

Registration number: 08654591

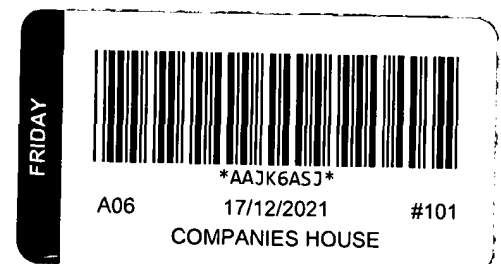
HCAT

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Forrester Boyd
Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ



HCAT

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 19
Governance Statement	20 to 23
Statement of Regularity, Propriety and Compliance	24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report on the Financial Statements to the Members of HCAT	26 to 28
Independent Reporting Accountant's Assurance Report on Regularity to HCAT and the Education and Skills Funding Agency	29 to 30
Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)	31 to 32
Balance Sheet as at 31 August 2021	33 to 34
Statement of Cash Flows for the year ended 31 August 2021	35
Notes to the Financial Statements	36 to 63

HCAT

Reference and Administrative Details

Members	S Hardcastle G Wilson A J Richards J Brown (resigned 5 March 2021)
Trustees (Directors)	A J Richards, Chair of Trustees S Gallagher A Kent D Marsh M Priestley (resigned 15 March 2021) M Gostelow A F Fearn C W Webb (resigned 15 March 2021) I Dickinson (appointed 15 March 2021)
Chief Executive Officer	T Banham
Company Secretary	V A Harrison
Key Management Personnel	T W Banham, Accounting Officer V A Harrison, Trust Business Manager W Greenhoff, Director of Finance A Ravenscroft, Director of Finance B Fallon, Headteacher - HCPS M Binns, Headteacher - WGPS N Bowen, Executive Principal - Horizon C Huddart, Principal - Horizon G Padfield, Headteacher - WCPS R Paddock, Headteacher - MPS K Trickett, Headteacher - Milefield
Senior Management Team	T W Banham - CEO V Harrison - COO A Ravenscroft - Director of Finance L Reekie - School Business Manager M Pearce - School Business Manager P Seaton - School Business Manager

HCAT

Reference and Administrative Details (continued)

**Principal and
Registered Office** Unit 4
Dodworth Business Park
Dodworth
Barnsley
England
S75 3SP

**Company Registration
Number** 08654591

Auditors Forrester Boyd
Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

Bankers Royal Bank of Scotland
747 Attercliffe Road
Sheffield
South Yorkshire
S9 3RF

Solicitors Addleshaw Goddard
3 Sovereign Square
Sovereign Street
Leeds
LS1 4ER

HCAT

Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 5 primary academies and 1 secondary academy in Barnsley for pupils aged 3 to 16. Its academies have a combined pupil capacity of 3,792 and had a roll of 3,965 (435 HCPS, 346 Mapplewell, 298 Milefield, 469 WCPS, 426 WGPS and 1,991 Horizon) in the school census on January 2021.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of HCAT Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as HCAT.

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.

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 he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The Academy Trust has purchased RPA Liability insurance from the ESFA.

Method of recruitment and appointment or election of Trustees

All new Trustees are appointed by the members as it may determine. Full details relating to the appointment and removal of Trustees are contained within the Trusts Articles of Association.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board of Trustees has the necessary skills to contribute to the Trusts Development. This Board of Trustees is the overarching body of all schools within the Trust.

Each individual school have their own Local Governing Body (LGB) to undertake the operation of the school inline with the agreed Scheme of Delegation. The LGB constitutes as follows –

Type of Governor	Hoyland Common Primary	Mapplewell Primary	Ward Green Primary	Worsborough Common Primary	Horizon	Milefield
Head	1	1	1	1	1	1
Parent	-	3	4	3	1	3
Staff	2	2	1	2	2	2
Community	3	2	1	5	5	2
LA	-	-	1	-	1	-
Foundation	-	-	-	-	2	-
Total	6	8	8	11	12	7

Local Governors will have a term of Office of 4 Years, with the exception of the Head of School. Subject to remaining eligible to be a particular type of Trustee or Governor, any Trustee or governor may be re-elected or reappointed.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Organisational structure

The Members of HCAT have ultimate control over the Trust, with the ability to appoint other Members and Trustees, and the right to amend the Trust's Articles of Association. The Members monitor, challenge and hold the Trustees to account on finance, school improvements, Objects of the Trust and recruitment of schools to the Trust.

The Board sets the strategic direction of the Trust and monitors its performance. It appoints professionals from the public sector, private industry, voluntary sectors and the community, whose knowledge and expertise can make a difference to the lives of children and young people. Trustees work together on the Board in a voluntary capacity to ensure that the Trust meets the needs of the community it serves.

The Chief Executive Officer of the Trust is responsible for the day-to-day operation of the Trust and is accountable to the Board.

Management responsibilities are governed by a detailed Scheme of Delegation, which specifies those decisions that are reserved to the Board of Trustees and those delegated to Local Governing Bodies or to Senior Management. Principals/ Heads of School are accountable to their Local Governing Bodies.

The Board has two Committees which act in an advice and scrutiny capacity to the Board to enable informed decisions to be made. These are the Audit Committee and the Finance, Resources & Committee. The Board may appoint up to two co-opted members to each Committee.

The Terms of Reference of each Committee are reviewed annually by the Board.

Arrangements for setting pay and remuneration of key management personnel

The Trustees of HCAT act with integrity, confidentiality, objectivity and honesty in the best interests of the school; are open about decisions made and actions taken, and are prepared to explain decisions and actions to interested persons. Its procedures for determining pay are consistent with the principles of public life: objectivity, openness and accountability.

The arrangements for setting the pay and remuneration of the school's Key Management Personnel are based upon the Schools Pay Policy that includes references to the Teachers Pay and Conditions document.

The pay awarded to key teaching and leadership personnel is derived from the school's head teacher group and the head's Individual School Range (ISR) in accordance with paragraphs 5, 6, 8 and 10 of the document School Teachers' Pay and Conditions.

The pay of key support staff is determined on appointment in accordance with the scale of grades, currently where applicable in relation to employment with the LA, which the Trustees consider appropriate for the post.

The Trustees may from time to time review the scale of grades for support staff if there is a significant change to the role they were initially appointed to.

Risk management

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the specific teaching, provision of facilities and other operational areas of the academy and its finances. This has resulted in a risk register and policy that is updated every summer term and monitored regularly.

The Governors have implemented a number of systems to assess the risks that academies face in relation to teaching, health and safety, financial controls etc. and have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where any significant financial risk may still remain they have ensured that adequate insurance cover is in place.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Engagement with suppliers, customers and others in a business relationship with the trust

We seek to nurture open, trusting relationships with all stakeholders and maintain these relationships by offering our customers a consistently high-quality excellent service. We also aim to develop long-term relationships with our customers and we use any customer feedback to drive continuous improvements to our service.

At HCAT we understand the need for supplier engagement and for us this is about collaboration and using this as a significant driver of performance. Whilst we may negotiate for favourable payment terms, once any order is placed, we appreciate that wherever possible the commitment should be honoured. Any problems arising in this regard are properly dealt with to maintain the goodwill and benefits to earn. We ensure that payment terms are adhered to so that any supplier is not impacted in a detrimental way.

Engagement with employees (including disabled persons)

At HCAT we take the opinions of our workforce seriously and engage in consultation with our employees or their representatives regularly to take account of their views in making decisions likely to affect their interests. One such example of this were the COVID Risk Assessments that were shared with staff and their views and opinions were used to form the documents to ensure a safe return to all our schools. We regularly consult with Trade Unions on any amendments to policy to ensure they are content and these are shared with their members.

We complete Staff Questionnaires and respond to the feedback within them and we have worked hard to ensure that staff workload is considered at all times. We also have a staff intranet site and share communications and developments through this.

All the schools within our Trust have daily staff briefings that allow the sharing and flow of information to all staff, alongside a global email for important information from a Trust Level. During COVID, all staff within the Trust received both post cards and letters of support and thanks and we had a whole Trust Christmas Quiz with over 300 members of staff participating.

We actively encourage our employees' involvement in our performance and have introduced an employee share scheme, Perkbox a platform with perks specifically chosen to support our employees' physical, financial and mental wellbeing. We also offer staff free access to Lifetime Financial Planning support and have recently provided them with the opportunity to purchase a car lease through a salary sacrifice scheme, Tusker.

We engage in staff wellbeing and offer when relevant counselling sessions. We also offer a wide range of wellbeing initiatives during the year to show our appreciation of our staff.

We actively support applications from disabled persons and should a member of staff have a disability, we ensure that we make reasonable adjustments to make sure workers with disabilities, or physical or mental health conditions, aren't substantially disadvantaged when doing their jobs.

