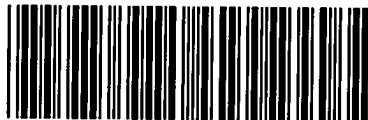


HATCH END HIGH SCHOOL

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

THURSDAY



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COMPANIES HOUSE

HATCH END HIGH SCHOOL

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HATCH END HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Williams J Greenaway S Hamidi J Reavley A Sayani
Trustees	C Williams, Chair of Trustees S Maguire, Accounting Officer (resigned 31 August 2023) E Solomon M Jeanes, Accounting Officer (appointed 1 September 2023) I Bukhari (appointed 4 November 2022) C Lewis (resigned 2 October 2022) K Varia N Varma (resigned 21 July 2023) D Patel (resigned 21 July 2023) H Patel (appointed 13 January 2023) T Dalton C Tobin R Xasan O Akin
Company registered number	07690395
Principal and registered office	Hatch End High School Headstone Lane Harrow Middlesex HA3 6NR
Senior Leadership Team	M Jeanes, Headteacher E Stabler, Business Manager R Cozens, Deputy Headteacher M Dunford, Deputy Headteacher R Cleary, Deputy Headteacher P Richards, Assistant Headteacher L Jeffs, Assistant Headteacher D Robinson, Assistant Headteacher T Murrell, Assistant Headteacher E Camplejohn, Assistant Headteacher S Maguire, Headteacher (resigned 31/08/2023)
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

HATCH END HIGH SCHOOL

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, present their Annual Report together with the financial statements and Auditor's Report of Hatch End High School ("the Trust" or "the Charitable Company") for the period from 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area in the London Borough of Harrow. Our current pupil capacity is 1,337 and we had 1,191 on roll in the school census of October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust was formed in August 2011 as a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles are the primary governing documents of the Trust.

The Members are the legal members of the Charitable Company. The Trustees of Hatch End High School are also the Directors of the Charitable Company for the purposes of company law.

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 Charity 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 as may be required, not exceeding £10, for debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement. The Academy looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills. Trustees are appointed for a fixed 4 year term. Trustees are drawn from across the local community and are recruited from academy contacts including parents and staff. Trustees & Members regularly review regulatory guidance and best practice, especially the Academy Trust Handbook, regarding the composition of the Board. The Trust updated its Articles in March 2021 to amend the Governance structure to ensure full compliance with the governance requirements set out in the Academy Trust Handbook.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are provided with induction training according to their need, which includes a welcome pack of key information, opportunity to attend formal training courses and mentoring if required. The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end it provides internal training led by School staff, external training by local training providers and a range of on-line training and resources.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The day to day administration is undertaken within the policies and procedures written by the Board of Trustees, which provide for significant personnel and expenditure decisions and major capital projects to be referred to the Board of Trustees for prior approval.

HATCH END HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees meet at least four times a year and is supported by two sub-committees which meet at least five times a year, the Finance & General Purposes Committee and the Student Performance, Curriculum & Wellbeing Committee. Written terms of reference are reviewed once a year and the Governance Professional co-ordinates the work of the Trustees and Committees.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The Headteacher has delegated responsibility for areas of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets at least weekly to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Board as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

Arrangements for setting pay and remuneration of key management personnel

'Key Management Personnel' include all Trustees and the Senior Leadership Team, which comprises the Headteacher, three Deputy Heads, six Assistant Heads and the School Business Manager.

Trustees do not receive any remuneration. Pay and remuneration of the Senior Leadership Team is decided by a variety of contributory factors, such as the school group size, the level of experience of each staff member, nationally agreed pay awards and the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. Note is also taken of national and local benchmarking. The Senior Leadership Team's remuneration is set by the Headteacher, except that the Headteacher's remuneration which is set by the Governing Board's Pay Committee.

Trade union facility time

Relevant union officials

No of employees who are relevant union officials during the relevant period	3
Full-time equivalent employee number	2.42

Percentage of time spent on facility time

Percentage of time	Percentage of Employees
0%	1
1% - 50%	2
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£1,630
Total Pay bill	£6,872,305
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours: 0%

Connected Organisations including Related Party Relationships

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures.

The Trust cooperated with a related party during the academic year in pursuit of its charitable activities, details of which can be found in note 29.

HATCH END HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES

Objects and aims

The Trust objects, as set out in the Memorandum of Association, are to advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the school offering a broad curriculum with a strong emphasis, but in no way limited to one or a combination of the specialisms specified in the funding agreements entered into between the Academy and the Secretary of State for Education ("Secretary of State").

Within the objects, the Trust aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We aim to provide students with a first class education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose to provide the best learning experience for all.

