

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 2021**

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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  
Mrs A Malcolm (Appointed 11/12/2020)

### Trustees

Mrs H V Gordon (Chair)  
Mrs L Greig (Accounting Officer)  
Dr G Jones  
Mrs A Malcolm (Resigned 9 July 2021)  
Mr P R Hewitson  
Mrs P Holbrook  
Mrs G Fletcher  
Mrs E Latimer  
Mrs J Carter  
Mr B Duncan (Appointed 28 April 2021)

### Senior management team

- 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  
United Kingdom

### Bankers

Lloyds Bank plc  
132 York Road  
Hartlepool  
TS26 9DD  
United Kingdom

### Solicitors

Womble Bond Dickinson.  
Camden House  
Princes Wharf  
Teesdale  
Stockton-On-Tees  
TS17 6QY  
United Kingdom

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 2020 to 31 August 2021. 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 187 students on roll as of May-21. 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 91 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. Appointment of additional Trustees, 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 2021**

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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 during 2020/21. 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 2021**

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	115.00

#### *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	77
Total pay bill	3,802,000
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 charges Catcote Futures a management and resource charge calculated on a cost basis for this service, whilst Catcote Futures also charges the Academy for any use of their resources, at cost.

### **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 2021

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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**

To meet the Trust's strategic aims, the following objectives were employed for the academic year:

##### Effective governance and oversight:

Review reporting structure and mechanisms throughout Trust to provide effective lines of communication that drive school improvement

##### Engaged and well qualified workforce:

Improve communication and literacy strategies

Increase support across the Trust, for ASC (Autism Spectrum Condition) provision

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

Review work related learning (WRL) offer to ensure learners at all stages benefit from relevant vocational curriculum

Review Maths long-term plans and assessment systems for red pathway to ensure coherent and sequential plans for each key stage

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

Covid-19 recovery curriculum to support pathway cohesion, motivation, physical wellbeing, communication, self-esteem

Change in emphasis from behaviour management to 'ready to learn'

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Financial Stability:

Increase income via grant funding

### High Quality Educational Facilities:

Expand facilities to meet demand for growth in student numbers

### 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**

Due to the impact of the pandemic the goals and subsequent achievements of the Trust were abridged. There has been a large emphasis on home schooling and blended learning and the wellbeing of students and staff through a very difficult period. There has been a recovery period focussed on rebooting learning intentions that not only enabled students to 'catch up' but also accounted for the situations they have experienced. Nevertheless, the Trust did not stand still and continued to implement developments and make progress towards strategic goals and above all students were happy, safe and have had learning opportunities that have continued to challenge and develop their knowledge and skills.

As the Trust grows, it has been necessary to review the methods for communication of key information throughout the Trust and to Trustees. As a result, the timeliness and rigour of reporting has been improved. This has been achieved not only by introducing a more structured approach to line management and reporting schedules but also by introducing management information systems which align more closely with the requirements of the Trust.

Environmental audits, purchase of resources and staff training in communication methods have resulted in staff within yellow and blue pathways improving communication and literacy strategies. All staff in these pathways have an awareness and key staff are competent in these areas. This has enabled staff to support strategies within teaching and learning where appropriate and also raise awareness throughout the whole Trust with initiatives such as 'sign of the week'.

The training package offered around supporting ASC (Autism Spectrum Disorder) has been improved throughout the year with designated support from middle leadership to upskill current and new staff in a range of techniques and learning environments to aid teaching and learning. Support has also been offered to mainstream schools within the town by way of providing information on the difficulties ASC learners face in this setting.

The WRL (Work Related Learning) offer was reviewed resulting in an increased understanding of the requirements and expectations at each key stage. Training has taken place to expand the offer including Forest School and Sports Leaders and a middle leader will drive impact from this curriculum.

Within the red pathway there has been a focus on further development of delivering excellent numeracy within the classroom. This has resulted in a greater understanding by all curriculum staff in this pathway of the pedagogical approach needed to engage students and improve outcomes. To compliment this a new mathematics assessment system has been devised and will be implemented next year.

# **HARTLEPOOL ASPIRE TRUST**

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

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Following several 'lockdown' periods resulting in home schooling, and the implementation of a remote learning policy, it was essential that a major focus of the year be recovery in terms of returning to a full on site curriculum where students feel supported, are motivated and can once again benefit from relationships within their pathway and the Trust. To this end diverse challenges have taken place to engage students and aid collaboration and teamwork resulting in improved participation and wellbeing. This has included the Great Dream project, giving opportunities for cultural capital and personal development. There has also been an increased emphasis on staff wellbeing during this time and initiatives such as training in emotional responses has been introduced.

A ready to learn policy supported by CASS (Consistent Approach to Student Support) plans and zones of regulation has been developed as a functional and reflective system concentrating on self-regulation of students. These tools have been implemented during the year with the impact on learning already evident.