HCAT are committed to a policy and practice under which they recognize their obligations under the Equality Act 2010 not to discriminate unlawfully against people with disabilities at any stage of employment and undertake:

- to seek to employ people with disabilities in jobs suited to their aptitudes, abilities, and qualifications, making any reasonable adjustments necessary to do so;
- to seek to ensure that employees with disabilities are considered for promotion according to their aptitudes, abilities, and qualifications, making any reasonable adjustments necessary to do so;
- to ensure that assessments are carried out of the scope of reasonable adjustments which may be made to the workplace and its environment, so as to make it possible to retain an employee with a disability or to recruit a person with a disability;
- to make any reasonable alterations to Trust premises required to ensure that they are accessible and safe for people with disabilities;
- to make reasonable changes to the workplace and to employment arrangements so that a person with a disability is not at any substantial disadvantage compared to a non-disabled person.

The Trust is responsive to the needs of its employees. As such, should any employee of the Trust become disabled during their time with us, we will actively retrain that employee and make reasonable adjustments to their environment where possible, in order to keep the employee with our Trust. It is the policy of HCAT that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Connected organisations, including related party relationships

Ian Dickinson, a Trustee at HCAT, has a material interest in Lifetime. The company provides financial advice and support to all employees of HCAT and their Schools. During the year transactions totalling £10,386 were paid to this party.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	5

Percentage of time spent on facility time

Percentage of time

0%

Number of employees

5

Percentage of pay bill spent on facility time

Provide the total cost of facility time

2021

Provide the percentage of the total pay bill spent on facility time calculated as: (total cost of facility time divided by total pay bill) * 100

Paid trade union activities

2021

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

Nil

(total hours spent on paid trade union activities by relevant union officials during the relevant period divided by total paid facility time hours) * 100

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

Policies and procedures adopted for the induction and training of Trustees

At HCAT, the Board of Trustees, Governing Body, CEO and Head teachers believe it is essential that all new Trustees and Governors receive a comprehensive induction package covering a broad range of issues and topics. We are committed to ensure that the new Trustees and Governors are given the necessary information and support to fulfil their role with confidence. We see this as an investment, leading to more effective governance and retention of both Trustees and Governors.

It is clear that the governance and leadership of Multi Academy Trusts both at Trustee level and Local Governing Body is becoming of greater and greater importance.

As the multi Academy Trust grows it is essential that we have clear lines of communication and accountability between the Trust and local governing bodies. To ensure there is an appropriate level of challenge at board level it is important that Trustees receive information about schools from a range of different source. With that in mind, Link Trustees have been established to be the single point between schools and Trust.

A Governor Handbook has also been devised with clear roles and remits for all and we annual undertake a "Governance Away Day" to set the scene for the year ahead.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Objectives and activities

Objects and aims

The development of HCAT is rooted in ensuring that children receive a world-class education. Children get one chance at their school education and we believe that, by schools working effectively in collaboration, we can ensure that one chance unlocks the potential for lifelong learning for all of our children.

The HCAT trustees are determined to see a high performing Multi Academy Trust that delivers the very best education for all pupils. The aims of our Academies during the period ended 31 August 2021 are summarised below:

- Develop a caring attitude with self-esteem – respecting themselves, others and their environment
- Developing confident, happy, self-motivated learners who enjoy learning and see it as a lifelong adventure
- An expectation that everyone achieves their full potential
- Have a vision for redressing the imbalance, re-shuffling the pack and give the young people of Barnsley a better hand – a better deal – breaking ‘vicious circles’ of underachievement and low aspirations and transforming the lives of every young person.
- Achieve the highest standards possible in all areas of the curriculum regardless of age, sex, creed, needs and ability and to raise the standard of educational achievement of all pupils; to develop the quality of learning, teaching and assessment;
- Develop values such as communication, commitment and relationships based on mutual respect and develop the ethos of each school and the Trust as a whole;
- Develop an effective home/school partnership
- to raise the standard of educational achievement of all pupils; to develop the quality of learning, teaching and assessment;
- We want young people to leave our Schools, well qualified and with a unique skill set that will enable them to stand out from the crowd. We want young people to be in possession of a passport of leadership and employability skills that will enable them to pursue exciting careers, attend prestigious universities, complete dynamic apprenticeships and play leading roles in regenerating this area.
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review and ensuring a strong infrastructure throughout the Multi Academy Trust.
- to comply with all appropriate statutory and curriculum requirements; to provide value for money for the funds expended; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

Our schools will be the most forward thinking and innovative organisations within the communities that they serve, and all children will leave our care as well rounded individuals who have achieved high levels of academic success and are well prepared for life in modern Britain.

Objectives, strategies and activities

Key influences for the Academy's Development Plan for the period under review were to ensure that schools across the trust provide a high quality of education to all pupils and that all pupils attain highly and the vast majority of pupils made expected progress and a large proportion made better than expected progress in all subjects, specifically in English and Mathematics.

Having a robust and strategic approach to school improvement with challenge at all levels alongside sustaining improved performance and standards are rising and improvement is rapid. The self-evaluation of the academies is maturing so that they have greater ownership of their own requirements and make more bespoke support demands of the Trust .

HCAT meets all its statutory obligations as a multi academy trust. The quality of education in all schools in the multi academy trust improved and outcomes for pupils, although impacted by COVID, have also seen improvements.

There was also the continued capacity to improve especially with the challenges and opportunities arising from the growth of the Multi Academy Trust, with a further primary school joining the Trust in July 2021. We ensured there continues to be a strong team of central staff with clear lines of accountability who are readily able to support and assist at every level across the Trust.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Public benefit

The Academy Trust has referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The Academy Trust contributes to public benefit in the following ways:

- the education it provides learners is balanced and broadly based
- it promotes spiritual, moral, cultural and physical development
- prepares learners for the opportunities, responsibilities and experiences of later life
- promotes knowledge and understanding in areas of study, skills and expertise


HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Achievements and performance Academic Achievements

The table below highlights the positive outcomes for all children at HCAT primaries within the MAT.

 <div>CEO Tom Banham COO Victoria Harrison T&L Director S. Honeyman, A. Tallant, V. Underhay</div>		Hoyland Common Academy Trust 2020-2021											
Academy				Academy 1		Academy 2		Academy 3		Academy 4		Academy 5	
Head of School				Hoyland Common		Ward Green		Worsbrough		Mapplewell		Milefield	
Chair of LGB				Billy Fallon		Michelle Birns		Rebecca Paddock		Gail Padfield		Karen Trickett	
Current MAT Evaluation				M. Marsh		K. Littlewood		L. Etchell		J. Eagan		IEB	
Current Ofsted Grading				Outstanding		Good		Good		Outstanding		Good	
Content	NoR			No	% of NoR	No	% of NoR	No	% of NoR	No	% of NoR	No	% of NoR
	PP			443		432		474		349		270	
	EAL			87	19.64%	140	32%	215	45.00%	60	17.0%	102	38.00%
	LAC			18	3.60%	20	4.6%	80	16.80%	18	5.00%	36	13.00%
	SEND (SS&EHC)			4	1.00%	7	1.6%	4	0.80%	3	0.80%	6	2.00%
	EHC			38	8.60%	53	12.00%	75	15.00%	34	9.00%	42	15.50%
				13	2.90%	11	2.50%	19	4.00%	7	2.00%	4	1.50%

Outcomes across trust were positive considering the year we have had, particularly at KS2. Outcomes in reading at KS2 were pleasing particularly as it has been a focus of the primary phase of the trust for the past year.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

The table below highlights the outcomes for all students at our Secondary School - Horizon Community College.

