

Company Registration No. 07949111 (England and Wales)

HATTON ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

HATTON ACADEMIES TRUST

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HATTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs P Dubas
W Thallon
Mrs S Knight

Trustees

Mr WA Thallon (Chairman)
Mr C Hinds (CFO/Director of Finance & Operations)
Mr D J Morris
Mr G M Lawman
Mr R B Joshi
Mrs S Fitzgerald (Parent Director) (Resigned 25 March 2021)
Mrs K L Bishop
Mr R Hardcastle (CEO and Accounting Officer)
Mr C L Brown (Appointed 9 October 2020)
Mrs K M Aitken (Appointed 1 September 2021)
Mrs J E Austen (Appointed 1 September 2021)
Ms J Templeman (Appointed 1 September 2021)

Senior management team

- Chief Executive Officer
- Director of Finance & Operations
- Co-Principal (Sir Christopher Hatton)
- Co-Principal (Sir Christopher Hatton)
- Principal (Victoria Primary)
- Principal (Oakway)
- Principal (Ecton Village Primary)

R Hardcastle
C Hinds
N Salisbury
A Mitchell
Mrs H Scargill
Mrs C Byron
Mrs K Cleaver

Company secretary

Mr C Hinds

Company registration number

07949111 (England and Wales)

Registered office

Orchard House
79 Gold Street
Wellingborough
Northamptonshire
NN8 4EQ
United Kingdom

Academies operated

Sir Christopher Hatton Academy

Victoria Primary Academy

Oakway Academy

Ecton Village Primary School

Location

Wellingborough

Wellingborough

Wellingborough

Ecton

Principal

N Salisbury and A Mitchell
(Co-Principals)

Mrs H Scargill

Mrs C Byron

Mrs K Cleaver

HATTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

**Azets Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom**

Bankers

**Yorkshire Bank
7 Gold Street
Northampton
NN1 1EN
United Kingdom**

Solicitors

**Howes Percival
Nene House
4 Rushmills
Northampton
NN4 7YB
United Kingdom**

HATTON ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

The academy trust operates three primary academies, Victoria Primary Academy and Oakway Academy and Ecton Village Primary Academy, and a secondary academy, Sir Christopher Hatton Academy, in Wellingborough. Its academies have a combined pupil capacity of 2,479 and had a roll of 2,420 in the school census of October 2021.

Structure, governance and management

Constitution

The Multi-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 Multi-Academy Trust. Some of the trustees for the charitable activities of Hatton Academies Trust are also directors of the Charitable Company for the purposes of company law.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

Trustees of the Multi-Academy Trust are nominated by either the Secretary of State for Education, the Local Authority or members of the Charitable Company. Parent governor trustees are elected from parents of registered pupils at the academies and appointed by the members of the charitable company. The articles of association require no less than three trustees or one third of total Trustees holding office for decisions regarding the appointment or election of Trustees.

The term of office for any trustee, shall be 4 years except for the Chief Executive Officer and the Director of Finance and Operations both of whom remain Trustees whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience in education and governance. Where necessary induction will provide training on charity and educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All new trustees receive a copy of the Academies Financial Handbook and the Governance Handbook so that they fully understand responsibilities for financial probity in all aspects of trust decisions and the requirements of their role as a trustee.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The management structure consists of four levels; the Trustees, the Chief Executive Officer, the Senior Management Team and the Academy Management Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring the Multi-Academy Trust against its budget and improvement plans and making major decisions about the direction of the Trust, including but not limited to Trust growth, capital expenditure and appointment of the Chief Executive Officer and the Director of Finance and Operations.

The Senior Managers are the Chief Executive Officer, the Director of Finance and Operations, the Head of Primary Education, the three Primary Academy Principals and the Secondary Academy Co- Principals.

These managers control the multi-academy trust at a senior level implementing the policies and delivering the improvement plans laid down by the trustees and reporting back to them on progress and compliance. As a group, the Senior Managers are responsible for the authorisation of spending within agreed delegated budgets and the appointment of staff.

Senior managers are supported by their respective Academy leadership and operational management support teams. These managers are responsible for the day to day operation of their department or specialism within Trust academies.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a pay policy which outlines clear performance expectations for key management personnel and adheres closely to the School Teachers' Pay and Conditions Document (STPCD).

The Chief Executive Officer has pay set on a Trust pay-scale by the Board, supported by a specialist consultant. Pay is set on the basis of this objective recommendation commensurate with the level of responsibility, experience and impact of the current post-holder. In arriving at this decision the Board has given due notice to the recommendations on Executive Leader pay limits issued by the DfE and has undertaken a benchmarking exercise to ensure that it is in line with salaries in similar Multi-Academy Trusts.

The Director of Finance and Operations is paid on an equivalent range on the Senior Leadership Payscale, set by the CEO and the Board of Directors, commensurate with experience, impact and responsibility of the current post-holder. The salary is benchmarked against equivalent roles in similar Multi-Academy Trusts.

