students

Further Education	17.5%
Further Education (Catcote Sixth Form)	78%
Other	
Unknown / NEET	4.5%

##### Destination data for Year 14

Further Education	7%
Catcote Futures	29%
Steps Program	64%

#### Safety Performance:

The number of reported accidents/incidents involving staff and students for the period 1 September 2019 to 31 August 2020 was 101 (42 Staff, 59 students). This is a decrease compared to the previous year. The majority of these incidents continue to be related to minor injuries to staff managing challenging behaviour of a small number of students. The number of incidents is monitored by the Finance & Audit Committee as are actions to address them. There was one RIDDOR incident during this time period and all statutory health & safety checks were performed with no significant risks being identified.

# **HARTLEPOOL ASPIRE TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **Premises:**

There were no unplanned closures of the school / college. However, during March the school/college was only accessible to those children of key workers and those classed as vulnerable. The Trust worked closely with parents/carers and other professional agencies to ensure that students who needed to access on-site education continued to do so. Throughout the remainder of the year on-site provision increased with all students being offered access to on-site learning by the end of the year in anticipation for a full return in September. All regular maintenance and inspections took place during the planned period.

### **Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial review**

The Trust's principle sources of funding are those received direct from the ESFA (including the High Needs Allocation, Pupil Premium and Education Service Grant) and the High Needs Top Up funding received via the Local Authority. Voluntary donations and grant income also contribute to reserves. The vast majority of the funding received facilitates the employment of staff and maintenance of the premises to enable the provision of educational services to learners with special needs.

Income was marginally higher than budget. Part of this increase was also reflected in increased cost however. Salary costs were affected by maternity leave and a delay in recruitment of some roles. Other costs were higher than anticipated, largely due to improvements and repairs to premises, and also due to the setup of an additional MLD provision which also attracted additional income. Costs also rose as a result of the COVID-19 pandemic with PPE, cleaning costs and equipment costs all increasing.

As savings against the salary budget outweighed other additional costs, the deficit for 2019/20 was less than budget.

The Trust continued to pay suppliers even when the services provided were impacted by the lockdown, in line with Government guidance. Similarly, the trusts funding providers continued to pay for student places whilst they received remote education.

The in year surplus for 2019/20 was £102,409 (balance to change in restricted/unrestricted funds excluding fixed assets and pension). The resulting reserves balance is £869,167 (excluding fixed asset and pension reserve). The majority of these reserves has been committed in the next 3 years.

### **Reserves policy**

Our reserves policy recognises the Trusts inability to borrow funds and the risk this represents to financial planning. Effective management of reserves is key to mitigating this risk in order to provide alternative funding streams if required in the event of a delay in the receipt of funding or an unforeseen increase in expenditure. The level of required reserves is therefore set at the equivalent of 4 weeks expenditure.

The value of free i.e. unrestricted reserves at the end of the academic year 2019/20 is £319,706 and restricted reserves are £549,461.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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During 2020/21 significant funds have been committed to the requirement to replace a minibus and also investment in sensory resources and ICT. Reserves may also be utilised to contribute to an extension of the premises. At present the 3-year budget forecasts significant use of reserves to meet operational costs over this period which is of significant concern to trustees. This is largely due to substantial increases in support staff salaries with no government grant to alleviate this (unlike teacher pay increases). However, the possibility of increasing numbers on roll, if the premises are extended, and increases in the high needs element of our income would all improve this situation. The 3-year budget will be reviewed regularly to reflect and monitor any such improvements to this situation.

The Trust continues to manage its use of reserves to benefit current students whilst also considering its financial sustainability.

#### Investment policy

The Trust's Treasury Management Policy sets out how the Trust's cash flows, banking and investment transactions are to be managed. Its objectives are to maintain sufficient cash balances to meet daily commitments and invest surplus cash to earn an acceptable rate without undue risk. Cash balances are currently held in a notice account held by the banks Treasury team.

#### Principal risks and uncertainties

A risk register for the Trust describes the major risks to which the Academy is exposed, identifies the probability of their occurrence and the impact should the events actually occur. Actions are identified to reduce the probability and/or impact of each event and allocated to mitigation owners to ensure implementation.

Four high risk areas have been identified. Due to the Covid-19 pandemic the risk of not being able to remain open (in part or full) due to excessive staff absences rose considerably. The SLT team proactively sought guidance on the pandemic in order to advise staff of procedures for necessary staff absence. A comprehensive risk assessment details all the measures taken by the Trust to minimise the risk of contracting the disease at work and this has been communicated thoroughly with all staff and its implementation closely monitored. A mitigation to this risk during the year was to develop a remote learning policy and resources.

Oversubscription resulting in overcrowding also became a higher risk. The change in use of rooms was considered and all so offsite provision has been used during the year. The Academy are currently working with the Local Authority to consider the possibility of an extension to the premises.