College Overview 2021											
Headline Figures						Above Target		Slightly below			
Progress 8*	2017	2018	2019	2020	2021 TAG	Attainment 8	2017	2018	2019	2020	2021 TAG
Overall		0.02	0.08	0.41	0.50	Overall		43.3	45.0	50.4	49.3
English	-0.02	0.15	0.02	0.25	0.29	English	9.8	9.6	9.6	10.4	9.8
Maths	-0.35	-0.09	-0.10	0.10	0.48	Maths	8.1	8.1	8.3	9.2	9.3
Ebacc		-0.30	-0.09	0.18	0.44	Ebacc		11.3	12.3	13.8	13.6
Open		0.33	0.41	0.94	1.04	Open		14.3	14.9	17.0	16.5
Total Slots Filled		9.80	9.76	9.88	9.93						

Eng & Maths Match Up	2017	2018	2019	2020	2021 TAG	EBacc	2017	2018	2019	2020	2021 TAG
7+	8%	5%	9%	15%	14%	% Entered		52%	57%	52%	49.3%
5+	33%	32%	34%	45%	35%	% Achieved 5+		11%	15%	25%	20%
4+	61%	57%	56%	68%	69%	% Achieved 4+		26%	26%	33%	30%

Progress 8 Cohorts		2018	2019	2020	2021 TAG	Attainment 8 Cohorts		2018	2019	2020	2021 TAG
Overall		0.02	0.08	0.41	0.60	Overall		43.3	45.0	50.4	
Males		-0.16	-0.12	0.22	0.36	Males		41.4	42.7	49.0	
Females		0.22	0.30	0.60	0.84	Females		45.3	47.5	51.9	53.0
Pupil Premium		-0.21	-0.03	0.16	0.25	Pupil Premium		35.9	39.5	41.7	
SEND		0.36	0.07	0.08	0.24	SEND		39.3	38.7	38.9	
SEND - K		0.46	0.17	0.14	0.40	SEND - K		44.2	42.2	41.1	
SEND - E		0.13	-0.35	-0.10	0.47	SEND - E		28.8	23.0	30.6	
Greater Depth		-0.10	-0.03	0.40	0.43	Greater Depth					
Age Related		-0.02	0.15	0.45	0.73	Age Related					
Approaching Standard		0.42	0.16	0.28	0.46	Approaching Standard					

KS4 outcomes this year were Teacher Assessed Grades (TAG) This was a rigorous process and no grade inflation. It was all evidence based. Please note Maths are expected an increase to their outcome and this is now not out of the norm. Colour coding of red for groups is where we have compared to the Non. For example PP we continue to improve but their is still a gap between PP and Non PP. We continue to work hard on closing gaps.

HCAT heavily invests in the growth and development of its entire workforce, so they are prepared for the next phase of their careers. It strongly promotes 'one team' working hard to support each other. The ethos of staff development is reinforced by an offer of continuing professional development designed to respond to key priorities.

A strategic programme of CPD was planned, delivered and monitored throughout the year to ensure progress towards those key priorities and other areas of need identified during the year. This support continued during COVID and was, when necessary, delivered remotely over Microsoft Teams using mentimeter to allow engagement.

The personalised and bespoke systems of assessment for HCAT was used to track individual, cohorts and groups in reading, writing and maths and accurately identified progress and attainment.

Further developed network meetings and moderation challenge meetings across the Trust have enabled a robust internal moderation process which has evidenced accuracy of HCAT judgements.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Promoting the success of the academy

As a Multi Academy Trust we have clear strategic aims which are founded in our visions and values. The trust was established to continue and share the philosophy of collaboration developed by Hoyland Common Primary School and Tykes Teaching School Alliance. At HCAT, we firmly believe in school autonomy; member schools benefit from maintaining their own identity with access to shared best practice across a range of schools. This allows schools to focus on the key priorities of teaching and learning whilst the trust can lead on the financial and resource management and provide high quality school improvement. With the educational landscape changing at such an unprecedented rate, the trust aims to provide support and will work in collaboration to ensure that each school within HCAT continues to thrive, leading to improved educational outcomes for all its members.

We have continued to build and grow our strong and effective team during the last 12 months and we have moved the trust forward with a period of growth. We have a clear business model that delivers the efficiency, effectiveness and challenge and also have the leadership and a track record to succeed.

At HCAT we take the opinions of our workforce seriously and engage in consultation with our employees or their representatives regularly to take account of their views in making decisions likely to affect their interests.

We seek to nurture open, trusting relationships with all stakeholders and maintain these relationships by offering our customers a consistently high-quality excellent service. We also aim to develop long-term relationships with our customers and we use any customer feedback to drive continuous improvements to our service.

At HCAT we understand the need for supplier engagement and for us this is about collaboration and using this as a significant driver of performance. We ensure that payment terms are adhered to so that any supplier is not impacted in a detrimental way.

Successful education is also about working in close partnership with our families and the community to ensure our students succeed in each School year and are prepared for the next appropriate phase of their education. We are wholly aware that everyone has a role to play in building a positive school climate. Success depends on a whole school approach that includes the active involvement of school leaders, staff members, students, parents/guardians and community members who are committed to a shared vision of a safe, inclusive and accepting school community.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Key non-financial performance indicators

The Trust has a robust school improvement model and internal monitoring processes to evaluate and record progress. These are reported at both school and Trust level.

HCAT Schools are all subjected to an external review of their performance and from that, alongside termly CEO Reviews, their key priorities and areas for development are identified. These are then addressed in each individual Schools Improvement Plans (SIP).

As a Multi Academy Trust we have clear strategic aims which are founded in our visions and values. The Strategic Plan 2020-2023 outlines the goals and targets of HCAT over the next 3 years to ensure that as a Trust, the public, parents and all stakeholders have confidence in our approach.

The Strategic Plan:

- Shares and defines the vision of the Trust for the next three years
- Expands on the Trust's strategic objectives
- Defines the key goals and performance measures that will demonstrate our successes and the success of the individual academies
- Explains how we will track opportunities and risks in a continually changing environment
- Builds upon the individual academy successes already achieved.

Underpinning the Strategic Plan is an Operational Development Plan along with financial, marketing and the school improvement plans. These plans will be tracked and audited through the year.

HCAT has chosen to focus on two important principles, all academies working towards outstanding and this being achieved at pace. It has carefully worked on embedding systems and processes in order to have the solid foundations upon which it can take the next steps in its growth.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Objective 1: School Improvement - To deliver a clear methodology for school improvement that ensures all schools deliver a high-quality education resulting in strong academic success.

We will:

- Embed the HCAT vision and values in to the day to day operations of each school, ensuring our children are ready for the next stage of their education.
- Raise attainment and improve progression by ensuring that there is a rigorous and robust programme of Quality Assurance that helps to support teachers and leaders, build expertise and capacity and raise standards in our academies to deliver positive outcomes for pupils.
- Implement a CPD Programme for our academies that will ensure that our staff have the right skills to further raise standards, deliver high quality teaching and learning and disseminate best practice to ensure rapid improvement.
- Support excellent standards of teaching and learning to ensure that our academies provide the very best teaching, in order to promote and provide high quality learning for our children and young people and ensure there is support in place for teachers to achieve this and make a difference to our pupils.
- Concentrate on the well being of everyone in our communities, by working with stakeholders to develop and implement policies and practice to improve the well being of staff, students and families.

Objective 2: Growth - Growing to enhance the sustainability of the Trust and our ability to add value to the schools in the Trust. When we consider growing our MAT the discussion always goes back to our values, our vision and what we want to achieve as a multi-academy trust. Our ambition isn't to have hundreds of schools; this simply becomes unmanageable.

We:

- Are committed to measured and responsible growth and will share the 'HCAT' offer as widely as possible to benefit children in our extended community.
- Forge and maintain excellent relationships with other local schools who may, in the future, choose to join us. We are helping our schools to grow together by strengthening school to school support within the Trust.

Objective 3: To build a strong infrastructure - Enabling school leaders to focus on their core educational purpose by delivering outstanding central services.

We will:

- Monitor this and continually work to enhance the services we offer.
- Regularly evaluate and be mindful of risk. To manage this we need to be reflective, evaluative and be realistic.
- Be honest and open and focus on risks in advance.
- Manage risks rather than avoid them so that we can remain competitive and innovative in all that we do for those that we serve.
- Become a more digitally efficient organisation and have implemented plans to provide better support for our children and staff through technology, so making cooperation easier and allowing connectivity and stability across the Trust.

Objective 4: Strengthening Governance - To strengthen governance in all schools to ensure that all statutory information is provided to ensure wise decisions are taken at all levels based on evidence.

We will:

- Ensure a comprehensive governance framework that supports clear roles and responsibilities is implemented. Having a robust accountability framework enables us to continue to work strategically towards the Trust's objectives.
- Work, in conjunction with Trustees and Local Governors, to enhance the scheme of delegation, and also provide a training programme that develops the skills and experience of our Trustees and Governors.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Going concern

Management has produced forecasts that have also been sensitised to reflect plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy, which have been reviewed by the Board of Trustees. The major variables are the depth and the duration of COVID-19.

The Board considered the impact of the current COVID-19 environment on the Trust for the next 12 months, the viability period and the longer term. Whilst the situation evolved daily, making scenario planning difficult, we considered a number of impacts and wherever possible mitigated those.

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

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Fundraising

Streamlined Energy and Carbon Reporting

	2021	2020
UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020		
Energy consumption used to calculate emissions (kWh)	3,139,831	1,438,243
Scope 1 emissions in metric tonnes CO₂e		
Owned transport - mini-buses	0.15	0.61
Gas consumption	296.30	224.33
Total scope 1	296.45	224.94
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	323.19	50.73
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	1.03	2.93
Total gross emissions in metric tonnes CO₂e	620.67	278.60
Intensity ratio		
Tonnes CO ₂ e per pupil	0.18	0.08

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. We actively encourage walking and cycle to school.