The objective is to provide education for students of all abilities between the ages of 11 and 19. All children who apply are admitted (up to the capacity of the Academy), with no selection. Consistent with other academies in the United Kingdom we aim to raise the educational outcomes from the levels inherited from the predecessor school.

Public benefit

In setting objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The impact of the Trust is demonstrated through the continual success of the School, including through student examinations. The Trust also makes its facilities available to the community outside of educational hours at reduced rates and is heavily used by all sections of the local community.

Key Performance Indicators (KPI)

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends. These Finance KPIs include student numbers, staff costs as a % of income and FTE to budget, cash held and reporting on the strength of the Balance Sheet. The educational objectives for 2022/23 were:

Quality of Education

- Develop our assessment strategy to incorporate more efficient and formative teacher feedback and more accurate summative measurement of learning which better captures student's progress in knowing and remembering more of the curriculum. (AMBER)
- Ensure our teachers embed "evidence informed deliberate practice" strategies appropriate to the school's teaching and learning journey, subject specialisms and their own stage of career. (GREEN)
- Improve our student confidence and capacity for independent learning maximising use of technology and more traditional methods. (AMBER)
- Continue to embed our Disciplinary Literacy strategy with the strands of oracy and vocabulary across the whole school and establishing our phonics and other reading intervention programmes. (GREEN)

Behaviour and Attitudes

- Reinvigorate we CARE ethos to embed "Empathy" across the whole school community's mindset and become a natural evolution of the "Hatch End" culture. (GREEN)
- Implement successfully our new Behaviour Policy with its emphasis on clarity, transparency and prevention, resulting in greater staff satisfaction, student engagement and reduction of suspensions and other sanctions. (AMBER)
- Continue to embed a culture of high attendance at school, reducing further the disruptive effects of absence and particularly persistent absence, upon student well-being and academic achievement. (AMBER)

Personal Development

- Develop further our extra and supra-curricular offer to ensure our young people (particularly those who are currently under-represented) have more ambitious opportunities to participate in school life, deepen scholarly enquiry and acquire cultural capital. (AMBER)

HATCH END HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

- Align more successfully our mental health and student well-being strategies resulting in the vast majority of students feeling a strong sense of achievement and belonging to school and ownership over their educational experiences. (AMBER)
- Increase the number and range of student leadership opportunities at KS3 and 4 with particular emphasis on BCB and BAF representation. (AMBER)

Leadership and Management

- Enable all leaders (in particular new middle leaders), to enact a clear and ambitious vision for providing high quality, inclusive education underpinned by effective support and challenge by senior leaders and governors. (GREEN)
- Align key considerations such as well-being, equality impact assessments and staff workload more consistently across school systems and policies including current improvement priorities. (AMBER)
- Commence planning to be successfully prepared for joining a multi academy trust in line with the White Paper strategy but more importantly our own vision for the long-term future of HEHS. (RED)
- Continue our far-reaching recovery and interventions plans to ensure the most effective use of funding using evidence-based research to ensure our young people reach their full potential in an uncertain and financially challenging national context. (GREEN)

Going concern

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

Financial review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2023 the Trust received £9,559,682 (2022: £8,890,738) GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust had total expenditure of £10,275,162 (2022: £10,578,812) including capital projects, pension movement and depreciation. The Trust brought forward from 2021/22, £1,204,832 of restricted funds (excluding pension reserve) and £851,060 of unrestricted funding. The carry forward for 2022/23 is £1,223,967 of restricted funds (excluding pension reserve), £36,126 of restricted fixed asset reserves (excluding the value of fixed assets) and £890,395 of unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,770,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees have determined an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds). This includes the amounts deemed to be necessary to deal with cashflow, unexpected emergencies and site investment. The Reserves policy also provides to mitigate the impact of a temporary reduction in per pupil funding resulting from a historic fall in pupil numbers, as previously there was significant over provision in the secondary sector that resulted in lower numbers in some year groups, currently years 11 to 13. This risk has now receded and since September 2023 the school is now virtually full at PAN in all year groups allowing the school to return to a balanced budget position from 2024/25.

The Board of Trustees monitor estimated year-end carry forward figures via the regular reports to the Finance & General Purposes Committee and full Board of Trustees. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £890,395 (2022: £851,060). The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £2,114,362. The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,242,971.

HATCH END HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Governors have approved a detailed Reserves Statement in July 2023 which provides for the following:

- £372k – Capital Investment in the School Infrastructure.
- £685k - General Reserves for Cashflow, contingencies, unplanned events, reactive maintenance & emergency repairs.
- £522k - Allocate to short-term budget deficit to provide for dip in pupil numbers.

The actual reserves at 31 August 2023 of £2,150k is higher than budgeted reserves of £1,579k detailed in the Reserves Statement. Trustees have agreed that any additional reserves are allocated to future capital investment in the school infrastructure.