An annual grant submission programme detailing the aims for the coming year is now underway with dedicated support for grant submissions. The programme will benefit from the increased knowledge of raising funds following the success of the fundraising to create the outdoor fitness and learning zone the previous year. The Trustees approved a deficit operational budget for 20/21 on the condition that the management team devise a recovery plan that would restore a sustainable financial position. This was achieved due to both cost management and strategies to increase income.

Funding was secured to build an extension to cater for the increasing demand. A business case was submitted to the ESFA for the extension and an increase in student numbers to 200. This was approved and building work will commence in earnest next year. In addition, analysis of predicted growth of the sixth form population prompted discussions regarding expanding this provision next year.

#### Key performance indicators

##### Finance:

Performance against a financial budget for the period September 2020 to August 2021 has been monitored and performance reported to Trustees and Finance & Audit Committee throughout the year.

During the academic year 2020/21 income is 4.6% more than anticipated in part due to Government grants to support the ongoing costs and recovery from the effects of the Covid 19 pandemic. The resulting surplus was significantly better than anticipated due to an increase in pupil funding and lower costs due to reduced activity as a consequence of Covid 19 lockdown periods.

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 lockdown was monitored. Due to the pandemic, there were periods of lockdown, isolation and quarantine periods for some individuals. As a result some monitoring took place virtually, however this still provided the evidence required to be able judge the impact of teaching and learning. Through its monitoring mechanisms 10% of teaching is highlighted as being outstanding. The Ofsted visit during March 2020 confirmed that the Academy was 'Good'.

##### Progress of students:

Targets were set taking into account home learning during the national lockdown periods and the effect on progress. Overall, there were no concerns about the level of progress students made, despite the impact of Covid 19.

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Progress was measured in Yellow and blue pathway, against their individual MAPP (Mapping and Assessing Pupil Progress) learning intentions and through accreditation at the end of KS4 and 5. In red pathway progress was measured against their end of year target and their achievement in accreditation.

#### Yellow and blue pathway:

- Overall, a very large majority of students (95%) have met or exceeded their expectations
- There is no significant differences between the progress of any groups of students (LAC (Looked After Children), PP (Pupil Premium), FSM(Free School Meals))
- Due to lack of learning hours in school some KS4 students have not yet gained their accreditation but have completed units towards it, these will be completed next year. At KS5 100% of Blue Pathway students achieved an Award and 75% of Yellow Pathway achieved a full qualification. The remaining 25% will aim to achieve a qualification by November.

#### Red pathway:

- There is no significant gap between any groups of students i.e. gender, LAC, FSM, PP students.
- At KS4 Red Pathway 21% of students gained their qualification in English (entry level) with only students not continuing to sixth form sitting an exam. 86% achieved a Maths qualification (entry level), the remainder will sit this in year 12. There was 71% attainment in Science (entry level) with 50% of the remaining students now following an alternative route. All student were withdrawn from the ICT qualification and will pursue this next year.
- At KS 5 100% of students gained a qualification in Maths and English functional skills and Employability. 100% of students entered for a Life Skills qualification succeeded. 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 for Y7-11 was 95%, and for 6th form was 93%. There is some difference between FSM and Non-FSM (94% v. 96%) and children in local authority care (CLA) have slightly better attendance at 97%.

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, due to Covid related absence, 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:	
Catcote 6th Form	91.6%
Other FE	8.4%

##### Destination data for Year 14

Further Education:	
Catcote Futures	38.5%
Steps Program	38.5%
Supported Internship	7.7%
Other FE	7.7%
Other	7.7%

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Safety Performance:

The number of reported accidents/incidents involving staff and students for the period 1 September 2020 to 31 August 2021 was 89 (40 Staff, 39 students). This is a decrease compared to the previous year. The majority of staff 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 were no RIDDOR reportable incidents during this time period and all statutory health & safety checks were performed with no significant risks being identified.

#### Premises:

There were no unplanned closures of the school / college. The Academy worked closely with parents/carers and other agencies to produce risk assessments which reflected the vulnerability of students with regards to Covid. As a result, whilst there were no whole school 'lockdown' periods during the year, there was a necessity for home schooling at times for some of the most vulnerable students. 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 for the academy was higher than expected, in part, due to Government grants to support additional costs and recovery from the effects of the Covid 19 pandemic. Income was also improved due to an increase in the number of anticipated students. Vacant staff positions contributed to the surplus, and whilst some costs increased due to the pandemic, others decreased due to reduced activity on and off site whilst students isolated or operated in 'bubbles' with reduced work experience, accessing offsite provision and sports facilities etc. In addition, several planned developments were delayed as a result.