Finally, there has also been an increase in risk in two further areas; a deficit budget due to funding not rising in line with increasing staffing costs and, reserves not being sufficient to meet developments required in teaching & learning, premises and ICT. Current reserve levels are sufficient to fund increased costs in the medium term. The academy has ensured the Local Authority have a full understanding of this risk and are working with them to consider future funding requirements. In addition, the consideration by the LA and the academy to extend the premises and enable further growth of students on roll will also help mitigate this risk. A SRMA (school resource management advisor) visit by the ESFA next year will also advise the academy on any further mitigations they can employ.

#### **Fundraising**

Fundraising carried out by the Trust must be approved by the Senior Leadership Team (SLT) following an application setting out the means and purpose of the fundraising and any literature/promotion that will be issued to the public. The SLT may approve fundraising that is for the purpose of achieving the charitable aims of the Trust and is in line with any relevant legal rules and standards. It must also ensure that all literature issued, and the means of fundraising, is sensitive to the Trusts ethos and is compliant with relevant laws such as GDPR and Child protection etc. Fundraising activities are reported to the Trust's Finance & Audit Committee on a termly basis and any complaints are also reported to them.

Funding this academic year has been limited to small scale events such as raffles and no complaints have been received.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Plans for future periods**

The consideration to expand the facilities to accommodate existing and future students is a significant part of the plans for next year. Collaboration with the Local Authority will continue including applying for grant funding. In addition, future capacity at the Sixth Form site will also be considered.

In order to provide an effective, cohesive CPD system that ensures that the requirements of the SDP can be met by skilled staff, a Trust wide online system will be embedded.

With the completion of the Outdoor Learning & Fitness Zone this year, next year will see the launch of the facility to the wider community. Staff training will also take place to ensure appropriate and relevant teaching can take place in this area.

Following a review of financial information, further extended monthly information will be provided to Trustees to ensure timely and relevant information to inform decision making. In addition, the new scheduling system will be established Trust wide for both Premises and ICT central services improving organisation and communication.

The management of the ongoing effect of the pandemic on the Trust, its students and staff safety and continuation of learning, whether at home or at the Trust, will of course be paramount moving into next year. Staff wellbeing will also continue to be a priority during what continues to be an extremely difficult period.

### **Funds held as custodian trustee on behalf of others**

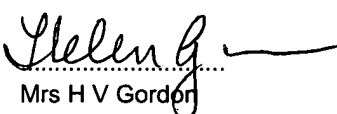
There are no funds held as custodian trustee on behalf of others.

### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 22/1/21 and signed on its behalf by:

  
Mrs H V Gordon  
Chair

# HARTLEPOOL ASPIRE TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hartlepool Aspire Trust Limited 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 the DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hartlepool Aspire Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met three times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs H V Gordon (Chair)	4	4
Mrs L Greig (Accounting Officer) (Appointed 13 December 2019)	4	4
Dr G Jones	4	4
Mrs A Malcolm	4	4
Mr P R Hewitson	3	4
Mrs P Holbrook	3	4
Mrs G Fletcher	1	4
Mrs E Latimer	1	4
Mrs J Carter	1	4
R Phillips (Resigned 28 November 2019)	0	0
Mr A C Chapman (Resigned 15 October 2019)	0	0

The new Trust Board reviewed its Scheme of Delegation during the year and also carried out an audit of skills. The analysis of this will identify any skills gap and inform recruitment as well as identifying any training needs.

The CEO, Alan Chapman, sadly died during October 2019 after a short illness. Following this loss, the immediate concern was to ensure the stability of the organisation. With this in mind an Interim CEO (the Deputy CEO, Lisa Greig) was appointed in order to ensure stability until August 2021. Mrs Greig was also appointed to the Board of Trustees for this term and took on the role of Accounting Officer.

A full, formal review of governance was not carried out in the year. The focus of the Leadership team and Trustees has been largely on leading the Trust through a very difficult year. The passing of the CEO, 2 Ofsted visits (the academy and Catcote Futures), followed by the management of the effects of the COVID-19 pandemic all took priority.

A comprehensive induction pack is provided to new trustees. The Trust subscribes to an online support for Trustees as well as an E-learning platform. The new governance support package gives opportunity for regular instructor led training and updates.

# HARTLEPOOL ASPIRE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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Three committees, Finance & Audit, Staffing and Standards Committee, are provided with comprehensive information regarding the activities of the Trust and how it meets its goals and statutory obligations. Each committee subsequently reports and provides recommendations to the Board of Trustees at least 3 times per year. The initial planning required for the COVID-19 pandemic did effect meetings during March/April with some meetings being postponed or cancelled whilst alternative arrangements for meetings to take place were made. Meetings recommenced via video conferencing.

The Finance and Audit Committee is a sub-committee of the HAT Board of Trustees. Its purpose is to ensure sound financial management of the Trust's resources including proper planning, monitoring and probity. Also, to advise on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money).