Investment policy and powers

An Investment Policy was approved by the Board of Trustees in October 2022. The aim of the policy is to minimise risk and funds will only be lodged with organisations with sound credit ratings. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term. The Board of Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal risks and uncertainties

The Board of Trustees maintains a risk register identifying the major risks to which the Trust is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and is reported to the Finance & General Purposes Committee. The internal control systems and the exposure to key risks are monitored throughout the year and are reported to each Board of Trustees meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Board of Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Academy School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Board of Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding there is concern this is not enough to counteract the historically high levels of inflation, particularly energy costs and pay awards, plus the rise of the minimum wage, pension contribution rises and any other additional costs that the Government may choose to introduce;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Board of Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk the Board of Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Board of Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;

HATCH END HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

- Staffing - the success of the School is reliant on the quality of its staff and the Board of Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning. Recruitment & Retention Risk is a national issue as there is a significant shortage of teachers, especially in London. This is exacerbated by the workload risk which is resulting in teachers leaving the profession. Initiatives have been included in the SIP to address these risks however there is limited impact that an individual school can make on this national issue.
- Fraud and mismanagement of funds - the Board of Trustees have appointed Alliot to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area, with a focus over the past year on cyber security.
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The Board of Trustees take these payments into account when setting the annual budget plan.
- School Estate - the board is aware of the requirements of the Good Estates management of Schools (GEMS) framework and considers reports on stock condition, statutory maintenance and planned maintenance schedules to ensure compliance.

The Trust has a robust risk management process in place which is reviewed and promoted to ensure staff awareness.

Fundraising

As a state funded secondary school the majority of School's income is allocated as Government Grant through the school funding formula. The School does not ask for donations nor use the services of a professional fundraiser. Fundraising for the School is limited to charging for the community use of the school facilities. Further details of the School's approach to lettings is set out in the Lettings Policy as detailed on the School's website. During 2022/23 the level of community lets has increased however they are yet to return to their pre-pandemic levels.

Plans for future periods

The Trust's key objectives for 2023-24 are to continue the development and progress of the Academy, including the maintenance of high outcomes as set out in the School Improvement Plan specifically:

HATCH END HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Quality of Education

Raise expectations of behaviour to lead to better student progress through:

- quality of teaching
- effective use of data and assessment
- strategic RAP (DRO) & Excellence programmes

Personal Development

Raise expectations of behaviour to lead to better student progress through:

- consistent implementation of behaviour systems
- improvement in attendance & punctuality
- coherent and motivating rewards programme

Behaviour and Attitudes

Develop self-motivated and self-disciplined students who take ownership of their learning by focusing on:

- independent learning strategies
- target setting and review
- student leadership programme

Leadership and Management

Continue to work collaboratively on staff wellbeing through:

- Wellbeing committee & programme
- Pulse Survey & Actions
- Development of line managers

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold any funds on behalf of others.

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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 05 Dec 2023 and signed on its behalf by:

C F Williams

C Williams (Dec 5, 2023, 3:36pm)

Chair of Trustees

HATCH END HIGH SCHOOL

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hatch End High School 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 all received and reviewed the latest DfE's Governance Handbook. The Trust uses the National Governors Association Skills Audit framework to effectively monitor the capability of the Trustees and to highlight any deficit areas that need to be filled.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Hatch End High School 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.

HATCH END HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

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 4 times during the year. This is supplemented by a robust and effective sub-committee structure to ensure that trustees have effective oversight of the trust, including Finance & General Purposes Committee and Student Performance, Curriculum & Wellbeing Committee, both of which meet 4 times per year. In addition, there is a regular meeting of the Strategy & Governance Group at which key Trustees consider the overall strategic direction of the trust.

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

Trustee	Meetings attended	Out of a possible
C Williams, Chair of Trustees	4	4
S Maguire, Accounting Officer	4	4
E Solomon	3	4
M Jeanes, Accounting Officer	0	0
I Bukhari	3	3
C Lewis	0	0
K Varia	4	4
N Varma	1	4
D Patel	3	4
H Patel	2	2
T Dalton	1	4
C Tobin	3	4
R Xasan	3	4
O Akin	0	4

The Board of Trustees has formally met four times during the year. The Board met fewer than six times during

Review of the year:

Committees

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- provide guidance and assistance to the Board of Trustees on all financial and budgetary matters;
- deal with any financial matter raised by the Headteacher or designated representative;
- prepare and review financial policy statements, including consideration of long term planning and resourcing;
- consider each year's priorities and present an annual budget to the Board of Trustees for approval;
- monitor income and expenditure of all public funds and report the financial situation to the Board of Trustees each term;
- recommend the level of delegation to the Headteacher for the day-to-day financial management of the School;
- vire funds, if necessary, within limits set by the Board of Trustees;
- ensure compliance with the appropriate financial regulations.
- ensure the audit of non-public funds for presentation to the Board of Trustees;
- receive and, where appropriate, respond to periodic audit reports of public funds;
- advise the Board of Trustees on all matters relating to fund raising and sponsorship

During the year the following issues were dealt with by the committee:

- Annual budgetary setting and oversight,
- oversight of capital projects,
- leading on staff restructuring,
- updating finance regulations,
- oversight of significant capital expenditure projects

HATCH END HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- oversight of internal scrutiny,
- liaison with external auditors,
- follow up on actions from previous year audits,
- risk management related activities.