The previous year's medium term financial outlook provided for the use of brought forward reserves to carry out day-to-day operations. This was due to a number of factors including reduced high need top up rates being applied to some students and no additional funding to take account of increases in support staff salaries over several years (unlike Teachers pay increases). The Trust therefore enacted a conservative policy with regards to use of reserves. Subsequently, through ongoing communication with relevant parties funding has improved. In addition, the Trust has gained support from the Local Authority to expand the premises to be able to accommodate present and future growth. The Trust can therefore now reinstate plans for the improvement and expansion of resources and facilities.

The in year surplus for 2020/21 was £266,766 (bal to change in restricted/unrest fund exc pension). The resulting reserves balance is £1,135,933 (exc. 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 2020/21 is £303,473 and restricted reserves are £832,460.

# **HARTLEPOOL ASPIRE TRUST**

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

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Several areas of development, largely to facilities, were placed on hold as future reserve levels were predicted to be reduced dramatically due to the lack of ability to grow and account for inflationary pressures. Following strategies to improve income forecasts the Trust are now in a position to re-commence such plans. During 2021/22 significant funds have been committed to the furnishing of the extended premises and the internal modifications to the existing building to facilitate the complex needs of the yellow and blue pathways. The renewal of ICT equipment will continue and general refurbishment / replacement plans will re-commence.

During the following 2 years, plans for improvements to both external and internal facilities will bring reserves close to minimum levels dictated by the Reserves Policy.

To this end, 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.

Two 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. A comprehensive risk assessment details all the measures taken by the Trust to minimise the risk of contracting the disease at work and this was 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 remains as a risk. Currently the academy is accessing an offsite provision to educate some red pathway learners and some 6th form students remain on the academy site due to capacity constraints. To accommodate this some general use areas are being temporarily used for teaching and learning. However, an extension is now being built which will contain 13 additional classrooms. Furthermore, additional provision for post 16 ASC learners is also being sought. It is expected that the level of risk associated with capacity will be alleviated during the next academic year. Forecasting tools enable the academy to remain vigilant in respect to future capacity issues.

Whilst per pupil funding has been increased as a result of consideration of inflationary pressures being applied to high needs top up funding over the last year, a permanent solution to the allocation of this funding to special schools is still being sought by the Local Authority. Whilst the outcome is, as yet, unknown the academy continues to work closely with the Local Authority to inform them of the pressures experienced.

#### **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 Trust's 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, hampered by the ongoing pandemic, and no complaints have been received.

# **HARTLEPOOL ASPIRE TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Plans for future periods**

Continuing with the recovery from the effects of the pandemic on both learning and wellbeing will remain a focus for the Trust with strategies employed to ensure students can maximise not only outcomes but also regain essential skills to ensure they are 'ready to learn' and can maintain mental health.

A review of all management information systems will take place; this will ensure value for money and also further enhance effective lines of communication throughout the Trust. The provision of financial information will be improved through embedding ICFP techniques and the reporting of additional financial indicators.

Next year will see the Trust embark on the implementation of the Early Career Framework providing a structured 2-year package of high quality professional development for newly qualified teachers which will ultimately strengthen teaching and learning.

The Trust-wide CPD system will be reviewed to ensure an effective, cohesive system that provides a rolling programme of targeted CPD. There will be an emphasis on PSHE and physical development CPD within Yellow Pathway alongside a support library to enable the development of new techniques and strategies.

Red Pathway will focus on a new pillars of feedback policy next year with all pathways focussing on longer term plans that are coherent and sequential leading to an engaging pedagogical approach that improves student outcomes. In addition, the curriculum will be reviewed and modified as appropriate to ensure the statutory requirements of the new RSE (relationships, sex and education) curriculum are met.

An in depth audit of the careers and enterprise offer across the Trust will be carried out in order to identify gaps and improve provision. To aid further development a system of recording and tracking activity and also evaluating impact will be implemented. A long term plan for Yellow and Blue Pathways will ensure a trust wide approach is implemented.

Outdoor learning will be rooted into the curriculum through staff training and support with learning opportunities provided by middle leadership.

A Trust wide communication strategy will be introduced to improve staff knowledge of systems and strategies that provide a consistent approach that will improve learning and student wellbeing. A system to refer students for Alternative and Augmentative Communication (AAC) will be established and an effective assistive technology strategy embedded across all phases.

A marketing and promotion plan will launch the outdoor learning and fitness zone to the community and also promote all of the Trusts lettings and its commercial ventures used to train students in the vocational areas of retail and catering. Grant funding strategies will be implemented including funding for vocational facilities.

Capacity continues to be an issue for the Trust and the building of an extension to accommodate Red Pathway students will be completed next year. Furthermore, the existing facilities will be remodelled to meet the needs of Yellow and Blue pathways and provide stimulating and enabling environments and resources that support the curriculum and development of independence and preparation for adulthood. A learning environment to deliver learning to sixth form students requiring ASC specific principles and approaches will be sought.