During the year the committee met formally two times with financial updates and other relevant information issued regularly to its members. This committee has reviewed/approved independent compliance audit reports and subsequent recommendations, received and discussed budget monitoring reports, monitored the progress of the implementation of the risk register, been advised of revised financial procedures and non-routine expenditure, approved expenditure in line with the Finance Policy and received regular health, safety and building reports.

Lisa Greig was appointed as Interim CEO and subsequently joined the committee in Dec-19.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs L Greig (Accounting Officer) (Appointed 13 December 2019)	2	2
Dr G Jones	2	2
Mr P R Hewitson	2	2
Mrs G Fletcher	1	2
Mr A C Chapman (Resigned 15 October 2019)	0	0

#### Review of value for money

As accounting officer, the CEO has responsibility for ensuring the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the Academy Trust has delivered improved value for money during the year by focussing on students 'barriers to learning'. This has been enabled by the new middle leader structure; TLR (Teaching & learning Responsibility) roles which concentrate on these barriers. These leaders have ensured that the SDP (School Development Plan) incorporates all relevant training and improvements to ensure staff fully understand, and have the appropriate resources and support to ensure students are ready to learn. Subsequently, development of leaders themselves, alongside a review of Trust wide student communication methods, the introduction of CASS (Consistent Approach to Supporting Student) plans as a way to interpret behaviour and improved opportunities in unstructured times have all had a positive impact on Teaching & Learning.



# **HARTLEPOOL ASPIRE TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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Differentiation for students learning is an essential part of the Trusts ethos and achieving value for money. This year has seen an improvement to the planning process to improve student's ability to generalise skills and increase independence and also to ensure students aspirations and aims are recognised. In addition, new assessment systems have focussed on lateral and linear progress thus improving deep learning and 'next steps' planning.

All the GATSBY standards were met by June. Work place experiences as well as community engagement improved further as a result.

The Trust operates over 5 sites including vocational areas and its subsidiary SPI (Specialist Post 16 Institution), Catcote Futures. In order to improve central service provision to all sites so that they can operate effectively, a new scheduling system was introduced for Maintenance and ICT.

Funds were increased this year with a substantial amount being obtained in grant funding. This resulted in the completion of an Outdoor Learning and Fitness Zone which will not only improve fitness and readiness to learn but also provide for outdoor learning including Forest School activities.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hartlepool Aspire Trust throughout the period 1st September 2019 to 31st August 2020.

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place throughout the period 1st September 2019 to 31st August 2020. This process is regularly reviewed by the Board of Trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit 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
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Azets Audit Services as internal auditor to carry out additional checks. The FRC Ethical Standard for auditors states that from next year a firm providing external audit to an entity shall not also provide internal audit services to it. To this end, the provision of internal audit function and external audit will be provided by separate companies.

# HARTLEPOOL ASPIRE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include accounts and reconciliations, purchasing, income, management of data, corporate governance, risk management, payroll and bank accounts.

On a termly basis, the auditor reports to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. No high risk areas were identified during the year and remedial action has taken place for all low risk areas identified.

### **Review of effectiveness**

As Accounting Officer the CEO 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 internal auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust 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 Finance & Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 22/11/21 and signed on its behalf by:

  
Mrs H V Gordon  
Chair

  
Mrs L Greig  
Accounting Officer

# HARTLEPOOL ASPIRE TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2020**

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As interim accounting officer of Hartlepool Aspire Trust from 15 October 2019 I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I was appointed as the interim accounting officer of the academy trust on 15 October 2019 following the death of the previous accounting officer. I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Mrs L Greig  
Interim Accounting Officer

22/01/2021

# HARTLEPOOL ASPIRE TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees (who are also the directors of Hartlepool Aspire Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 22/1/21 and signed on its behalf by:

  
Mrs H V Gordon  
Chair

# **HARTLEPOOL ASPIRE TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL ASPIRE TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinion**

We have audited the accounts of Hartlepool Aspire Trust (the 'parent company') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the group statement of financial activities, the group balance sheet, the company balance sheet, the group statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# HARTLEPOOL ASPIRE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL ASPIRE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# HARTLEPOOL ASPIRE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL ASPIRE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Use of our report

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

*Azets Audit Services*

**Angela Ingham FCA (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services**  
**Chartered Accountants**  
**Statutory Auditor**

24/1/2021

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB

# **HARTLEPOOL ASPIRE TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARTLEPOOL ASPIRE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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In accordance with the terms of our engagement letter dated 25 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 Hartlepool Aspire Trust during the period 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 Hartlepool Aspire Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hartlepool Aspire 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 Hartlepool Aspire Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Hartlepool Aspire Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hartlepool Aspire Trust's funding agreement with the Secretary of State for Education dated 1 August 2013 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 period 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.