During the year we welcomed two new Governors to the Committee who bring experience in higher education, business and management, including leading on Health & Safety matter at the school.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E Solomon - Chair of committee	4	4
S Maguire	4	4
K Varia	4	4
C Williams	2	4
I Bukhari	3	3

Review of value for money

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

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

- Procuring a Stock Condition Survey to underpin the site strategy as part of the Good Estate Management of Schools.
- Strengthen the ICT back up infrastructure to strengthen the cyber security of the school's network.
- Continuing to work with the Harrow consortium of schools on joint procurement to deliver economies of scale and operational efficiencies.
- Using the Harrow Collegiate to provide the school with a cost-effective system to offer a wider KS5 curriculum to our sixth form students.

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 Hatch End High School for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

HATCH END HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

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

The Board of Trustees has decided to employ Alliotts as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. The Finance & General Purposes Committee approved the Internal Audit Work Plan for the year which included the following:

- Income Processes
- Governance Processes
- Budgetary Processes
- Whistleblowing & Safeguarding

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

HATCH END HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Headteacher 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 school resource management self-assessment tool
 - the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework
 - the work of the external auditor
 - correspondence from ESFA.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

C F Williams

C Williams (Dec 5, 2023, 3:36pm)

Chair of Trustees

Date:

05 Dec 2023

M Jeanes

M Jeanes (Dec 5, 2023, 4:51pm)

Accounting Officer

HATCH END HIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hatch End High School I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Trust Handbook 2022.

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.

M Jeanes

M Jeanes
Accounting Officer

Date: 05 Dec 2023

HATCH END HIGH SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees and signed on its behalf by:

C F Williams

C Williams (5, 2023, 3:36pm)
Chair of Trustees

Date: 05 Dec 2023

HATCH END HIGH SCHOOL

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HATCH END HIGH SCHOOL

Opinion

We have audited the financial statements of Hatch End High School (the Trust) for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

HATCH END HIGH SCHOOL

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HATCH END HIGH SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust 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 Trust or to cease operations, or have no realistic alternative but to do so.

HATCH END HIGH SCHOOL

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HATCH END HIGH SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the senior management team including the Accounting Officer regarding the laws and regulations applicable to the Academy and obtained the report details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters to the Regulator if necessary. We have found no correspondence with the ESFA / DfE other than the reporting of related party transactions to the ESFA.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

HATCH END HIGH SCHOOL

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HATCH END HIGH SCHOOL (CONTINUED)

Use of our Report

This report is made solely to the Trust 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 Trust Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 6 December 2023

HATCH END HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HATCH END HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hatch End High School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hatch End High School's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Hatch End High School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

HATCH END HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HATCH END HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Price Bailey LLP
Chartered Accountants
Statutory Auditors

Date: 6 December 2023

HATCH END HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	64	7,427	105,707	113,198	76,750
Other trading activities		85,149	-	-	85,149	87,841
Investments	6	27,552	-	-	27,552	2,377
Charitable activities		-	9,333,783	-	9,333,783	8,723,770
Total income		112,765	9,341,210	105,707	9,559,682	8,890,738
Expenditure on:						
Charitable activities		73,430	9,460,075	741,657	10,275,162	10,578,812
Total expenditure		73,430	9,460,075	741,657	10,275,162	10,578,812
Net movement in funds before other recognised gains/(losses)		39,335	(118,865)	(635,950)	(715,480)	(1,688,074)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	26	-	302,000	-	302,000	5,392,000
Net movement in funds		39,335	183,135	(635,950)	(413,480)	3,703,926
Reconciliation of funds:						
Total funds brought forward		851,060	(729,168)	24,559,590	24,681,482	20,977,556
Net movement in funds		39,335	183,135	(635,950)	(413,480)	3,703,926
Total funds carried forward		890,395	(546,033)	23,923,640	24,268,002	24,681,482

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

The notes on pages 26 to 51 form part of these financial statements.