An improved system for identifying, reporting and approving maintenance and improvements to the condition of the facilities (premises and ICT) will be introduced to ensure high quality provision across expanding sites.

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

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

# HARTLEPOOL ASPIRE TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**


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### 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 16/12/21 and signed on its behalf by:

  
.....  
Mrs H V Gordon  
Chair

# HARTLEPOOL ASPIRE TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 four 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)	3	4
Mrs L Greig (Accounting Officer)	4	4
Dr G Jones	4	4
Mrs A Malcolm (Resigned 9 July 2021)	2	4
Mr P R Hewitson	3	4
Mrs P Holbrook	4	4
Mrs G Fletcher	4	4
Mrs E Latimer	1	4
Mrs J Carter	1	4
Mr B Duncan (Appointed 28 April 2021)	1	1

# HARTLEPOOL ASPIRE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Trust Board reviewed its Scheme of Delegation during the year and also carried out an audit of skills. Whilst some individual training needs were identified it was concluded that Trustees were, overall, skilled in the necessary areas.

After the CEO, Alan Chapman, sadly died in October 2019, Lisa Greig was appointed Interim CEO and temporarily appointed to assume his position as a Trustee. In April 2021 Lisa was appointed as the permanent replacement and as such continues to serve as Trustee. A new Trustee, Mr Duncan, joined the Board whilst there was also one resignation.

A focus of the Trust during the year was recruitment of Trustees and Members. This continues into 21/22 with regards to Members. A SMRA (School Resource Management Advisor) review was carried out by the DfE during the year and concluded that the commitment of the Chair (Board and Finance & Audit) was evident, and their depth of knowledge about both the organisation and its current thinking in terms of governance best practice was clear. It was also acknowledged that there is good evidence of challenge from the Trustees.

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 governance support package gives opportunity for regular instructor led training and updates.

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. Whilst some meetings have been via video conferencing due to the pandemic, all planned meetings did take place.

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 three 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.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs L Greig (Accounting Officer)	3	3
Dr G Jones	3	3
Mr P R Hewitson	2	3
Mrs G Fletcher	1	3

#### 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.

# **HARTLEPOOL ASPIRE TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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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 improving communication of key information. This has been necessary to ensure staff and Trustees are fully aware of expectations required to fulfil the School Development Plan and achievements towards this plan. The means of achieving this have changed due to the growth of the Academy over recent years.

Despite the constraints imposed by the pandemic, with a focus on deploying home learning opportunities, and then recovery from the impact of the pandemic on learning and wellbeing, the Trust employed several strategies to improve outcomes for students. This included developing communication methods across the Trust, increasing support for those teaching students with ASC, expanding and targeting the WRL (work related learning) offer and further development of the approach needed to optimise outcomes for Red Pathway students in Maths. Furthermore there was a drive to improve 'readiness to learn' by promoting a Consistent Approach to Student Support (CASS) including the development of 'zones of regulation'.

#### **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 2020 to 31st August 2021.

#### **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 2020 to 31st August 2021. 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
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Clive Owen LLP. The FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide audit services to it. To this end, the provision of internal audit function and external audit was provided by separate companies.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period include regularity, payroll, purchases, accounting systems, income, VAT, committee agendas.

# HARTLEPOOL ASPIRE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 work of the external 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 10.12.21 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 2021**

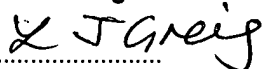
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As accounting officer of Hartlepool Aspire Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the 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 2020.

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

Mrs L Greig  
Accounting Officer



19/12/21

# HARTLEPOOL ASPIRE TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020 to 2021 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 2020 to 2021;
- 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 10/12/21 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 2021**

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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 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

### **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**

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

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

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

### **Other information**

The trustees are responsible for the other information, 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 2021**

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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.

# **HARTLEPOOL ASPIRE TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 2021**

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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

**Statutory Auditor**

14/12/2021

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
United Kingdom  
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 2021***

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In accordance with the terms of our engagement letter dated 11 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hartlepool Aspire Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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 2021**