# HARTLEPOOL ASPIRE TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARTLEPOOL ASPIRE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: 26/1/2021

# HARTLEPOOL ASPIRE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	2,022	26,000	245,833	273,855	69,592
Charitable activities:						
- Funding for educational operations	4	100,101	5,095,106	-	5,195,207	4,795,173
Other trading activities	5	19,164	-	-	19,164	31,067
Investments	6	777	-	-	777	1,231
<b>Total income and endowments</b>		<u>122,064</u>	<u>5,121,106</u>	<u>245,833</u>	<u>5,489,003</u>	<u>4,897,063</u>
<b>Expenditure on:</b>						
Raising funds	7	15,735	-	-	15,735	51,127
Charitable activities:						
- Educational operations	8	100,101	5,457,925	171,800	5,729,826	5,191,176
<b>Total expenditure</b>	7	<u>115,836</u>	<u>5,457,925</u>	<u>171,800</u>	<u>5,745,561</u>	<u>5,242,303</u>
<b>Net income/(expenditure)</b>		6,228	(336,819)	74,033	(256,558)	(345,240)
Transfers between funds		(60,000)	(11,806)	71,806	-	-
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	20	-	(1,146,000)	-	(1,146,000)	(828,000)
<b>Net movement in funds</b>		<u>(53,772)</u>	<u>(1,494,625)</u>	<u>145,839</u>	<u>(1,402,558)</u>	<u>(1,173,240)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		373,478	(1,941,914)	2,857,414	1,288,978	2,462,218
Total funds carried forward		<u>319,706</u>	<u>(3,436,539)</u>	<u>3,003,253</u>	<u>(113,580)</u>	<u>1,288,978</u>

# HARTLEPOOL ASPIRE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	37,916	-	31,676	69,592
Charitable activities:					
- Funding for educational operations	4	122,806	4,672,367	-	4,795,173
Other trading activities	5	31,067	-	-	31,067
Investments	6	1,231	-	-	1,231
<b>Total income and endowments</b>		<u>193,020</u>	<u>4,672,367</u>	<u>31,676</u>	<u>4,897,063</u>
<b>Expenditure on:</b>					
Raising funds	7	51,127	-	-	51,127
Charitable activities:					
- Educational operations	8	116,956	4,895,476	178,744	5,191,176
<b>Total expenditure</b>	7	<u>168,083</u>	<u>4,895,476</u>	<u>178,744</u>	<u>5,242,303</u>
<b>Net income/(expenditure)</b>		24,937	(223,109)	(147,068)	(345,240)
Transfers between funds		(36,450)	(8,092)	44,542	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	20	-	(828,000)	-	(828,000)
<b>Net movement in funds</b>		(11,513)	(1,059,201)	(102,526)	(1,173,240)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>384,991</u>	<u>(882,713)</u>	<u>2,959,940</u>	<u>2,462,218</u>
Total funds carried forward		<u>373,478</u>	<u>(1,941,914)</u>	<u>2,857,414</u>	<u>1,288,978</u>

# HARTLEPOOL ASPIRE TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

CONSOLIDATED BALANCE SHEET		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		3,003,253		2,852,414
<b>Current assets</b>					
Stocks	14	6,056		7,546	
Debtors	15	178,786		692,927	
Cash at bank and in hand		1,032,568		347,087	
		1,217,410		1,047,560	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(348,243)		(203,996)	
<b>Net current assets</b>			869,167		843,564
<b>Net assets excluding pension liability</b>			3,872,420		3,695,978
Defined benefit pension liability	20		(3,986,000)		(2,407,000)
<b>Net assets</b>			(113,580)		1,288,978
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			3,003,253		2,857,414
- Restricted income funds			549,461		465,086
- Pension reserve			(3,986,000)		(2,407,000)
<b>Total restricted funds</b>			(433,286)		915,500
<b>Unrestricted income funds</b>	18		319,706		373,478
<b>Total funds</b>			(113,580)		1,288,978

The accounts on pages 24 to 50 were approved by the trustees and authorised for issue on 22/1/21 and are signed on their behalf by:

  
 Mrs H V Gordon  
 Chair

Company Number 08604037

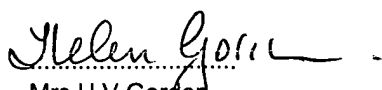
# HARTLEPOOL ASPIRE TRUST

## BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

ACADEMY TRUST BALANCE SHEET		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,627,073		2,443,666
<b>Current assets</b>					
Stocks	14	6,056		7,546	
Debtors	15	230,491		633,349	
Cash at bank and in hand		759,896		176,418	
		996,443		817,313	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(283,976)		(110,779)	
<b>Net current assets</b>			712,467		706,534
<b>Net assets excluding pension liability</b>			3,339,540		3,150,200
Defined benefit pension liability	20		(3,986,000)		(2,407,000)
<b>Net assets</b>			(646,460)		743,200
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset funds			2,627,073		2,448,666
- Restricted income funds			509,194		441,915
- Pension reserve			(3,986,000)		(2,407,000)
<b>Total restricted funds</b>			(849,733)		483,581
<b>Unrestricted income funds</b>			203,273		259,619
<b>Total funds</b>			(646,460)		743,200