HATCH END HIGH SCHOOL
REGISTERED NUMBER: 07690395

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	986	3,943
Tangible assets	14	23,886,528	24,555,646
		<u>23,887,514</u>	<u>24,559,589</u>
Current assets			
Debtors	15	363,472	222,240
Investments	16	1,250,000	1,500,000
Cash at bank and in hand	24	1,242,971	920,662
		<u>2,856,443</u>	<u>2,642,902</u>
Creditors: amounts falling due within one year	17	(705,955)	(569,850)
Net current assets		<u>2,150,488</u>	<u>2,073,052</u>
Total assets less current liabilities		<u>26,038,002</u>	<u>26,632,641</u>
Creditors: amounts falling due after more than one year	18	-	(17,159)
Net assets excluding pension liability		<u>26,038,002</u>	<u>26,615,482</u>
Defined benefit pension scheme liability	26	(1,770,000)	(1,934,000)
Total net assets		<u><u>24,268,002</u></u>	<u><u>24,681,482</u></u>

HATCH END HIGH SCHOOL
REGISTERED NUMBER: 07690395

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	23,923,640	24,559,590
Restricted income funds	19	1,223,967	1,204,832
		<hr/>	<hr/>
Restricted funds excluding pension liability		25,147,607	25,764,422
Pension reserve	19	(1,770,000)	(1,934,000)
		<hr/>	<hr/>
Total restricted funds		23,377,607	23,830,422
Unrestricted income funds	19	890,395	851,060
		<hr/>	<hr/>
Total funds		<u>24,268,002</u>	<u>24,681,482</u>

The financial statements on pages 22 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

C F Williams

C Williams (Dec 5, 2023, 3:36pm)

Chair of Trustees

Date: 05 Dec 2023

The notes on pages 26 to 51 form part of these financial statements.

HATCH END HIGH SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	25,790	(320,206)
Cash flows from investing activities	23	313,678	(66,034)
Cash flows from financing activities	22	(17,159)	(34,308)
Change in cash and cash equivalents in the year		322,309	(420,548)
Cash and cash equivalents at the beginning of the year		920,662	1,341,210
Cash and cash equivalents at the end of the year	24, 25	<u>1,242,971</u>	<u>920,662</u>

The notes on pages 26 to 51 form part of these financial statements

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Headstone Lane, Harrow, Middlesex, HA3 6NR.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hatch End High School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations 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.

Where a donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT. Grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

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

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Taxation

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

1.7 Intangible assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Computer software	- 5 years
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1.8 Tangible fixed assets

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

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

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

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 20 - 117 years
Leasehold improvements	- 20 - 50 years
Furniture and equipment	- 5 - 10 years
Plant and machinery	- 5 - 20 years
Computer equipment	- 5 - 20 years
Motor vehicles	- 10 years

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.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2023. 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.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	64	7,427	-	7,491	51,661
Government grants	-	-	105,707	105,707	25,089
Total 2023	64	7,427	105,707	113,198	76,750
Total 2022	1,099	50,562	25,089	76,750	

In 2022, income from donations was £51,661 of which £1,099 was unrestricted and £50,562 was restricted.

In 2022, income receivable from capital grants was £25,598, all of which related to restricted fixed assets.

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Trust's Educational Operations

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE / ESFA grants			
General Annual Grant	8,085,409	8,085,409	7,856,714
Other DfE/ESFA grants			
Pupil Premium	317,551	317,551	289,322
Teachers Pension Grant	46,790	46,790	55,605
Teachers Pay Grant	202,668	202,668	19,679
Rates relief	57,132	57,132	46,284
Academies Tuition Fund	-	-	15,449
National tutoring programme	-	-	44,393
Other DfE / ESFA grants	290,163	290,163	159,114
	<u>8,999,713</u>	<u>8,999,713</u>	<u>8,486,560</u>
Other Government grants			
Local Authority grants	334,070	334,070	237,210
Total 2023	<u>9,333,783</u>	<u>9,333,783</u>	<u>8,723,770</u>
Total 2022	<u>8,723,770</u>	<u>8,723,770</u>	

In 2022, income from DfE / ESFA grants was £8,486,560, all of which was restricted.

In 2022, income from other Government grants was £237,210 all of which was restricted.

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	39,988	-	39,988	30,464
Other income	45,161	-	45,161	57,377
Total 2023	<u>85,149</u>	<u>-</u>	<u>85,149</u>	<u>87,841</u>
Total 2022	<u>87,541</u>	<u>300</u>	<u>87,841</u>	

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities (continued)

In 2022, income from the hire of facilities was £30,464, all of which was unrestricted.

In 2022, other income was £57,377, £57,077 of which was unrestricted and £300 of which was restricted.

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Short term deposits	27,552	27,552	2,377

In 2022, investment income was £2,377, all of which was unrestricted.