Plans for future periods

The Academy Trust plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and student skills. A real focus for the next academic year will be around the catch up and recovery curriculum and recognising where additional catch-up support may be required and then ensuring that we modifying the school curriculum to address gaps in knowledge for disadvantaged, SEND and vulnerable pupils.

We have planned and significant investment in ICT and our infrastructures and will continue to maintain and improve the Trusts Buildings and Estates to ensure we offer outstanding facilities.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Financial review

The Academy Trust is in a secure financial position and has reserves to manage any unexpected expenditure.

Trustees have made it a priority to ensure that high standards are maintained within the framework of a budget that is sustainable, and have been rigorous in evaluating any proposals for additional expenditure. The Board along with the COO conduct regular reviews of the actual expenditure and income against budgets of all schools and these are reported to the Board and LGB.

The COO, Director of Finance and the Chair of the Trust meet each month to review the Management Reports and the Cashflow position.

During the period under review the principal sources of income have been General Annual Grant (GAG) and other grant related income from the Education Skills Funding Agency (ESFA). These are the main income sources of the Trust and they are used to pay for the following principal expenses:

- Teaching and support staff within the classrooms
- The non-teaching support for finance, administration, HR, H&S
- Staff Training
- Contracts required to manage day to day affairs
- Educational Resources and IT Resource across the school

The Academy Trust also received Pupil Premium funding, identified by the number of children in receipt of free school meals at any point during the preceding year. The funding is directed principally to the children whose social and educational needs may require additional support. This support may include teaching, training for staff and any other additional resource.

Key financial policies reviewed during the year include the Finance Policy which establishes the framework for financial management, including the key financial responsibilities of the Board, its committees and the key officers of the academy, as well as delegated authority for spending decisions. The Fraud and Anti-Corruption Policy alongside the Debt Recovery policy were also reviewed.

Trustees have adopted a Responsible Officer policy and have undertaken a programme of internal checks on financial, safeguarding and Health and Safety controls and to report to meetings of the Board.

Reserves policy

The Academy Trust aims to carry forward a prudent level of resources from the General Annual Grant, the General Non-GAG Restricted Fund and the General Unrestricted Fund to cover the medium- and long-term needs for renewal and replacement of equipment, for major unforeseen contingencies and to provide for the uncertainty of the effects of diminishing public funding. At the end of the period under review the balances held in these funds were as follows:

Restricted General Fund - £1,054,423 (2020: £344,101)
Unrestricted Fund - £1,273,843 (2020: £1,097,949)
Restricted Fixed Asset Fund - £12,688,833 (2020: £12,599,905)
Pension deficit - (£13,478,000) (2020: (£10,273,000))

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Investment policy

The Academy does not hold investments other than Cash at Bank.

The Board of Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Trustee's management of cashflow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. The Bank has been selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

Trustees seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate and this will be drawn into the current accounts as and when required to meet operational expenditure.

The approval of the Board of Trustees is required before any investment is made. The following criteria should be used in selecting an appropriate investment:

- What level of risk does the investment represent? The Trustees' approach to risk is cautious – typical investments will include corporate bonds and fixed interest funds.
- The historical performance of the investment or fund
- The anticipated level of return
- Management fees and associated costs
- Any penalties e.g. for early redemption
- Ease of access should governors wish to realise the investment

Principal risks and uncertainties

There are a number of principal risks and uncertainties facing the Trust, and these are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the EFA. In the last period over 85% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Governance and Management Risk

The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Health and Safety Risk

The impact of COVID and ensuring the safety of all children in our Trust both in and outside of school, alongside a robust Risk Assessment process to ensure staff and children alike are safe and factoring in any further localised lockdown and how the Trust would deal with that situation.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Reputational Risk

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract pupils in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of pupils. They are wholly aware of the Recovery Plans for Schools within the Trust and how these are to be implemented and the intended impact of those. All Trust Schools are offering live teaching in the eventuality of any further school closures. Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc.

Safeguarding and Child Protection Risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in our schools and in training and support, in order to protect the vulnerable young people in its care.

Significant Changes in Staff

Trustees have put in place a clear succession planning policy, and continue to review and monitor arrangements for recruitment, retention and the development of existing staff to minimise the risk resulting from major changes in key staff.

Fundraising

Under the provisions of the Charities Act 2016, charities must include a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "voluntary income" and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Executive team, who are accountable to the Trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme and we have received no complaints in relation to fundraising activities. The appropriateness of our fundraising activity continues to form a natural part of our risk management framework and our scheme of delegation.

The Trust has also continued with payments for school meals to help secure continuity of supply of this critical service in the medium and long term.

HCAT

Trustees' Report for the Year Ended 31 August 2021 (continued)

Funds held as Custodian Trustee on behalf of others

The Trust and its Trustees do not act as the custodian Trustees of any other charity.

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 13 December 2021 and signed on its behalf by:


.....
A.J. Richards
Chair of Trustees

HCAT

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that HCAT has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Government Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to T Banham, 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 HCAT and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. There have also been additional meetings due to COVID and the sharing of Risk Assessments to allow Trustees to have security that the Trust were adhering to the guidance set out by the Government. These were "extraordinary meetings and as such not included in the detail below. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A F Fearn	3	7
S Gallagher	6	6
M Gostelow	6	6
A Kent	6	6
D Marsh	6	6
C W Webb (resigned 15 March 2021)	1	3
M Priestley (resigned 15 March 2021)	0	3
A J Richards, Chair of Trustees	7	7
I Dickinson (appointed 15 March 2021)	4	4

HCAT

Governance Statement (continued)

The Trust Board are aware that the governance and leadership of Multi Academy Trusts both at Trustee level and Local Governing Body is becoming of greater and greater importance. The Board undertook a review of its constitution and scheme of delegation in June 2021 by way of a "Trust Away Day" and also completed a skills audit. This "Away Day" as an annual event.

The role of the HCAT Board is -

To consider all staffing and personnel issues, working with the CEO and other leaders to determine the staffing structure to meet the respective Academy's needs. To review the appointment of new staff, including Director/Governor representation and review all policies regarding staffing.

To support the respective local governing bodies in ensuring that the procurement of goods and services in support of its buildings, ICT, other equipment and educational resources meets the requirements set out in the financial handbook.

To consider the respective Academy's indicative funding, receive initial draft budgets and review management accounts on a monthly basis. Consider service level agreements with third party suppliers and make recommendations on behalf of the Board/Local Governing Body about on-going arrangements.

To consider external and internal audit reports and to ensure that recommendations form part of an action plan that is regularly monitored. Reviewing the Risk Register all significant risks likely to impact on the Trust.

As such HCAT have an approach to the developing of skills at all levels across the trust and increasing the level of accountability and challenge from the current governance structures.

As the Multi Academy Trust grows it is essential that we have clear lines of communication and accountability between the trust and local governing bodies. To ensure there is an appropriate level of challenge at board level it is important that Trustees receive information about schools from a range of different source. With that in mind it, Link Trustees have been established to be the single point between schools and trust.

Trustee links are used to support and challenge our Trust Schools and the Trust as a whole to support on-going improvement of all our schools.

We also made the decision to have transitional Boards at the 2 schools that have joined the Trust to allow their Local Governors to see modelled challenge and support from experienced governance professionals to allow guidance during their first year of being part of the Trust.

Review of value for money

As Accounting Officer, the CEO, Tom Banham, 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 education 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:

- Ensuring that the Trust keeps up-to-date with all EFA developments and constantly explores opportunities for generating additional income and applies for all grant funding available.
- Reviewing all contracts to ensure they are fit for purpose and best value for the Schools. Plans are in place to move certain contracts when current ones expire to save costs and improve the quality of service the Trust receives. The Trust has also centralised its HR Services and some in house aspects of Health and Safety.
- Improve procurement procedures and improve economies of scale.
- Tracking and monitoring systems record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- Partnering with external agencies to work alongside families and pupils particularly the most vulnerable. Staff and governor training has been given to ensure everyone working within the Trust has focussed upon core needs linked to welfare.
- Developing the curriculum within the Trust in a variety of ways including an extensive staff training and CPD programme.

HCAT

Governance Statement (continued)

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 ongoing 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 HCAT for the year ended 31 August 2021 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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 Board of reports which indicate financial performance against the forecasts and of any expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific reviewer function and has used a series of agencies to undertake a variety of reviews. Their role includes giving advice and performing a range of checks on the Academies systems and processes. The reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of Board's responsibilities.

The reviewer function has been fully delivered in line with the ESFA's requirements. No material control issues arising as a result of the reviewer's work have been identified.