The accounts on pages 24 to 50 were approved by the trustees and authorised for issue on 22/1/21 and are signed on their behalf by:

  
Mrs H V Gordon  
Chair

Company Number 08604037

# HARTLEPOOL ASPIRE TRUST

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		761,510		(323,242)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		777		1,231	
Capital grants from DfE and ESFA		22,943		26,676	
Capital funding from sponsors and others		222,890		5,000	
Payments to acquire tangible fixed assets		(322,639)		(71,218)	
			(76,029)		(38,311)
<b>Change in cash and cash equivalents in the reporting period</b>			685,481		(361,553)
Cash and cash equivalents at 1 September 2019			347,087		708,640
<b>Cash and cash equivalents at 31 August 2020</b>			1,032,568		347,087

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The reported share of the LGPS deficit at the balance sheet date has a significant impact on our restricted fund, however we draw your attention to the cash reserve held by the trust as well as the balances held in unrestricted and general reserves.

##### 1.3 Basis of consolidation

The financial statements consolidate the accounts of Hartlepool Aspire Trust and its subsidiary undertaking.

Hartlepool Aspire Trust meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, remuneration of key management personnel and other related parties.

##### 1.4 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

---

#### 1 Accounting policies

(Continued)

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.

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### 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.



# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 1 Accounting policies

(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.

#### 1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	50 years
Leasehold improvements	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years
Motor vehicles	5 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

#### 1.7 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.

#### 1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

#### 1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

**(Continued)**

#### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### **1.10 Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### **1.11 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.12 Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### **1 Accounting policies**

**(Continued)**

#### **1.13 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 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 Education and Skills Funding Agency/Department for Education and Local Authority.*

#### **1.14 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA and Local Authority. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

### **2 Critical accounting estimates and areas of judgement**

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

#### Critical accounting estimates and assumptions

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

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Local Government Pension Scheme

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 20, 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 2019 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.

#### McCloud:

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

#### GMP:

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on after 6 April 2016.

#### Land and buildings

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Private sponsorship	-	26,000	26,000	-
Capital grants	-	22,943	22,943	26,676
Other donations	2,022	222,890	224,912	42,916
	<u>2,022</u>	<u>271,833</u>	<u>273,855</u>	<u>69,592</u>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,565,842	1,565,842	1,531,665
Other DfE group grants	-	211,721	211,721	92,213
	-	1,777,563	1,777,563	1,623,878
<b>Other government grants</b>				
Local authority grants	-	3,277,580	3,277,580	2,987,863
<b>Exceptional government funding</b>				
Coronavirus job retention scheme grant	-	6,709	6,709	-
<b>Other funding</b>				
Other incoming resources	100,101	33,254	133,355	183,432
<b>Total funding</b>	100,101	5,095,106	5,195,207	4,795,173

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil Premium	67,716	61,923
Free School Meals Supplementary Income	2,200	1,320
Y7 Catch Up Grant	16,041	11,917
Teachers Pay Grant	27,298	17,053
Teachers Pension Grant	98,466	-
	211,721	92,213

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The academy trust furloughed some of its catering and shop staff under the government's CJRS. The funding received of £6.7k relates to staff costs in respect of the vestry & metro staff which are included within note 9 below as appropriate.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	-	-	-	350
Catering income	3,297	-	3,297	6,994
Trip income	-	-	-	2,837
Other income	15,867	-	15,867	20,886
	<u>19,164</u>	<u>-</u>	<u>19,164</u>	<u>31,067</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	<u>777</u>	<u>-</u>	<u>777</u>	<u>1,231</u>

### 7 Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	2,900	-	12,835	15,735	51,127
Academy's educational operations					
- Direct costs	3,379,921	-	186,916	3,566,837	3,260,214
- Allocated support costs	1,412,006	441,663	309,320	2,162,989	1,930,962
	<u>4,794,827</u>	<u>441,663</u>	<u>509,071</u>	<u>5,745,561</u>	<u>5,242,303</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	11,300	11,000
- Other services	7,200	7,000
Operating lease rentals	40,893	38,842
Depreciation of tangible fixed assets	171,800	178,744
Net interest on defined benefit pension liability	<u>43,000</u>	<u>33,000</u>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Direct costs</b>				
Educational operations	7,931	3,558,906	3,566,837	3,260,214
<b>Support costs</b>				
Educational operations	92,170	2,070,819	2,162,989	1,930,962
	<u>100,101</u>	<u>5,629,725</u>	<u>5,729,826</u>	<u>5,191,176</u>
			<b>2020 £</b>	<b>2019 £</b>
<b>Analysis of support costs</b>				
Support staff costs			1,412,006	1,150,825
Depreciation			171,800	178,744
Technology costs			62,852	79,553
Premises costs			269,863	290,434
Legal costs			600	32,233
Other support costs			220,335	173,394
Governance costs			25,533	25,779
			<u>2,162,989</u>	<u>1,930,962</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,493,526	3,257,001
Social security costs	280,317	264,225
Pension costs	1,020,984	716,859
Amounts paid to employees	<u>4,794,827</u>	<u>4,238,085</u>
Staff restructuring costs	-	18,000
Amounts paid to staff	<u>4,794,827</u>	<u>4,256,085</u>
Staff development and other staff costs	30,540	29,345
Total staff expenditure	<u>4,825,367</u>	<u>4,285,430</u>
Staff restructuring costs comprise:		
Redundancy payments	-	18,000

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

(Continued)

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £18,000). Individually, the payments were: £18,000.

#### Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2020 Number	2019 Number
Teachers	119	109
Administration and support	47	48
Management	6	6
	<u>172</u>	<u>163</u>

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	2	2
£90,001 - £100,000	1	-
£120,001 - £130,000	-	1
	<u></u>	<u></u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £480,572 (2019: £528,635).



# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

A Chapman (headteacher and trustee - Deceased 15 October 2019):  
 Remuneration £nil (2019: £125,001 - £130,000)  
 Employer's pension contributions £nil (2019: £nil)

L Greig (Interim CEO from 13 December 2019):  
 Remuneration £95,001 - £100,000 (2019: £nil)  
 Employer's pension contributions £20,001 - £25,000 (2019: £nil)

During the period ended 31 August 2020, travel and subsistence expenses totalling £nil were reimbursed or paid directly to one trustee (2019: £nil).

Other related party transactions involving the trustees are set out within the related parties note.

#### 11 Insurance for trustees and officers

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 trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £203 (2019: £230).

#### 12 Tangible fixed assets - Group

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2019	1,735,280	1,002,889	120,644	568,226	156,270	3,583,309
Additions	-	302,721	-	19,918	-	322,639
At 31 August 2020	1,735,280	1,305,610	120,644	588,144	156,270	3,905,948
<b>Depreciation</b>						
At 1 September 2019	199,465	58,870	95,508	268,647	108,405	730,895
Charge for the year	32,346	20,459	22,934	75,203	20,858	171,800
At 31 August 2020	231,811	79,329	118,442	343,850	129,263	902,695
<b>Net book value</b>						
At 31 August 2020	1,503,469	1,226,281	2,202	244,294	27,007	3,003,253
At 31 August 2019	1,535,815	944,019	25,136	299,579	47,865	2,852,414

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 12 Tangible fixed assets - Group

(Continued)

Leasehold land and buildings were valued on a depreciated replacement cost basis as at 31 March 2014 by Mouchel on behalf of the Education and Skills Funding Agency.

#### Tangible fixed assets - Academy trust

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2019	1,735,280	675,947	70,929	474,347	123,070	3,079,573
Additions	-	302,721	-	15,411	-	318,132
At 31 August 2020	1,735,280	978,668	70,929	489,758	123,070	3,397,705
<b>Depreciation</b>						
At 1 September 2019	199,465	47,986	57,569	246,275	84,612	635,907
Charge for the year	32,346	13,893	12,853	61,415	14,218	134,725
At 31 August 2020	231,811	61,879	70,422	307,690	98,830	770,632
<b>Net book value</b>						
At 31 August 2020	1,503,469	916,789	507	182,068	24,240	2,627,073
At 31 August 2019	1,535,815	627,961	13,360	228,072	38,458	2,443,666

Leasehold land and buildings were valued on a depreciated replacement cost basis as at 31 March 2014 by Mouchel on behalf of the Education and Skills Funding Agency.

### 13 Fixed asset investments

Catcote Futures, a charitable company limited by guarantee and registered in the United Kingdom, is a wholly owned subsidiary of Hartlepool Aspire Trust.

The principal activity of the subsidiary for the last relevant financial year was that of an educational resource for students age 19 and beyond.

The aggregate amount of funds and the results of this undertaking for the last relevant financial year were as follows:

	2020 £	2019 £
Net incoming resources for the year	(12,898)	(38,029)
Total funds	532,880	545,778

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14	Stocks	2020	Group	2020	Academy trust
		£	2019	£	2019
			£		£
	Shop stock	6,056	7,546	6,056	7,546
15	Debtors	2020	Group	2020	Academy trust
		£	2019	£	2019
			£		£
	Trade debtors	82,523	551,842	52,503	433,058
	Amounts owed by group undertakings	-	-	99,604	93,092
	VAT recoverable	16,313	26,570	11,914	18,560
	Prepayments and accrued income	79,950	114,515	66,470	88,639
		178,786	692,927	230,491	633,349
16	Creditors: amounts falling due within one year	2020	Group	2020	Academy trust
		£	2019	£	2019
			£		£
	Trade creditors	37,510	44,205	28,877	28,476
	Amounts owed to group undertakings	-	-	6,093	-
	Other creditors	154,978	13,182	151,527	10,080
	Accruals and deferred income	155,755	146,609	97,479	72,223
		348,243	203,996	283,976	110,779
17	Deferred income			2020	2019
				£	£
	Deferred income is included within:				
	Creditors due within one year			38,149	43,054
	Deferred income at 1 September 2019			43,054	42,984
	Released from previous years			(43,054)	(42,984)
	Resources deferred in the year			38,149	43,054
	<b>Deferred income at 31 August 2020</b>			<b>38,149</b>	<b>43,054</b>