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

*Azets Audit Service*

**Reporting Accountant**

Azets Audit Services

Dated: 14/12/2021

# HARTLEPOOL ASPIRE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	3,650	46,000	19,964	69,614	273,855
Charitable activities:						
- Funding for educational operations	4	60,546	5,653,933	-	5,714,479	5,195,207
Other trading activities	6	8,406	-	-	8,406	19,164
Investments	5	210	-	-	210	777
<b>Total income and endowments</b>		<b>72,812</b>	<b>5,699,933</b>	<b>19,964</b>	<b>5,792,709</b>	<b>5,489,003</b>
<b>Expenditure on:</b>						
Raising funds	7	7,906	-	-	7,906	15,735
Charitable activities:						
- Educational operations	8	59,440	5,949,541	188,168	6,197,149	5,729,826
<b>Total expenditure</b>	<b>7</b>	<b>67,346</b>	<b>5,949,541</b>	<b>188,168</b>	<b>6,205,055</b>	<b>5,745,561</b>
<b>Net income/(expenditure)</b>		<b>5,466</b>	<b>(249,608)</b>	<b>(168,204)</b>	<b>(412,346)</b>	<b>(256,558)</b>
Transfers between funds		(21,699)	(74,393)	96,092	-	-
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	20	-	(220,000)	-	(220,000)	(1,146,000)
<b>Net movement in funds</b>		<b>(16,233)</b>	<b>(544,001)</b>	<b>(72,112)</b>	<b>(632,346)</b>	<b>(1,402,558)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		319,706	(3,436,539)	3,003,253	(113,580)	1,288,978
Total funds carried forward		303,473	(3,980,540)	2,931,141	(745,926)	(113,580)

# HARTLEPOOL ASPIRE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	2,022	26,000	245,833	273,855
Charitable activities:					
- Funding for educational operations	4	100,101	5,095,106	-	5,195,207
Other trading activities	6	19,164	-	-	19,164
Investments	5	777	-	-	777
<b>Total income and endowments</b>		<b>122,064</b>	<b>5,121,106</b>	<b>245,833</b>	<b>5,489,003</b>
<b>Expenditure on:</b>					
Raising funds	7	15,735	-	-	15,735
Charitable activities:					
- Educational operations	8	100,101	5,457,925	171,800	5,729,826
<b>Total expenditure</b>	<b>7</b>	<b>115,836</b>	<b>5,457,925</b>	<b>171,800</b>	<b>5,745,561</b>
<b>Net income/(expenditure)</b>		<b>6,228</b>	<b>(336,819)</b>	<b>74,033</b>	<b>(256,558)</b>
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)
<b>Net movement in funds</b>		<b>(53,772)</b>	<b>(1,494,625)</b>	<b>145,839</b>	<b>(1,402,558)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		373,478	(1,941,914)	2,857,414	1,288,978
Total funds carried forward		319,706	(3,436,539)	3,003,253	(113,580)


# HARTLEPOOL ASPIRE TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

CONSOLIDATED BALANCE SHEET		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,931,141		3,003,253
<b>Current assets</b>					
Stocks	14	4,814		6,056	
Debtors	15	686,108		178,786	
Cash at bank and in hand		731,751		1,032,568	
		1,422,673		1,217,410	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(286,740)		(348,243)	
<b>Net current assets</b>			1,135,933		869,167
<b>Net assets excluding pension liability</b>			4,067,074		3,872,420
Defined benefit pension liability	20		(4,813,000)		(3,986,000)
<b>Net assets</b>			(745,926)		(113,580)
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			2,931,141		3,003,253
- Restricted income funds			832,460		549,461
- Pension reserve			(4,813,000)		(3,986,000)
<b>Total restricted funds</b>			(1,049,399)		(433,286)
<b>Unrestricted income funds</b>	18		303,473		319,706
<b>Total funds</b>			(745,926)		(113,580)

The accounts on pages 25 to 50 were approved by the trustees and authorised for issue on 10/12/21 and are signed on their behalf by:

  
 Mrs H V Gordon  
 Chair

Company Number 08604037

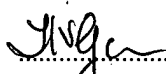
# HARTLEPOOL ASPIRE TRUST

## BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

ACADEMY TRUST BALANCE SHEET		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,521,204		2,627,073
<b>Current assets</b>					
Stocks	14	4,814		6,056	
Debtors	15	625,704		230,491	
Cash at bank and in hand		474,283		759,896	
		1,104,801		996,443	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(160,729)		(283,976)	
<b>Net current assets</b>			944,072		712,467
<b>Net assets excluding pension liability</b>			3,465,276		3,339,540
Defined benefit pension liability	20		(4,813,000)		(3,986,000)
<b>Net assets</b>			(1,347,724)		(646,460)
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset funds			2,521,204		2,627,073
- Restricted income funds			737,351		509,194
- Pension reserve			(4,813,000)		(3,986,000)
<b>Total restricted funds</b>			(1,554,445)		(849,733)
<b>Unrestricted income funds</b>			206,721		203,273
<b>Total funds</b>			(1,347,724)		(646,460)

The accounts on pages 25 to 50 were approved by the trustees and authorised for issue on 10/12/21 and are signed on their behalf by:

  
 Mrs H V Gordon  
 Chair

Company Number 08604037

# HARTLEPOOL ASPIRE TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	21	(204,935)		761,510	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		210		777	
Capital grants from DfE Group		19,964		22,943	
Capital funding received from sponsors and others		-		222,890	
Purchase of tangible fixed assets		(116,056)		(322,639)	
<b>Net cash used in investing activities</b>		(95,882)		(76,029)	
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>		(300,817)		685,481	
Cash and cash equivalents at beginning of the year		1,032,568		347,087	
<b>Cash and cash equivalents at end of the year</b>		731,751		1,032,568	

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 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 2020 to 2021 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 2021

---

#### 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 2021

### 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 of services it must provide.

#### 1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### 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 2021

---

### 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 2021

---

### 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 26.

### 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.

#### **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 2021. 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.