The reviewers role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. Checks were undertaken during the year and some of these included:

- Review of finance systems and delegation
- Review of Safeguarding
- Health and Safety Audits

On a termly basis the audit reports are shared with the Board. The reports include the operation of the systems and controls, and outline the areas reviewed, key findings, recommendations and conclusions to help the Board consider actions and assess year on year progress.

There were no material control issues, just minor points that were suggested improvements to fine tune the operation of the systems as opposed to pointing to any serious flaws.

HCAT

Governance Statement (continued)

Review of effectiveness

As Accounting Officer, T Banham 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 responsible officer ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 on 13th December 2021 and signed on its behalf by:



A.J. Richards
Chair of Trustees



T Banham
Accounting Officer

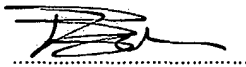
HCAT

Statement of Regularity, Propriety and Compliance

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

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

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



T Banham
Accounting Officer

13 December 2021

HCAT

Statement of Trustees' Responsibilities

The Trustees (who are 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 Annual Accounts Direction published by the Education 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 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 operation.

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 the ESFA/DFE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 13 December 2021 and signed on its behalf by:


.....
A J Richards
Chair of Trustees

HCAT

Independent Auditor's Report on the Financial Statements to the Members of HCAT

Opinion

We have audited the financial statements of HCAT (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account), Balance Sheet as at 31 August 2021, Statement of Cash Flows for the year ended 31 August 2021, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Provisions Available for Audits of Small Entities, in the circumstances set out in the accounting policies to the financial statements, 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.

Emphasis of matter

The valuation of land and buildings of Milefield Primary School transferred in on conversion has not been included within the financial statements as a reliable valuation has not been obtained from the Local Authority of the Education Skills Funding Agency (ESFA). There are doubts as to the valuation of land and buildings on the balance sheet transferred from Local Authority on conversion. A professional valuation will be carried out in the following year and the valuation of land and buildings will be adjusted within the financial statements. These doubts have been adequately disclosed in the relevant Accounting Policies note.

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

HCAT

Independent Auditor's Report on the Financial Statements to the Members of HCAT (continued)

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

We have nothing to report in respect of the following matters where 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 Statement of Trustees' Responsibilities [set out on page 25], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academy's operations and review of compliance with such laws including a review of the Academy Trust Handbook 2020 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems.

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. The 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.

HCAT

Independent Auditor's Report on the Financial Statements to the Members of HCAT (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



.....
Adam Millson ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

13 December 2021

HCAT

Independent Reporting Accountant's Assurance Report on Regularity to HCAT and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 June 2021 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by HCAT during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming that the activities of the academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representations from the accounting officer and key management personnel.

HCAT

Independent Reporting Accountant's Assurance Report on Regularity to HCAT and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Adam Millson ACA Reporting Accountant
For and on behalf of Forrester Boyd, Chartered Accountants

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

13 December 2021

HCAT

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	15,713	-	294,499	310,212
Transfer from local authority on conversion		-	(366,115)	24,442	(341,673)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	22,244,900	-	22,244,900
Teaching schools		171,803	165,072	-	336,875
Other trading activities	4	644,030	112,264	-	756,294
Investments	5	549	-	-	549
Total		<u>832,095</u>	<u>22,156,121</u>	<u>318,941</u>	<u>23,307,157</u>
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	256,212	23,329,150	410,125	23,995,487
Teaching schools	25	<u>96,343</u>	<u>165,039</u>	<u>-</u>	<u>261,382</u>
Total		<u>352,555</u>	<u>23,494,189</u>	<u>410,125</u>	<u>24,256,869</u>
Net income/(expenditure)		479,540	(1,338,068)	(91,184)	(949,712)
Transfers between funds		(303,646)	301,390	2,256	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	23	<u>-</u>	<u>(1,458,000)</u>	<u>-</u>	<u>(1,458,000)</u>
Net movement in funds/(deficit)		175,894	(2,494,678)	(88,928)	(2,407,712)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		<u>1,097,949</u>	<u>(9,928,899)</u>	<u>12,688,833</u>	<u>3,857,883</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>1,273,843</u>	<u>(12,423,577)</u>	<u>12,599,905</u>	<u>1,450,171</u>

HCAT

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total (As restated) 2020 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	206,990	-	32,949	239,939
Transfer from local authority on conversion		-	(1,351,143)	5,575,252	4,224,109
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	71,515	18,933,831	-	19,005,346
Other trading activities	4	998,572	42,820	-	1,041,392
Investments	5	3,394	-	-	3,394
Total		1,280,471	17,625,508	5,608,201	24,514,180
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	318,972	20,583,748	241,031	21,143,751
Total		318,972	20,583,748	241,031	21,143,751
Net income/(expenditure)		961,499	(2,958,240)	5,367,170	3,370,429
Transfers between funds		(637,014)	614,747	22,267	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	23	-	2,898,000	-	2,898,000
Net movement in funds		324,485	554,507	5,389,437	6,268,429
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		773,464	(10,483,406)	7,299,396	(2,410,546)
Total funds/(deficit) carried forward at 31 August 2020		<u>1,097,949</u>	<u>(9,928,899)</u>	<u>12,688,833</u>	<u>3,857,883</u>

HCAT

(Registration number: 08654591)
Balance Sheet as at 31 August 2021

	Note	2021 £	(As restated) 2020 £
Fixed assets			
Tangible assets	13	12,326,317	12,546,399
Current assets			
Debtors	14	791,137	768,672
Cash at bank and in hand		2,997,153	1,724,007
		3,788,290	2,492,679
Creditors: Amounts falling due within one year	16	(1,186,436)	(908,195)
Net current assets		2,601,854	1,584,484
Total assets less current liabilities		14,928,171	14,130,883
Net assets excluding pension liability		14,928,171	14,130,883
Pension scheme liability	23	(13,478,000)	(10,273,000)
Net assets including pension liability		1,450,171	3,857,883
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,054,423	344,101
Restricted fixed asset fund		12,599,905	12,688,833
Restricted pension fund		(13,478,000)	(10,273,000)
		176,328	2,759,934
Unrestricted funds			
Unrestricted general fund		1,273,843	1,097,949
Total funds		1,450,171	3,857,883
Statement of Total Recognised Gains and Losses		2021	2020
		£	£
Net movement in funds/(deficit) for the year		(2,407,712)	6,268,429
Prior year adjustment		(737,064)	
Total gains and losses recognised since last annual report		(3,144,776)	

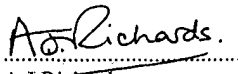
HCAT

(Registration number: 08654591) Balance Sheet as at 31 August 2021 (continued)

Prior Year Adjustment

A prior year adjustment is necessary as the land and buildings valuation of Worsborough Common Primary School and Mappelwell Primary School on conversion to the Academy Trust was received from the ESFA after the submission deadline of the audited accounts for the year ended 31st August 2020. On receipt of the valuation of the land and buildings valuation transferred into the Academy Trust on conversion, the financial statements were restated.

The financial statements on pages 31 to 63 were approved by the Trustees, and authorised for issue on 13 December 2021 and signed on their behalf by:


.....
A.J. Richards
Chair of Trustees

HCAT

Statement of Cash Flows for the year ended 31 August 2021

		2021	(As restated) 2020
	Note	£	£
Net cash inflow/(outflow) from operating activities	20	847,767	(308,992)
Cash transferred on conversion to an academy trust		270,327	209,164
Cash flows from financing activities		-	-
Cash flows from investing activities	21	<u>155,052</u>	<u>7,973</u>
Increase/(decrease) in cash in the year	15	<u><u>1,273,146</u></u>	<u><u>(91,855)</u></u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

General information

The Academy Trust is a company limited by guarantee and is an exempt charity incorporated in England & Wales. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08654591.

The address of its registered office is:

Unit 4
Dodworth Business Park
Dodworth
Barnsley
England
S75 3SP

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

These financial statements cover the individual entity, HCAT.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

HCAT meets the definition of a public benefit entity under FRS 102.

These financial statements have been prepared using sterling, the company's functional currency and are rounded to the nearest pound.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Specifically in connection with the current economic climate, the trustees have considered the impact of COVID-19 on the trust and they are satisfied that the trust has sufficient financial headroom to continue to operate for at least the next twelve months. For this reason the financial statements have been prepared on a going concern basis.

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Donated fixed assets

Where the 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 a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources are exclusive of VAT except where irrecoverable.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed 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 fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class

Computer Software

Amortisation method and rate

Straight line over 3 and 4 years

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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.

Hoyland Common Primary School occupies the land on a 125 year lease with Barnsley Metropolitan Borough Council (BMBC). Horizon Community College also occupies the land on a 125 year lease with the trustees of Horizon Archbishop Holgate Foundation. The buildings are occupied under a Private Finance Initiative (PFI) agreement which passed from BMBC on a 50 year lease at Hoyland Common and a 25 year lease at Horizon College on conversion to an academy trust.