At the balance sheet date the charitable organisation held funds in advance for Post 19 funding.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	393,700	1,565,842	(1,481,993)	(15,943)	461,606
Other DfE / ESFA grants	-	211,721	(211,721)	-	-
Other government grants	65,174	3,284,289	(3,302,640)	9,137	55,960
Other restricted funds	6,212	59,254	(28,571)	(5,000)	31,895
Pension reserve	(2,407,000)	-	(433,000)	(1,146,000)	(3,986,000)
	<u>(1,941,914)</u>	<u>5,121,106</u>	<u>(5,457,925)</u>	<u>(1,157,806)</u>	<u>(3,436,539)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	1,535,816	-	(32,346)	-	1,503,470
DfE group capital grants	394,974	22,943	(19,176)	(22,943)	375,798
Capital expenditure from GAG	934,656	-	(108,961)	(219,685)	606,010
Assets transferred from Catcote Futures	(13,740)	-	(10,609)	239,603	215,254
Private sector capital sponsorship	5,708	222,890	(708)	74,831	302,721
	<u>2,857,414</u>	<u>245,833</u>	<u>(171,800)</u>	<u>71,806</u>	<u>3,003,253</u>
<b>Total restricted funds</b>	<u>915,500</u>	<u>5,366,939</u>	<u>(5,629,725)</u>	<u>(1,086,000)</u>	<u>(433,286)</u>
<b>Unrestricted funds</b>					
General funds	<u>373,478</u>	<u>122,064</u>	<u>(115,836)</u>	<u>(60,000)</u>	<u>319,706</u>
<b>Total funds</b>	<u>1,288,978</u>	<u>5,489,003</u>	<u>(5,745,561)</u>	<u>(1,146,000)</u>	<u>(113,580)</u>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 18 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust is not subject to a limit on the amount of GAG that it can carry forward at 31 August 2020.

Other DfE/ESFA grants include Pupil Premium, Year 7 catch-up and Teachers pay and Teachers pension grants.

Other government grants include funding for pupils with special educational needs and out of borough income.

Other restricted funds consist of Erasmus Enterprise programme, YEI income and £25,500 National Lottery of which £20,500 remains unspent at the year end. The closing fund represents parts of the programme which have not yet taken place.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund, Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The inherited fixed asset fund reflects the fixed assets acquired from Catcote School and the Local Authority on conversion. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants consist of a devolved capital grant of £22,943 which has been received and spent on buildings maintenance in the year.

Private sector capital sponsorship relates to the Outdoor Learning Zone which has been funded by various sources including Sports England and private donations. The project was completed in the year.

The gross transfer to the restricted fixed asset fund from the unrestricted and restricted general fund represents the schools contribution to the Outdoor Learning Zone.

Unrestricted funds can be used for any purpose at the discretion of the academy.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	341,943	1,531,665	(1,471,816)	(8,092)	393,700
Other DfE / ESFA grants	-	92,213	(92,213)	-	-
Other government grants	31,670	2,987,863	(2,954,359)	-	65,174
Other restricted funds	32,674	60,626	(87,088)	-	6,212
Pension reserve	(1,289,000)	-	(290,000)	(828,000)	(2,407,000)
	<u>(882,713)</u>	<u>4,672,367</u>	<u>(4,895,476)</u>	<u>(836,092)</u>	<u>(1,941,914)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,569,590	-	(33,774)	-	1,535,816
DfE group capital grants	419,702	26,676	(24,728)	(26,676)	394,974
Capital expenditure from GAG	972,659	-	(109,221)	71,218	934,656
Private sector capital sponsorship	(2,011)	5,000	(11,021)	-	(8,032)
	<u>2,959,940</u>	<u>31,676</u>	<u>(178,744)</u>	<u>44,542</u>	<u>2,857,414</u>
<b>Total restricted funds</b>	<u>2,077,227</u>	<u>4,704,043</u>	<u>(5,074,220)</u>	<u>(791,550)</u>	<u>915,500</u>
<b>Unrestricted funds</b>					
General funds	<u>384,991</u>	<u>193,020</u>	<u>(168,083)</u>	<u>(36,450)</u>	<u>373,478</u>
<b>Total funds</b>	<u>2,462,218</u>	<u>4,897,063</u>	<u>(5,242,303)</u>	<u>(828,000)</u>	<u>1,288,978</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	3,003,253	3,003,253
Current assets	319,706	897,704	-	1,217,410
Creditors falling due within one year	-	(348,243)	-	(348,243)
Defined benefit pension liability	-	(3,986,000)	-	(3,986,000)
<b>Total net assets</b>	<u>319,706</u>	<u>(3,436,539)</u>	<u>3,003,253</u>	<u>(113,580)</u>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	2,852,414	2,852,414
Current assets	373,478	669,082	5,000	1,047,560
Creditors falling due within one year	-	(203,996)	-	(203,996)
Defined benefit pension liability	-	(2,407,000)	-	(2,407,000)
<b>Total net assets</b>	<b>373,478</b>	<b>(1,941,914)</b>	<b>2,857,414</b>	<b>1,288,978</b>