#### **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 land and buildings are valued on the basis of valuations provided by the ESFA/local authority

#### **Depreciation**

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
The National Lottery Community Fund	-	46,000	46,000	26,000
Capital grants	-	19,964	19,964	22,943
Other donations	3,650	-	3,650	224,912
	<u>3,650</u>	<u>65,964</u>	<u>69,614</u>	<u>273,855</u>

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

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,560,000	1,560,000	1,565,842
Other DfE / ESFA grants:				
Pupil premium	-	80,210	80,210	67,716
Teachers pension grants	-	98,467	98,467	98,466
Teachers pay grants	-	27,298	27,298	27,298
Others	-	24,189	24,189	18,241
	<u>-</u>	<u>1,790,164</u>	<u>1,790,164</u>	<u>1,777,563</u>
<b>Other government grants</b>				
Local authority grants	-	3,750,671	3,750,671	3,277,580
	<u>-</u>	<u>3,750,671</u>	<u>3,750,671</u>	<u>3,277,580</u>
<b>Covid 19 additional funding (DfE/ESFA)</b>				
Catch up premium	-	44,880	44,880	-
Other DfE/ESFA Covid 19 funding	-	13,640	13,640	-
	<u>-</u>	<u>58,520</u>	<u>58,520</u>	<u>-</u>
<b>Covid 19 additional funding (non DfE/ESFA)</b>				
Coronavirus job retention scheme grant	-	15,282	15,282	6,709
Other Covid 19 funding	-	34,072	34,072	-
	<u>-</u>	<u>49,354</u>	<u>49,354</u>	<u>6,709</u>
<b>Other funding</b>				
Catering income	44,916	-	44,916	62,206
Other incoming resources	15,630	5,224	20,854	71,149
	<u>60,546</u>	<u>5,224</u>	<u>65,770</u>	<u>133,355</u>
<b>Total funding</b>	<u>60,546</u>	<u>5,595,413</u>	<u>5,655,959</u>	<u>5,195,207</u>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	210	-	210	777

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	600	-	600	-
Catering income	4,998	-	4,998	3,297
Other income	2,808	-	2,808	15,867
	8,406	-	8,406	19,164

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	602	-	7,304	7,906	15,735
Academy's educational operations					
- Direct costs	3,648,173	-	143,908	3,792,081	3,566,837
- Allocated support costs	1,633,698	467,442	303,928	2,405,068	2,162,989
	5,282,473	467,442	455,140	6,205,055	5,745,561

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	11,050	11,300
- Other services	3,300	7,200
Operating lease rentals	39,872	40,893
Depreciation of tangible fixed assets	188,168	171,800
Net interest on defined benefit pension liability	65,000	43,000

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	1,778	3,790,303	3,792,081	3,566,837
<b>Support costs</b>				
Educational operations	57,662	2,347,406	2,405,068	2,162,989
	<u>59,440</u>	<u>6,137,709</u>	<u>6,197,149</u>	<u>5,729,826</u>
			<b>2021</b> £	<b>2020</b> £
<b>Analysis of support costs</b>				
Support staff costs			1,633,698	1,412,006
Depreciation			188,168	171,800
Technology costs			47,812	62,852
Premises costs			279,274	269,863
Legal costs			2,736	600
Other support costs			229,502	220,335
Governance costs			23,878	25,533
			<u>2,405,068</u>	<u>2,162,989</u>

### 9 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:

#### L Greig (CEO):

Remuneration	£100,001 - £105,000 (2020: £95,001 - £100,000)
Employer's pension contributions	£20,001 - £25,000 (2020: £20,001 - £25,000)

During the period ended 31 August 2021, travel and subsistence expenses totalling £nil were reimbursed or paid directly to one trustee (2020: £nil).

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

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 10 Staff

##### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	3,718,367	3,493,526
Social security costs	314,817	280,317
Pension costs	1,249,289	1,020,984
Amounts paid to employees	5,282,473	4,794,827
Amounts paid to staff	5,282,473	4,794,827
Staff development and other staff costs	21,375	30,540
Total staff expenditure	5,303,848	4,825,367

##### Staff numbers

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

	2021 Number	2020 Number
Teachers	122	119
Administration and support	46	47
Management	6	6
	174	172

##### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

##### 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 £545,288 (2020: £480,572).

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £229 (2020: £203).