Ward Green, Worsborough Common and Mapplewell occupies the land and buildings on a 125 year lease from Barnsley Metropolitan Borough Council (BMBC). The Land and Buildings were initially transferred into the Academy Trust at the net book value at the conversion date in Barnsley Borough Metropolitan Council's audited accounts.

The land and buildings at Worsborough Common and Mapplewell were transferred into the Trust at the net book value at the conversion date in BMBC's audited accounts. The Trust has since received a valuation of the land and buildings from the Education and Skills Funding Agency (ESFA), and a prior year adjustment has been made for the year ended 31st August 2020 to restate the land and buildings based on the valuation performed by the ESFA.

Milefield Primary School occupies the land and buildings on a 125 year lease from Barnsley Metropolitan Borough Council (BMBC). There is no reliable measurement for the valuation of the land and buildings at Milefield at the date of conversion (1st July, 2021). Therefore no value for land and buildings transferred on conversion has been included within the accounts. The Trust requested a valuation of the land and buildings from the Education and Skills Funding Agency (ESFA), however this was not completed before the deadline for submission. If necessary any adjustments will be made in the following year.

Asset class	Depreciation method and rate
Long-term Leasehold Buildings	Straight line over 50 years
Long-term Leasehold Land	Straight line over 125 years
Motor Vehicles	Straight line over 5 years
Fixtures and Fittings	Straight line over 5 years
Computer Equipment	Straight line over 3 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Taxation

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

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Transfer on conversion	-	(366,115)	24,442	(341,673)	4,224,109
Other voluntary income					
Educational trips and visits	11,184	-	-	11,184	190,481
Capital grants	-	-	212,568	212,568	32,949
Other donations	4,529	-	-	4,529	16,509
Donated fixed assets	-	-	81,931	81,931	-
	<u>15,713</u>	<u>-</u>	<u>294,499</u>	<u>310,212</u>	<u>239,939</u>
Total voluntary income	<u>15,713</u>	<u>(366,115)</u>	<u>318,941</u>	<u>(31,461)</u>	<u>4,464,048</u>

The income from donations and capital grants was £310,212 (2020: £239,939) which was allocated between the funds as follows; £15,713 unrestricted funds (2020: £206,990), £Nil restricted funds (2020: £Nil), £294,499 restricted fixed asset funds (2020: £32,949) and £Nil endowment funds (2020: £Nil).

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA revenue grants			
General Annual Grant	17,802,477	17,802,477	15,311,693
Pupil Premium	1,207,330	1,207,330	994,943
PE and Sports Grant	76,540	76,540	57,013
Universal Free School Meals	189,570	189,570	205,598
Rates Relief	64,914	64,914	165,192
Teacher's Pension Grant	625,048	625,048	582,064
Start Up Grant	32,600	32,600	25,000
Teacher's Pay Grant	215,987	215,987	200,773
Other DfE Income	190,774	190,774	79,411
	<u>20,405,240</u>	<u>20,405,240</u>	<u>17,621,687</u>
Other government grants			
Early Intervention Grant (EIG)	533,029	533,029	332,823
Other LA Grants	264,030	264,030	505,431
High Needs Funding	432,815	432,815	301,361
Bikeability Funding Grant and SGO	38,448	38,448	-
	<u>1,268,322</u>	<u>1,268,322</u>	<u>1,139,615</u>
Exceptional government funding			
Coronavirus exceptional support	434,626	434,626	73,616

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Restricted funds £	2020/21 Total £	2019/20 Total £
Non-government grants and other income			
Sheffield Hallam University Student Income	-	-	6,675
Other income	136,712	136,712	122,517
Erasmus Project	-	-	25,736
Higher Education Progression Partnership - South Yorkshire Income	-	-	15,500
	<u>136,712</u>	<u>136,712</u>	<u>170,428</u>
Total grants	<u>22,244,900</u>	<u>22,244,900</u>	<u>19,005,346</u>

The Trust received £434,626 (2020: £73,616) of COVID-19 catch-up premium and support and costs incurred in respect of this funding totalled £434,626 (2020: £73,616)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	9,717	-	9,717	8,573
Catering income	464,249	-	464,249	471,176
Other sales	<u>170,064</u>	<u>112,264</u>	<u>282,328</u>	<u>561,643</u>
	<u>644,030</u>	<u>112,264</u>	<u>756,294</u>	<u>1,041,392</u>

The income from other trading activities was £756,294 (2020: £1,041,392) which was allocated between the funds as follows; £644,030 unrestricted funds (2020: £998,572), £112,264 restricted funds (2020: £42,820), £Nil restricted fixed asset funds (2020: £Nil) and £Nil endowment funds (2020: £Nil).

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Investment income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Short term deposits	549	549	3,394

6 Resources expended

	Non Pay Expenditure			2020/21	2019/20
	Staff costs £	Premises £	Other costs £	Total £	Total £
Academy's educational operations					
Direct costs	14,130,400	246,863	1,114,811	15,492,074	13,187,750
Allocated support costs	3,964,090	2,887,225	1,652,098	8,503,413	7,956,001
Teaching School	227,879	10,807	22,696	261,382	-
	<u>18,322,369</u>	<u>3,144,895</u>	<u>2,789,605</u>	<u>24,256,869</u>	<u>21,143,751</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating leases - plant and machinery	80,613	80,971
Operating leases - other leases	2,049,091	2,038,051
Amortisation of intangible fixed assets	-	1,084
Depreciation	278,147	239,947
Fees payable to auditor - audit	16,500	15,000
- other audit services	<u>4,715</u>	<u>4,810</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities

	Total 2021 £	Total 2020 £
Direct costs - educational operations		
Teaching and educational support staff costs	14,130,400	11,857,177
Depreciation	246,863	215,601
Technology costs	249,807	110,440
Educational supplies	414,161	384,415
Examination fees	135,176	167,141
Staff development	45,458	73,027
Educational consultancy	77,399	-
Other direct costs	192,810	379,949
	<u>15,492,074</u>	<u>13,187,750</u>
Support costs - educational operations		
Support staff costs	3,128,090	3,464,787
LGPS Service cost adjustment	836,000	669,000
Depreciation	31,284	25,430
Technology costs	287,633	205,327
Maintenance of premises and equipment	280,710	214,059
Cleaning	99,954	99,169
Rent, rates and utilities	267,009	231,544
Insurance	64,354	21,753
Recruitment and support	22,524	21,945
Security and transport	8,442	2,476
Catering	689,210	450,465
Bank interest and charges	25,189	6,169
Interest on defined benefit pension scheme	178,000	207,000
LGPS Administration expense	22,000	19,000
LGPS Curtailment expense	99,000	-
Professional fees	130,126	157,482
Other support costs	164,349	104,671
PFI charges	2,143,914	2,015,570
Governance costs	25,625	40,154
	<u>8,503,413</u>	<u>7,956,001</u>
Total direct and support costs	<u>23,995,487</u>	<u>21,143,751</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff

Staff costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	13,307,312	11,644,929
Social security costs	1,190,951	995,109
Pension costs	3,670,948	3,231,149
	<u>18,169,211</u>	<u>15,871,187</u>
Supply teacher costs	80,460	68,565
Staff restructuring costs	72,698	51,212
	<u>18,322,369</u>	<u>15,990,964</u>
	2021 £	2020 £
Staff restructuring costs comprise:		
Redundancy payments	51,148	30,698
Severance payments	21,550	20,514
	<u>72,698</u>	<u>51,212</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21,550 (2020: £20,514). Individually, the payments were: £17,000 and £4,550.

Staff numbers

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

	2021 No	2020 No
Charitable Activities		
Teachers	218	176
Administration and support	370	341
Management	17	29
	<u>605</u>	<u>546</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2021 No	2020 No
£60,001 - £70,000	9	5
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,029,742 (2020: £919,526).

9 Central services

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

- Teaching staff
- Support staff
- Governance
- HR
- Finance support
- IT support

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

- Flat percentage of income (5% of GAG)

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Hoyland Common Primary School	68,760	66,594
Ward Green Primary School	69,810	68,022
Horizon Community College	88,632	22,158
Worsborough Common Primary School	59,472	-
Mapplewell Primary School	40,075	-
	<u>326,749</u>	<u>156,774</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Related party transactions - trustees' remuneration and expenses

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

D Marsh :

Remuneration: £45,000 - £50,000 (2020 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2020 - £Nil)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £178) were reimbursed or paid directly to trustees (2020 - 1).