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Provision for Education					
Direct costs	5,759,811	-	806,243	6,566,054	6,736,976
Support costs	1,622,200	1,483,651	603,257	3,709,108	3,841,836
Total 2023	7,382,011	1,483,651	1,409,500	10,275,162	10,578,812
Total 2022	7,841,269	1,492,911	1,244,632	10,578,812	

In 2023, of total expenditure incurred, £9,460,075 was on restricted funds (2022: £9,225,163), £73,430 was on unrestricted funds (2022: £662,571), and £741,657 was on restricted fixed asset funds (2022: £745,731).

In 2022 direct costs consisted of £5,950,235 staff costs and £786,741 of other costs.

In 2022 support costs consisted of £1,891,034 staff costs, £1,492,911 premises costs and £457,891 other costs.

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

8. Charitable activities

	2023 £	2022 £
Direct costs	6,566,054	6,736,976
Support costs	3,709,108	3,841,836
	<u>10,275,162</u>	<u>10,578,812</u>

	2023 £	2022 £
Analysis of support costs		
Support staff costs	1,622,200	1,891,034
Premises costs (excluding depreciation)	741,995	747,180
Depreciation and amortisation	741,656	745,731
Technology costs	167,516	44,973
Legal costs	-	5,528
Governance costs	32,057	16,965
Other support costs	403,684	390,405
	<u>3,709,108</u>	<u>3,841,816</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	20,512	27,271
Depreciation of tangible fixed assets	738,699	738,827
Amortisation of intangible assets	2,957	6,904
Fees paid to Auditors for:		
- audit	9,700	8,220
- other services	5,800	4,930
	<u>757,668</u>	<u>786,152</u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	5,612,353	5,609,511
Social security costs	572,086	573,956
Pension costs	1,197,572	1,657,802
	<u>7,382,011</u>	<u>7,841,269</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	79	83
Administration and support	68	70
Management	2	2
	<u>149</u>	<u>155</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	75	81
Administration and support	47	49
Management	2	2
	<u>124</u>	<u>132</u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,000 - £70,000	3	4
In the band £70,000 - £80,000	4	2
In the band £80,000 - £90,000	2	3
In the band £120,000 - £130,000	-	1
In the band £130,000 - £140,000	1	-

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,191,639 (2022: £1,046,441).

Employer National Insurance contributions included within key management personnel remuneration was £114,022 (2022: £96,525).

Employer pension contributions included within key management personnel remuneration was £197,975 (2022: £177,387).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	2022 £
S Maguire, Accounting Officer (resigned 31 August 2023)	Remuneration		130,000 - 135,000
	Pension contributions paid	25,000 - 30,000	
D Patel	Remuneration	60,000 - 65,000	
	Pension contributions paid	10,000 - 15,000	
R Xasan	Remuneration	20,000 - 25,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

12. Trustees' and Officers' insurance

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme membership.

13. Intangible assets

	Computer software £
Cost	
At 1 September 2022	42,047
At 31 August 2023	<u>42,047</u>
Amortisation	
At 1 September 2022	38,104
Charge for the year	2,957
At 31 August 2023	<u>41,061</u>
Net book value	
At 31 August 2023	<u><u>986</u></u>
At 31 August 2022	<u><u>3,943</u></u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

14. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation								
At 1 September 2022	24,533,136	4,462,860	-	144,088	1,441,597	1,120,691	25,995	31,728,367
Additions	-	-	33,467	7,370	-	28,744	-	69,581
At 31 August 2023	24,533,136	4,462,860	33,467	151,458	1,441,597	1,149,435	25,995	31,797,948
Depreciation								
At 1 September 2022	5,374,981	550,876	-	56,003	488,160	687,535	15,166	7,172,721
Charge for the year	345,326	155,982	-	15,562	74,237	144,995	2,597	738,699
At 31 August 2023	5,720,307	706,858	-	71,565	562,397	832,530	17,763	7,911,420
Net book value								
At 31 August 2023	18,812,829	3,756,002	33,467	79,893	879,200	316,905	8,232	23,886,528
At 31 August 2022	19,158,155	3,911,984	-	88,085	953,437	433,156	10,829	24,555,646

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	32,953	19,046
VAT recoverable	58,987	64,411
Prepayments and accrued income	271,532	138,783
	<u>363,472</u>	<u>222,240</u>

16. Current asset investments

	2023 £	2022 £
Cash equivalents on deposit	<u>1,250,000</u>	<u>1,500,000</u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	17,156	34,308
Trade creditors	148,044	-
Other taxation and social security	136,820	132,931
Other creditors	133,804	129,932
Accruals and deferred income	270,131	272,679
	<u>705,955</u>	<u>569,850</u>

	2023 £	2022 £
Deferred income brought forward	57,666	45,821
Resources deferred during the year	96,835	57,666
Amounts released from previous periods	(57,666)	(45,821)
Deferred income carried forward	<u>96,835</u>	<u>57,666</u>

At the balance sheet date, balances included in deferred income consisted of letting income received in advance from SchoolHire, NNDR Grant Relief and SEN Funding Top-up from Harrow Council.