#### 12 Tangible fixed assets - Group

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2020	1,735,280	1,305,610	120,644	588,144	156,270	3,905,948
Additions	-	47,674	27,986	19,651	20,745	116,056
Reclassify	-	(302,721)	-	302,721	-	-
At 31 August 2021	1,735,280	1,050,563	148,630	910,516	177,015	4,022,004
<b>Depreciation</b>						
At 1 September 2020	231,811	79,329	118,442	343,850	129,263	902,695
Charge for the year	39,977	20,446	7,630	107,452	12,663	188,168
At 31 August 2021	271,788	99,775	126,072	451,302	141,926	1,090,863
<b>Net book value</b>						
At 31 August 2021	1,463,492	950,788	22,558	459,214	35,089	2,931,141
At 31 August 2020	1,503,469	1,226,281	2,202	244,294	27,007	3,003,253

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.

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Tangible fixed assets - Group

(Continued)

#### Tangible fixed assets - Academy trust

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2020	1,735,280	978,668	70,929	489,758	123,070	3,397,705
Additions	-	-	27,986	8,294	20,745	57,025
Reclassify	-	(302,721)	-	302,721	-	-
At 31 August 2021	1,735,280	675,947	98,915	800,773	143,815	3,454,730
<b>Depreciation</b>						
At 1 September 2020	231,811	61,879	70,422	307,690	98,830	770,632
Charge for the year	39,977	13,894	5,935	93,192	9,896	162,894
At 31 August 2021	271,788	75,773	76,357	400,882	108,726	933,526
<b>Net book value</b>						
At 31 August 2021	1,463,492	600,174	22,558	399,891	35,089	2,521,204
At 31 August 2020	1,503,469	916,789	507	182,068	24,240	2,627,073

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:

	2021 £	2020 £
Net incoming resources for the year	68,918	(12,898)
Total funds	601,798	532,880

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14	Stocks	2021	Group	2021	Academy trust
		£	2020	£	2020
			£		£
	Shop stock	4,814	6,056	4,814	6,056
15	Debtors	2021	Group	2021	Academy trust
		£	2020	£	2020
			£		£
	Trade debtors	591,615	82,523	471,475	52,503
	Amounts owed by group undertakings	-	-	83,144	99,604
	VAT recoverable	19,125	16,313	12,336	11,914
	Other debtors	700	-	-	-
	Prepayments and accrued income	74,668	79,950	58,749	66,470
		686,108	178,786	625,704	230,491
16	Creditors: amounts falling due within one year	2021	Group	2021	Academy trust
		£	2020	£	2020
			£		£
	Trade creditors	33,598	37,510	24,043	28,877
	Amounts owed to group undertakings	-	-	1,050	6,093
	Other creditors	59,295	154,978	48,374	151,527
	Accruals and deferred income	193,847	155,755	87,262	97,479
		286,740	348,243	160,729	283,976
17	Deferred income			2021	2020
				£	£
	Deferred income is included within:				
	Creditors due within one year			47,516	38,149
	Deferred income at 1 September 2020			38,149	43,054
	Released from previous years			(38,149)	(43,054)
	Resources deferred in the year			47,516	38,149
	Deferred income at 31 August 2021			47,516	38,149

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 2021

### 18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	461,606	1,560,000	(1,464,919)	(44,393)	512,294
Pupil premium	-	80,210	(57,301)	-	22,909
Teachers pension grants		98,467	(98,467)	-	-
Teachers pay grants		27,298	(27,298)	-	-
Other DfE / ESFA grants	-	24,189	(24,189)	-	-
Catch up premium		44,880	(44,880)	-	-
Other DfE/ESFA Covid 19 funding		13,640	(13,640)	-	-
Coronavirus job retention scheme grant		15,282	(15,282)	-	-
Other Covid 19 funding		34,072	(34,072)	-	-
Other government grants	55,960	3,750,671	(3,551,098)	(30,000)	225,533
Other restricted funds	31,895	51,224	(11,395)	-	71,724
Pension reserve	(3,986,000)	-	(607,000)	(220,000)	(4,813,000)
	<u>(3,436,539)</u>	<u>5,699,933</u>	<u>(5,949,541)</u>	<u>(294,393)</u>	<u>(3,980,540)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	1,503,470	-	(32,346)	-	1,471,124
DfE group capital grants	375,798	19,964	(24,562)	(12,632)	358,568
Capital expenditure from GAG	606,010	-	(87,761)	108,724	626,973
Private sector capital sponsorship	517,975	-	(43,499)	-	474,476
	<u>3,003,253</u>	<u>19,964</u>	<u>(188,168)</u>	<u>96,092</u>	<u>2,931,141</u>
<b>Total restricted funds</b>	<u>(433,286)</u>	<u>5,719,897</u>	<u>(6,137,709)</u>	<u>(198,301)</u>	<u>(1,049,399)</u>
<b>Unrestricted funds</b>					
General funds	<u>319,706</u>	<u>72,812</u>	<u>(67,346)</u>	<u>(21,699)</u>	<u>303,473</u>
<b>Total funds</b>	<u>(113,580)</u>	<u>5,792,709</u>	<u>(6,205,055)</u>	<u>(220,000)</u>	<u>(745,926)</u>

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2021.