Other related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on business. The academies in the trust have opted into the Department for Education's risk protection arrangement (RPA) for academy trusts. This scheme provides unlimited cover. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

The cost of this insurance is included in the total insurance cost.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2020	12,495	12,495
At 31 August 2021	12,495	12,495
Amortisation		
At 1 September 2020	12,495	12,495
At 31 August 2021	12,495	12,495
Net book value		
At 31 August 2021	-	-
At 31 August 2020	-	-

13 Tangible fixed assets

	Long Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2020	13,307,945	52,678	9,000	177,679	13,547,302
Additions	-	10,900	-	47,165	58,065
At 31 August 2021	13,307,945	63,578	9,000	224,844	13,605,367
Depreciation					
At 1 September 2020	802,271	48,836	9,000	140,796	1,000,903
Charge for the year	246,863	1,819	-	29,465	278,147
At 31 August 2021	1,049,134	50,655	9,000	170,261	1,279,050
Net book value					
At 31 August 2021	12,258,811	12,923	-	54,583	12,326,317
At 31 August 2020	12,505,674	3,842	-	36,883	12,546,399

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Debtors

	2021 £	2020 £
Trade debtors	49,082	159,081
Prepayments	133,403	193,613
Accrued grant and other income	555,320	284,086
VAT recoverable	53,332	131,492
Other debtors	-	400
	<u>791,137</u>	<u>768,672</u>

15 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>2,997,153</u>	<u>1,724,007</u>
Total cash and cash equivalents	<u>2,997,153</u>	<u>1,724,007</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	191,704	5,491
Other taxation and social security	323,609	273,904
Other creditors	7,383	15,056
Pension scheme creditor	345,825	288,853
Accruals	<u>317,915</u>	<u>324,891</u>
	<u>1,186,436</u>	<u>908,195</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant	17,218	17,802,477	(17,460,676)	301,390	660,409
Other DfE grants	-	1,172,651	(1,172,651)	-	-
Other government grants	-	1,229,874	(1,229,874)	-	-
Pupil Premium	193,571	1,207,330	(1,180,940)	-	219,961
Universal Free School Meals Income	108,312	189,570	(157,254)	-	140,628
Multi-Academy Trust Start-up grant	25,000	32,600	(57,600)	-	-
Money transferred in on conversion	-	(366,115)	366,115	-	-
Other income	-	288,036	(254,611)	-	33,425
Coronavirus exceptional support	-	434,626	(434,626)	-	-
Teaching School	-	165,072	(165,072)	-	-
	<u>344,101</u>	<u>22,156,121</u>	<u>(21,747,189)</u>	<u>301,390</u>	<u>1,054,423</u>
Restricted fixed asset funds					
Assets transferred on conversion	12,606,702	24,442	(246,863)	-	12,384,281
DfE Capital Grants	59,336	212,568	(71,499)	-	200,405
Capital Donations	3,228	-	-	-	3,228
Fixed Assets purchased from GAG	19,567	-	(9,832)	2,256	11,991
DfE Donated Goods - IT Equipment	-	81,931	(81,931)	-	-
	<u>12,688,833</u>	<u>318,941</u>	<u>(410,125)</u>	<u>2,256</u>	<u>12,599,905</u>
Restricted pension funds					
Pension reserve	<u>(10,273,000)</u>	<u>-</u>	<u>(1,747,000)</u>	<u>(1,458,000)</u>	<u>(13,478,000)</u>
Total restricted funds	2,759,934	22,475,062	(23,904,314)	(1,154,354)	176,328
Unrestricted funds					
Unrestricted general funds	<u>1,097,949</u>	<u>832,095</u>	<u>(352,555)</u>	<u>(303,646)</u>	<u>1,273,843</u>
Total funds	<u><u>3,857,883</u></u>	<u><u>23,307,157</u></u>	<u><u>(24,256,869)</u></u>	<u><u>(1,458,000)</u></u>	<u><u>1,450,171</u></u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17. Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	(As restated) Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	146,842	15,311,693	(16,056,064)	614,747	17,218
Other DfE grants	-	1,084,453	(1,084,453)	-	-
Other government grants	-	1,139,615	(1,139,615)	-	-
Pupil Premium	27,790	994,943	(829,162)	-	193,571
Universal Free School Meals Income	56,698	205,598	(153,984)	-	108,312
Multi-Academy Trust Start-up grant	55,264	25,000	(55,264)	-	25,000
Money transferred in on conversion	-	154,857	(154,857)	-	-
Other income	-	141,733	(141,733)	-	-
Coronavirus exceptional support	-	73,616	(73,616)	-	-
	<u>286,594</u>	<u>19,131,508</u>	<u>(19,688,748)</u>	<u>614,747</u>	<u>344,101</u>
Restricted fixed asset funds					
Assets transferred on conversion	7,247,050	5,575,252	(215,600)	-	12,606,702
DfE Capital Grants	41,582	32,949	(15,195)	-	59,336
Capital Donations	3,228	-	-	-	3,228
Fixed Assets purchased from GAG	6,453	-	(9,153)	22,267	19,567
BMBC - Iris Connect grant	1,083	-	(1,083)	-	-
	<u>7,299,396</u>	<u>5,608,201</u>	<u>(241,031)</u>	<u>22,267</u>	<u>12,688,833</u>
Restricted pension funds					
Pension reserve	<u>(10,770,000)</u>	<u>(1,506,000)</u>	<u>(895,000)</u>	<u>2,898,000</u>	<u>(10,273,000)</u>
Total restricted funds	<u>(3,184,010)</u>	<u>23,233,709</u>	<u>(20,824,779)</u>	<u>3,535,014</u>	<u>2,759,934</u>
Unrestricted funds					
Unrestricted general funds	<u>773,464</u>	<u>1,280,471</u>	<u>(318,972)</u>	<u>(637,014)</u>	<u>1,097,949</u>
Total funds	<u>(2,410,546)</u>	<u>24,514,180</u>	<u>(21,143,751)</u>	<u>2,898,000</u>	<u>3,857,883</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. The Academy Trust was not subject to a limit on GAG carry-forward.

Pupil Premium may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the period.

Universal Infant Free School Meals must be used to provide all pupils in reception, year 1 and year 2 with a free school lunch.

The Multi-Academy Trust start-up grant is allocated to the Academy to contribute to costs, such as leadership, as the trust grows in capacity.

During the year, the Trust received some exceptional coronavirus funding to provide additional support in light of the COVID-19 pandemic restrictions.

Capital expenditure from GAG is made up of any fixed assets purchased during the period and the expense is the depreciation relating to these additions.

DfE Capital grants is made up of Devolved Formula capital which is allocated direct by the DfE and must be spent on capital purposes.

A transfer of £303,646 was made from unrestricted funds to the restricted general fund to support restricted expenditure within the Trust. The Trust continue to generate large amounts of unrestricted income, some of which have been transferred to support the restricted income funds. Additionally, a transfer of £2,256 was made from restricted general funds to restricted fixed asset funds which represents fixed asset additions purchased from GAG funds.

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Hoyland Common Primary School	183,095	173,821
Ward Green Primary School	280,977	269,594
Horizon Community College	514,924	132,611
Horizon Enterprise	108,730	337,254
Worsborough Common Primary School	484,892	277,439
Mapplewell Primary School	242,572	228,658
Milefield Primary School	259,134	-
Tykes Teaching School Alliance	66,065	-
Central services	187,877	22,673
Total before fixed assets and pension reserve	2,328,266	1,442,050
Assets transferred on conversion	12,599,905	12,688,833
Pension reserve	(13,478,000)	(10,273,000)
Total	1,450,171	3,857,883

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2021 £	Total 2020 £
Hoyland Common Primary School	1,422,925	265,016	32,798	601,976	2,322,715	2,040,392
Ward Green Primary School	1,322,199	360,283	36,101	415,546	2,134,129	1,920,926
Horizon Community College	8,159,109	1,830,000	199,891	3,100,201	13,289,201	12,512,026
Horizon Enterprise	-	316,938	14,327	51,672	382,937	564,609
Worsborough Common Primary School	1,724,826	269,807	47,277	512,630	2,554,540	1,679,038
Mapplewell Primary School	924,693	197,700	38,730	380,632	1,541,755	733,209
Milefield Primary School	-	-	-	-	-	250,197
Tykes Teaching School Alliance	-	-	-	-	-	265,697
Central services	306,689	1,284,545	1,374	169,799	1,762,407	1,452,518
Academy Trust	<u>13,860,441</u>	<u>4,524,289</u>	<u>370,498</u>	<u>5,232,456</u>	<u>23,987,684</u>	<u>21,418,612</u>

18 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	12,326,317	12,326,317
Current assets	1,273,843	2,240,859	273,588	3,788,290
Current liabilities	-	(1,186,436)	-	(1,186,436)
Pension scheme liability	-	(13,478,000)	-	(13,478,000)
Total net assets	<u>1,273,843</u>	<u>(12,423,577)</u>	<u>12,599,905</u>	<u>1,450,171</u>