The pay of the three primary Principals and secondary Co Principals is set in accordance with the Teachers' pay and conditions document and the current size of the academies in terms of pupil numbers.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

8,080,000

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

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

-

Employee Consultation and Equality

The trustees recognise the importance of consultation with employees on matters which affect them, both in terms of their terms and conditions of employment and support and wellbeing. The trustees have consulted regularly with staff on policies and strategic proposals and have worked hard to encourage a culture of transparency in all academies. Regular briefings from senior leaders are commonplace across the trust aimed to engage directly with staff in operational, tactical and strategic decisions. Strategic work has taken place in all academies to promote staff wellbeing, to reduce stress and anxiety and to support work life balance for staff at all levels. There are regular staff announcements to communicate a wide range of information to all employees on the Trust's and Academies' activities. The trustees and Senior Leadership Teams value greatly any constructive feedback from all teaching and support staff at all levels.

The trustees recognise that equal opportunities are an integral part of good practice within the workplace. The multi-academy trust aims to establish equality of opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. Under the public sector equality duty, Trustees and senior leaders review policy and practice regularly to ensure that all types of discrimination are eliminated, the principles of equality and appreciating diversity are advanced and to foster good relations between all staff and students who have any type of protected characteristics.

The trust has a Public Sector Equality Duty plan, including an accessibility plan to ensure that all staff and students with disabilities and protected characteristics, as defined within the Equality Act 2010, are supported to ensure there is equality of access to buildings, facilities, professional and social activities, continuing professional development and career opportunities. HR policies are reviewed regularly to ensure that discriminatory practice is eliminated in the workplace. The trust's whistleblowing policy and grievance procedures enable staff to raise concerns about discriminatory practice in a constructive way, knowing that their voice will be heard by senior leaders, without fear of reprisal.

The policy of the multi-academy trust is to support recruitment and retention of employees with protected characteristics, including physical disabilities. The multi-academy trust does this by adapting the physical environment to suit the needs of individuals and by making support resources available to ensure employees can achieve their goals and through training and career development.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Related parties and other connected charities and organisations

Hatton Academies Trust owns 100% of the issued ordinary shares of Hatton School Limited, a company incorporated in England and Wales (registration no. 07761700). Further details regarding the subsidiary company are given in note 14 to the financial statements.

Objectives and activities

Objects and aims

The principal object and activity of the Multi-Academy Trust is to provide education for pupils of different abilities between the ages of 4 and 19.

In accordance with the articles of association the Multi-Academy Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn (where applicable), and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy trust during the year ended 31st August 2021 are summarised below:

- to raise aspirations and educational outcomes for all young people;
- to develop a thirst for learning in all who work and study with us;
- to produce confident, caring individuals and responsible citizens;
- to celebrate the richness that diversity brings to all our academies;
- to provide equality of opportunity in every aspect of our work;
- to secure continual improvement in the quality of education;
- to be an outstanding employer; an organisation for whom people are proud and happy to work;
- to provide value for money for the funds expended; and
- to comply with all appropriate statutory and curriculum requirements.

Objectives, strategies and activities

The Multi-Academy Trust's main strategy to carry out the objects is to provide comprehensive education for pupils of different abilities in a learning environment utilising the best possible teaching facilities and staff. The Multi Academy Trust's objectives are set out in six areas; Academic Outcomes, Curriculum, Developing & Retaining our Staff, Finance & Infrastructure, Reaching Beyond the Trust and Partnership, and Governance and Growth.

To this end the activities provided include:

- tuition and learning opportunities for all students to attain age appropriate academic qualifications;
- a comprehensive personal, social and health education that prepares our pupils for life in modern Britain;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of enrichment activities and after school clubs to allow students to explore in a practical and project orientated way; and
- a careers advice and a guidance programme to help students obtained employment or move on to higher education.

Public benefit

The Trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The Trustees ensure that the Multi-Academy Trust's activities are undertaken in line with the charitable objects and aims.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

As set out in the Governance Handbook, all trust boards have three core functions:

1. Ensuring clarity of the vision, ethos and strategic direction.
2. Holding the Executive Leaders to account for the educational performance of the school(s) and its pupils and the effective and efficient performance management of staff.
3. Overseeing the financial performance of the school(s) and making sure that its money is well spent

In 2020-2021, the Coronavirus Covid-19 pandemic continued to affect all schools nationally, including those academies in our Trust. All Trust academies were able to provide enhanced remote learning offers during the national lockdown period of January to March 2021. The quality of the remote offer for education provided by each academy was scrutinised and evaluated in depth by Trustees at the very beginning of January 2021. The findings were positive and recommendations quickly put in place at the start of another prolonged period of remote education for many pupils.

In a repeat of the previous year, the Government confirmed that no statutory testing of pupils at primary would take place nationally in 2021 and for the second year we are unable to provide an evaluation of the standards achieved through key tests taken at the end of Year 6, 4, 2 and 1. However, our tracking and assessment systems provide an accurate and clear picture of where learning loss was most pronounced and for which groups. Following on from this work, our measures of mitigation to swiftly address any learning loss are set out in our recovery planning available on each academy website. Information about Trust primary performance for the period 2017 -2019 can be found at <https://www.compare-school-performance.service.gov.uk/multi-academy-trust/3345/hatton-academies-trust?tab=primary>.