18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	-	17,159

Included within the above are amounts falling due as follows:

	2023 £	2022 £
Between one and two years		
Other loans	-	17,159

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General funds	404,060	112,765	(73,430)	179,637	-	623,032
Investment in buildings	447,000	-	-	(179,637)	-	267,363
	<u>851,060</u>	<u>112,765</u>	<u>(73,430)</u>	<u>-</u>	<u>-</u>	<u>890,395</u>
Restricted general funds						
GAG	1,167,368	8,085,409	(8,028,810)	-	-	1,223,967
Other DfE / ESFA grants	-	914,304	(914,304)	-	-	-
Other Government grants	883	334,070	(334,953)	-	-	-
Other restricted funds	30,016	-	(30,016)	-	-	-
Restricted donations	6,565	7,427	(13,992)	-	-	-
Pension reserve	(1,934,000)	-	(138,000)	-	302,000	(1,770,000)
	<u>(729,168)</u>	<u>9,341,210</u>	<u>(9,460,075)</u>	<u>-</u>	<u>302,000</u>	<u>(546,033)</u>
Restricted fixed asset funds						
DFC	-	24,636	-	(7,370)	-	17,266
DfE/ESFA capital grants	-	81,071	-	(62,211)	-	18,860
Restricted fixed assets	24,559,590	-	(741,657)	69,581	-	23,887,514
	<u>24,559,590</u>	<u>105,707</u>	<u>(741,657)</u>	<u>-</u>	<u>-</u>	<u>23,923,640</u>
Total Restricted funds	<u>23,830,422</u>	<u>9,446,917</u>	<u>(10,201,732)</u>	<u>-</u>	<u>302,000</u>	<u>23,377,607</u>
Total funds	<u>24,681,482</u>	<u>9,559,682</u>	<u>(10,275,162)</u>	<u>-</u>	<u>302,000</u>	<u>24,268,002</u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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

General Annual Grant (GAG): This fund is for the purpose of running the Trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

Other DfE / ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other Government grants: This fund has also arisen from funding received from the Local Authority mainly for Special Educational Needs.

Other restricted funds and restricted donations: This restricted fund has arisen from other income that the Trust has received where there are restrictions on how these monies can be spent.

Pension reserve: This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Other capital grants: This fund refers to funding which has been received by the trust from third parties beyond the ESFA for the purposed of fixed asset additions.

Other ESFA capital grants: This fund has arisen again from funding received from the Department for Educations and the Education and Skills Funding Agency specifically for facilities and other forms of capital.

Developed formula capital (DFC): The trust is to use the DFC allocation to maintain and improve its buildings and facilities.

Restricted fixed asset funds: These funds have arisen from the fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Trust. All assets held are specifically for the use of the Trust.

Unrestricted funds: These have arisen from activities carried out by the Trust for raising funds and are unrelated to any form of Government assistance and therefore the Trust can choose to spend it however it chooses.

Investment in buildings: This is an unrestricted fund designated for use in capital projects.

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

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	975,614	91,017	(662,571)	-	-	404,060
Investment in buildings	447,000	-	-	-	-	447,000
	<u>1,422,614</u>	<u>91,017</u>	<u>(662,571)</u>	<u>-</u>	<u>-</u>	<u>851,060</u>
Restricted general funds						
GAG	1,001,056	7,856,714	(7,621,989)	(68,413)	-	1,167,368
Other DfE / ESFA grants	-	629,846	(629,846)	-	-	-
Other Government grants	23,092	276,842	(299,051)	-	-	883
Other restricted funds	12,260	-	17,756	-	-	30,016
Restricted donations	6,715	11,230	(11,380)	-	-	6,565
Pension reserve	(6,700,000)	-	(626,000)	-	5,392,000	(1,934,000)
	<u>(5,656,877)</u>	<u>8,774,632</u>	<u>(9,170,510)</u>	<u>(68,413)</u>	<u>5,392,000</u>	<u>(729,168)</u>
Restricted fixed asset funds						
DFC	-	25,089	-	(25,089)	-	-
Restricted fixed assets	25,211,819	-	(745,731)	93,502	-	24,559,590
	<u>25,211,819</u>	<u>25,089</u>	<u>(745,731)</u>	<u>68,413</u>	<u>-</u>	<u>24,559,590</u>
Total Restricted funds	<u>19,554,942</u>	<u>8,799,721</u>	<u>(9,916,241)</u>	<u>-</u>	<u>5,392,000</u>	<u>23,830,422</u>
Total funds	<u>20,977,556</u>	<u>8,890,738</u>	<u>(10,578,812)</u>	<u>-</u>	<u>5,392,000</u>	<u>24,681,482</u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	23,886,528	23,886,528
Intangible fixed assets	-	-	986	986
Current assets	890,395	1,929,922	36,126	2,856,443
Creditors due within one year	-	(705,955)	-	(705,955)
Provisions for liabilities and charges	-	(1,770,000)	-	(1,770,000)
Total	890,395	(546,033)	23,923,640	24,268,002