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(As restated) Total funds £
Tangible fixed assets	-	-	12,546,399	12,546,399
Current assets	1,097,949	1,252,295	142,435	2,492,679
Current liabilities	-	(908,195)	-	(908,195)
Pension scheme liability	-	(10,273,000)	-	(10,273,000)
Total net assets	<u>1,097,949</u>	<u>(9,928,900)</u>	<u>12,688,834</u>	<u>3,857,883</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

19 Commitments under operating leases

Operating leases

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

	2021 £	2020 £
Amounts due within one year	2,132,056	2,119,022
Amounts due between one and five years	8,282,564	8,287,176
Amounts due after five years	22,463,280	24,270,297
	<u>32,877,900</u>	<u>34,676,495</u>

20 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2021 £	(As restated) 2020 £
Net (expenditure)/income	(949,712)	3,370,429
Amortisation	-	1,084
Depreciation	278,147	239,947
Funds transferred on conversion	(270,327)	(209,164)
Donated capital and capital grants	(212,568)	(32,949)
Interest receivable	(549)	(3,394)
LGPS interest on defined benefit pension scheme	178,000	207,000
LGPS service cost adjustment	836,000	669,000
LGPS administration cost	22,000	19,000
LGPS Curtailment expense	99,000	-
Increase in debtors	(22,465)	(340,484)
Increase/(decrease) in creditors	278,241	(214,516)
Transfer of fixed assets on conversion	-	(5,520,945)
LGPS deficit transferred on conversion	612,000	1,506,000
Net cash inflow/(outflow) from operating activities	<u>847,767</u>	<u>(308,992)</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(58,065)	(28,370)
Capital grants from DfE	212,568	32,949
Interest receivable	549	3,394
Net cash inflow from investing activities	<u>155,052</u>	<u>7,973</u>

22 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 he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

23 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Authority. 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 to the period ended 31 March 2019.

Contributions amounting to £(345,825) (2020 - £(288,853)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £1,971,163 (2020: £1,505,633).

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

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

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,223,000 (2020 - £1,048,000), of which employer's contributions totalled £958,000 (2020 - £816,000) and employees' contributions totalled £265,000 (2020 - £232,000). The agreed contribution rates for future years are 5.5 - 12.5 per cent for employers and 17.5 - 23 per cent for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.10	3.60
Rate of increase for pensions in payment/inflation	2.90	2.40
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	<u>2.80</u>	<u>2.30</u>

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

	2021	2020
Retiring today		
Males retiring today	22.50	22.40
Females retiring today	25.30	25.20
Retiring in 20 years		
Males retiring in 20 years	24.00	23.90
Females retiring in 20 years	<u>27.20</u>	<u>27.10</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	26,007,000	26,646,000	27,301,000
	<u>+ 0.1%</u>	<u>0.0%</u>	<u>- 0.1%</u>
Adjustment to rate of inflation	£	£	£
Present value of total obligation	27,300,000	26,646,000	26,008,000
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
Adjustment to mortality age rating assumption	£	£	£
Present value of total obligation	27,472,000	26,646,000	25,845,000

The academy trust's share of the assets in the scheme were:

	2021	2020
	£	£
Equities	6,374,000	4,616,000
Government bonds	1,817,000	1,431,000
Other bonds	974,000	857,000
Property	1,132,000	818,000
Cash and other liquid assets	132,000	351,000
Other	2,739,000	1,665,000
Total market value of assets	<u>13,168,000</u>	<u>9,738,000</u>

The actual return on scheme assets was £1,857,000 (2020 - £24,000).

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020/21 £	2019/20 £
Current service cost	(1,794,000)	(1,485,000)
Net interest cost	(99,000)	-
Interest income	186,000	97,000
Interest cost	(364,000)	(304,000)
Admin expenses	(22,000)	(19,000)
Total amount recognized in the SOFA	<u>(2,093,000)</u>	<u>(1,711,000)</u>

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

	2020/21 £	2019/20 £
At start of period	20,011,000	14,042,000
Conversion of academy trusts	1,251,000	3,822,000
Current service cost	1,794,000	1,485,000
Interest cost	364,000	304,000
Employee contributions	265,000	232,000
Actuarial (gain)/loss	3,128,000	188,000
Losses or gains on curtailments	99,000	-
Benefits paid	(266,000)	(62,000)
At 31 August	<u>26,646,000</u>	<u>20,011,000</u>

Changes in the fair value of academy's share of scheme assets:

	2020/21 £	2019/20 £
At start of period	9,738,000	3,272,000
Conversion of academy trusts	639,000	2,316,000
Interest income	164,000	78,000
Actuarial gain/(loss)	167,000	3,086,000
Employer contributions	958,000	816,000
Employee contributions	265,000	232,000
Benefits paid	(266,000)	(62,000)
At 31 August	<u>11,665,000</u>	<u>9,738,000</u>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Lily Pad Web Services

(R L Paddock (Key Management Personnel) has a material interest in this company.)

Purchase invoices totalling £2,700 (2020: £150) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

The element above £2,500 has been provided 'at no more than cost' and Lily Pad Web Services has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Lily Pad Web Services was £Nil (2020 - £Nil).

Barnsley Governors Association Limited

(S Gallagher (Trustee) and M A Gostelow (Trustee) have a material interest in this company)

Purchase invoices totalling £280 (2020: £nil) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Barnsley Governors Association Limited was £Nil (2020 - £Nil).

Tykes Teaching School Alliance Limited

(HCAT was a joint member of Tykes Teaching School Alliance Limited. The teaching school transferred into the Trust on 1st September 2020.)

Purchase invoices totalling £8,725 in 2020 were charged to the trust. All transactions from 1st September 2020 have been disclosed within HCAT's financial statements.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due (to)/from Tykes Teaching School Alliance Limited was £Nil (2020 - £2,989).

Leaner's First Schools Partnership Limited

(A.J Richards (Chair of Trustees) has a material interest in this company)

Purchase invoices totalling £1,800 (2020: £130) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due from/(to) Leaner's First Schools Partnership Limited was £1,317 (2020 - £2,000).

St Mary's Academy Trust

(M Priestley (Trustee) is the Chief Executive Officer of the Trust)

Purchase invoices totalling £8,461 (2020: £nil) were charged to the trust

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

The element above £2,500 has been provided 'at no more than cost' and St Mary's Academy Trust has provided a statement of assurance confirming this.

At the balance sheet date the amount due to St Mary's Academy Trust was £Nil (2020 - £Nil).

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Related party transactions (continued)

Income related party transactions

During the year the academy made the following related party transactions:

Tykes Teaching School Alliance Limited

(HCAT is a joint member of Tykes Teaching School Alliance)

Sales invoices totalling £46,345 (2019: £63,267) were charged from the trust to Tykes Teaching School Alliance Limited.

Barnsley Governors Association Limited

(S Gallagher (Trustee) and M A Gostelow (Trustee) have a material interest in this company)

Sales invoices totalling £nil (2020: £11) were charged from the trust to Barnsley Governors Association Limited.

Learner's First Schools Partnership Limited

(A J Richards (Chair of Trustees) has a material interest in this company)

Sales invoices totalling £25,718.13 (2020: £2,387.94) were charged from the trust to Learner's First Schools Partnership Limited.

Wickersley Partnership Trust

(A J Richards (Chair of Trustees) is a Trustee of this charity)

Sales invoices totalling £1,350 (2020: £nil) were charged from the trust to Wickersley Partnership Trust.

25 Teaching school trading account

	2020/21 £
Income	
Direct Income	
Other income	336,875
Total Income	<u>336,875</u>
Expenditure	
Direct costs	
Staff development	2,466
Other costs	
Support staff costs	(227,163)
Technology costs	(3,149)
Other support costs	(26,174)
Share of governance costs	(2,430)
Expenditure to the Trust	<u>(9,428)</u>
Total other costs	<u>268,344</u>
Total Expenditure	<u>270,810</u>
Surplus from all sources	<u>66,065</u>
Teaching school balances at 31 August 2021	<u><u>66,065</u></u>

The teaching school activities transferred into the Academy Trust from 1st September 2020 from Tykes Teaching School Alliance Limited - a company limited by guarantee (company number: 10227087).

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Conversion to an academy trust

On the 1st July 2021, Milefield Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to HCAT from Barnsley Metropolitan Borough Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Restricted general fund £	Restricted fixed asset fund £	Total £
Budget surplus on LA funds	245,885	24,442	270,327
LGPS pension deficit	(612,000)	-	(612,000)
Net (liabilities)/assets	<u>(366,115)</u>	<u>24,442</u>	<u>(341,673)</u>

The above net liabilities include £270,327 that were transferred as cash.