### 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 008% employer administration charge)
- total scheme liabilities (pensions currently in payment and 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £264,032 (2019: £149,127).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.6% - 17.5% for employers and 5.5% - 12.5% for employees.

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.

Total contributions made	2020 £	2019 £
Employer's contributions	291,000	260,000
Employees' contributions	96,000	89,000
Total contributions	387,000	349,000

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.2	3.0
Rate of increase for pensions in payment/inflation	2.2	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.0



# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Pension and similar obligations

(Continued)

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
Retiring today		
- Males	21.8	21.9
- Females	23.5	23.8
Retiring in 20 years		
- Males	23.2	23.6
- Females	25.3	25.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £	2019 £
Discount rate + 0.1%	7,665,000	5,422,000
Discount rate - 0.1%	8,131,000	5,704,000
Mortality assumption + 1 year	7,610,000	5,375,000
Mortality assumption - 1 year	8,178,000	5,750,000
CPI rate + 0.1%	8,099,000	5,651,000
CPI rate - 0.1%	7,689,000	5,472,000

#### The academy trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	2,970,080	2,409,656
Cash	453,328	400,558
Property	312,640	264,936
Other assets	171,952	78,850
Total market value of assets	3,908,000	3,154,000

The actual return on scheme assets was £428,000 (2019: £116,000).

#### Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	681,000	399,000
Past service cost	-	118,000
Interest income	(63,000)	(84,000)
Interest cost	106,000	117,000
Total operating charge	724,000	550,000

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	5,561,000	4,270,000
Current service cost	681,000	399,000
Interest cost	106,000	117,000
Employee contributions	96,000	89,000
Actuarial loss	1,511,000	860,000
Benefits paid	(61,000)	(292,000)
Past service cost	-	118,000
	<hr/>	<hr/>
At 31 August 2020	7,894,000	5,561,000
	<hr/>	<hr/>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	3,154,000	2,981,000
Interest income	63,000	84,000
Actuarial gain	365,000	32,000
Employer contributions	291,000	260,000
Employee contributions	96,000	89,000
Benefits paid	(61,000)	(292,000)
	<hr/>	<hr/>
At 31 August 2020	3,908,000	3,154,000
	<hr/>	<hr/>
21 Reconciliation of net expenditure to net cash flow from operating activities	2020	2019
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(256,558)	(345,240)
Adjusted for:		
Capital grants from DfE and other capital income	(245,833)	(31,676)
Investment income receivable	(777)	(1,231)
Defined benefit pension costs less contributions payable	390,000	257,000
Defined benefit pension scheme finance cost	43,000	33,000
Depreciation of tangible fixed assets	171,800	178,744
Decrease in stocks	1,490	837
Decrease/(increase) in debtors	514,141	(409,178)
Increase/(decrease) in creditors	144,247	(5,498)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	761,510	(323,242)
	<hr/>	<hr/>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	347,087	685,481	1,032,568

### 23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	32,791	35,779
Amounts due in two and five years	88,247	100,538
Amounts due after five years	1,060,875	1,081,375
	1,181,913	1,217,692

### 24 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the academy received payments of £30 (2019: £150) to Hartlepool Special Needs Support Group for minibus hire, of which J Carter (trustee) is a trustee.

Mrs L Robson, sister of L Greig (trustee and interim accounting officer), is employed by the trust as Head of Corporate Services. Mrs Robson's appointment pre-dated Mrs Greig becoming the interim AO. Mrs Robson was appointed in open competition through a competitive interview process by a recruitment panel. Mrs Robson is paid in line with the standard national pay scale and has received no special treatment as a result of her relationship to a trustee.

Mr S Greig, husband of Mrs L Greig (trustee and interim accounting officer), is employed by the trust as ICT Manager. Mr Greig's appointment pre-dated Mrs Greig becoming the interim AO. Mr Greig was appointed in open competition through a competitive interview process by a recruitment panel. Mr Greig is paid in line with standard national pay scale and has received no special treatment as a result of his relationship to a trustee.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

# **HARTLEPOOL ASPIRE TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### **26 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. The academy had a creditor £nil (2019: £806) brought forward and in the accounting period ending 31 August 2020 the trust received £12,516 (2019: £9,948) and disbursed £9,175 (2019: £10,754) from the fund. An amount of £3,341 (2019: £nil) is included in other creditors relating to undistributed funds carried forward to the next academic year.