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	24,555,646	24,555,646
Intangible fixed assets	-	-	3,943	3,943
Current assets	851,060	1,740,374	51,468	2,642,902
Creditors due within one year	-	(535,542)	(34,308)	(569,850)
Creditors due in more than one year	-	-	(17,159)	(17,159)
Provisions for liabilities and charges	-	(1,934,000)	-	(1,934,000)
Total	851,060	(729,168)	24,559,590	24,681,482

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(715,480)	(1,688,074)
Adjustments for:		
Amortisation	2,957	6,904
Depreciation	738,699	738,826
Capital grants from DfE and other capital income	(105,707)	(25,089)
Interest receivable	(27,552)	(2,377)
Pension adjustments	138,000	626,000
(Increase)/decrease in debtors	(141,232)	3,896
Increase in creditors	136,105	19,708
Net cash provided by/(used in) operating activities	25,790	(320,206)

22. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(17,159)	(34,308)
Net cash used in financing activities	(17,159)	— (34,308)

23. Cash flows from investing activities

	2023 £	2022 £
Interest	27,552	2,377
Purchase of intangible assets	(69,581)	(93,500)
Proceeds from the liquidation of investments	250,000	-
Capital grants from DfE Group	105,707	25,089
Net cash provided by/(used in) investing activities	313,678	(66,034)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	1,242,971	920,662
Total cash and cash equivalents	1,242,971	920,662

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	920,662	322,309	1,242,971
Debt due within 1 year	(34,308)	17,152	(17,156)
Debt due after 1 year	(17,159)	17,159	-
Liquid investments	1,500,000	(250,000)	1,250,000
	<u>2,369,195</u>	<u>106,620</u>	<u>2,475,815</u>

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments

The 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 London Borough of Harrow. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £133,115 were payable to the schemes at 31 August 2023 (2022 - £128,582) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 2024.

The employer's pension costs paid to TPS in the year amounted to £780,743 (2022 - £789,893).

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

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

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £450,000 (2022 - £436,000), of which employer's contributions totalled £358,000 (2022 - £350,000) and employees' contributions totalled £92,000 (2022 - £86,000). The agreed contribution rates for future years are 20.1 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.14 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

London Borough of Harrow Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	4.00	3.75
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
Retiring today		
Males	22.0	22.0
Females	24.5	24.4
Retiring in 20 years		
Males	22.0	23.3
Females	26.1	26.7

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

Sensitivity analysis

As at 31 August 2023 the Trust had a pension liability of £1,770,000 (2021 - £1,934,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

	2023 £000	2022 £000
Discount rate +0.1%	(160,000)	(179,000)
Discount rate -0.1%	160,000	179,000
Mortality assumption - 1 year increase	319,000	332,000
Mortality assumption - 1 year decrease	(319,000)	(332,000)
CPI rate +0.1%	150,000	168,000
CPI rate -0.1%	(150,000)	(168,000)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	4,411,000	4,448,000
Corporate bonds	808,000	1,335,000
Property	870,000	508,000
Cash and other liquid assets	124,000	64,000
Total market value of assets	6,213,000	6,355,000

The actual return on scheme assets was £122,000 (2022 - £(464,000)).

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

	2023 £	2022 £
Current service cost	413,000	861,000
Interest income	275,000	110,000
Interest cost	(358,000)	(225,000)
Total amount recognised in the Statement of Financial Activities	330,000	746,000

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	8,289,000	13,236,000
Employee contributions	92,000	86,000
Benefits paid	(216,000)	(153,000)
Current service cost	413,000	861,000
Interest cost	358,000	225,000
Actuarial gains	(954,000)	(5,966,000)
At 31 August	<u>7,982,000</u>	<u>8,289,000</u>

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

	2023 £	2022 £
At 1 September	6,355,000	6,536,000
Interest income	275,000	110,000
Benefits paid	(216,000)	(153,000)
Employee contributions	92,000	86,000
Actuarial losses	(652,000)	(574,000)
Employer contributions	358,000	350,000
At 31 August	<u>6,212,000</u>	<u>6,355,000</u>

27. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

28. 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 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 cease to be a Member.

HATCH END HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

29. Related party transactions

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

The Trust purchases student placement from The Harrow Alternative Provision Academy Trust (Jubilee Academy) of which a member of the Trust, John Reavley is an Executive Headteacher and Governor, triggering a related party transaction. During the financial period the Trust has incurred costs of £37,800 (2022: £36,000). No amount was outstanding at the year end.

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.