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

Other restricted funds consist of £46,000 National Lottery of which £66,500 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 £19,964 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 2020.

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 2021

### 18 Funds

(Continued)

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

	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
Pupil premium	-	67,716	(67,716)	-	-
Teachers pension grants	-	98,466	(98,466)	-	-
Teachers pay grants	-	27,298	(27,298)	-	-
Other DfE / ESFA grants	-	18,241	(18,241)	-	-
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>					
Transfer 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 2021

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	2,931,141	2,931,141
Current assets	303,473	1,119,200	-	1,422,673
Creditors falling due within one year	-	(286,740)	-	(286,740)
Defined benefit pension liability	-	(4,813,000)	-	(4,813,000)
<b>Total net assets</b>	<b>303,473</b>	<b>(3,980,540)</b>	<b>2,931,141</b>	<b>(745,926)</b>

	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>	<b>319,706</b>	<b>(3,436,539)</b>	<b>3,003,253</b>	<b>(113,580)</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 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) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. 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 £381,850 (2020: £337,250).

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	2021 £	2020 £
Employer's contributions	319,000	291,000
Employees' contributions	105,000	96,000
Total contributions	424,000	387,000

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.6	3.2
Rate of increase for pensions in payment/inflation	2.6	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.2

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	23.6	23.5
Retiring in 20 years		
- Males	23.3	23.2
- Females	25.4	25.3

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

	2021 £	2020 £
Discount rate + 0.1%	9,646,000	7,665,000
Discount rate - 0.1%	10,232,000	8,131,000
Mortality assumption + 1 year	9,557,000	7,610,000
Mortality assumption - 1 year	10,311,000	8,178,000
CPI rate + 0.1%	10,192,000	8,099,000
CPI rate - 0.1%	9,676,000	7,689,000

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

	2021 Fair value £	2020 Fair value £
Equities	4,050,711	2,970,080
Cash	425,043	453,328
Property	373,833	312,640
Other assets	271,413	171,952
Total market value of assets	5,121,000	3,908,000

The actual return on scheme assets was £871,000 (2020: £428,000).

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	861,000	681,000
Interest income	(69,000)	(63,000)
Interest cost	134,000	106,000
Total operating charge	926,000	724,000
Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	7,894,000	5,561,000
Current service cost	861,000	681,000
Interest cost	134,000	106,000
Employee contributions	105,000	96,000
Actuarial loss	1,022,000	1,511,000
Benefits paid	(82,000)	(61,000)
At 31 August 2021	9,934,000	7,894,000
Changes in the fair value of the academy trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	3,908,000	3,154,000
Interest income	69,000	63,000
Actuarial gain	802,000	365,000
Employer contributions	319,000	291,000
Employee contributions	105,000	96,000
Benefits paid	(82,000)	(61,000)
At 31 August 2021	5,121,000	3,908,000

# HARTLEPOOL ASPIRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(412,346)	(256,558)
Adjusted for:		
Capital grants from DfE and other capital income	(19,964)	(245,833)
Investment income receivable	(210)	(777)
Defined benefit pension costs less contributions payable	542,000	390,000
Defined benefit pension scheme finance cost	65,000	43,000
Depreciation of tangible fixed assets	188,168	171,800
Decrease in stocks	1,242	1,490
(Increase)/decrease in debtors	(507,322)	514,141
(Decrease)/increase in creditors	(61,503)	144,247
<b>Net cash (used in)/provided by operating activities</b>	<b>(204,935)</b>	<b>761,510</b>

### 22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,032,568	(300,817)	731,751

### 23 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	27,132	32,791
Amounts due in two and five years	92,223	88,247
Amounts due after five years	1,040,375	1,060,875
	<b>1,159,730</b>	<b>1,181,913</b>

# **HARTLEPOOL ASPIRE TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 £nil (2020: £30) 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 accounting officer), is employed by the trust as Head of Corporate Services. Mrs Robson's appointment pre-dated Mrs Greig becoming the 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 accounting officer), is employed by the trust as ICT Manager. Mr Greig's appointment pre-dated Mrs Greig becoming the 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 2020.

### **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 £3,341 (2020: £nil) brought forward and in the accounting period ending 31 August 2021 the trust received £16,842 (2020: £12,516) and disbursed £8,931 (2020: £9,175) from the fund. An amount of £11,252 (2020: £3,341) is included in other creditors relating to undistributed funds carried forward to the next academic year.