In 2020-2021 in our Trust Secondary Academy, centre-assessed grades for GCSE and A Level were submitted to Ofqual in May 2021. An extensive period of assessment took place before grades were submitted, with a rigorous process of moderation being completed. The academy had very few appeals and it was very confident that the grades submitted were a true reflection of the attainment of each pupil in each subject.

In 2020-2021, 55% of pupils achieved grades 5 to 9 GCSEs, in both English and Mathematics. In 2020, 57% of pupils achieved grades 5 to 9 GCSEs, in both English and Mathematics. In 2019, 55% of pupils achieved grades % to 9 GCSEs, in both English and Mathematics. All of these levels of attainment are significantly higher than the last national figure of 43% in 2019.

Although there was national publication of academy led data, the academy has used data submitted to analyse and it remains the case that rates of progress made by pupils across the academy remain very strong and significantly above that made by all pupils nationally in 2019. Indeed, the previous Progress 8 score for the academy of 1.00, placed it in the top 1% of all schools nationally.

At Key Stage 5, centre assessed grades were submitted to Ofqual in May 2021, with 87 pupils receiving grades across a range of subjects and levels.

In 2020-2021, 72% of pupils received A* to B grade at A level. In 2020, 66% of pupils received A* to B grade. In 2019, 51% of pupils received an A* to B grade. In 2021, 70% of all pupils nationally received A* to B grades.

In 2020-2021, 92% of pupils received A* to C grade at A level. In 2021, 88% of all pupils nationally received A* to C grades.

University Destinations 2020- 2021

This year there were 78 applicants to UCAS from pupils at Sir Christopher Hatton Academy. The final UCAS report shows the following:

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

	2020 number of pupils (90 students in total)	2020 % of total	2021 number of pupils (87 in total)	2021 % of total
Pupils attending University	77	85.5% (86%)	78	89.6% (90%)
Pupils with places at Russell Group Universities	25	27.7% (28%)	21	24.1% (24%)
Pupils with places at Oxbridge Universities	2	2.2% (2%)	1	1% (1.1%)
Pupils at places that are not Russell Group Universities	50	55.5% (56%)	56	64.3% (64%)
Other (Apprenticeships, services and employment)	12	13.3% (13%)	7	8%
Total number of pupils placed	89	98.8% (99%)	85	97.7% (98%)
Total number of pupils not placed	1 (gap year)	1.2% (1%)	2	2%

Compared with the national average for all pupils, a higher proportion of pupils at Sir Christopher Hatton Academy, including disadvantaged students, progress on to a range of further and higher education establishments, apprenticeships, employment or training. These destinations strongly support their career plans.

The most current Ofsted reports provide the following judgements about each Trust Academy:

Sir Christopher Hatton Academy – NOR 1379 – Inspection January 2015

Overall effectiveness – Outstanding
Leadership and Management – Outstanding
Behaviour and safety of pupils – Outstanding
Quality of teaching – Outstanding
Achievement of pupils – Outstanding
Sixth form provision – Good

Oakway Academy – NOR 567 – Inspection April 2019

Overall effectiveness – Requires Improvement
Effectiveness of leadership and management - Good
Quality of teaching, learning and assessment - Requires improvement
Personal development, behaviour and welfare - Good
Outcomes for pupils - Requires improvement
Early years provision - Good

Victoria Primary Academy – NOR 410 – Inspection May 2019

Overall effectiveness – Requires Improvement
Effectiveness of leadership and management - Good
Quality of teaching, learning and assessment - Requires improvement
Personal development, behaviour and welfare - Good
Outcomes for pupils - Requires improvement
Early years provision – Good

Ecton Village Primary Academy – NOR 66 – Inspection May 2019

Overall effectiveness – Requires Improvement
Effectiveness of leadership and management – Requires Improvement
Quality of teaching, learning and assessment - Requires improvement
Personal development, behaviour and welfare - Good
Outcomes for pupils - Requires improvement
Early years provision – Good

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Other Trust Developments

After Trustees agreed the overall strategy for 2020-2024, the executive has drawn up detailed action plans for each of the six strategic areas established. It has wasted no time in beginning the implementation of these plans, regularly reporting the impact of its actions to Trustees at subcommittee and full board level. The strategy document and its underpinning actions plans remain the driving force to secure improvement in its effectiveness and that of each Trust academy. Please see the following website for further details - <https://www.hattonacademiestrust.org.uk/about/trust-strategy-2020-2024/>.

Trust executives continue to make strategic appointments that strengthen the overall quality of our workforce. In the Central Services Team, a new Operations Manager has been appointed alongside the new posts for the Finance and IT Teams. At academy level, new appointments to Vice Principal posts have been made at Sir Christopher Hatton Academy and Oakway Academy, further strengthening the quality of leadership throughout the organisation.

The Trust continues to look towards partnering and utilising outside expertise to strengthen the opportunities, guidance and monitoring it can provide for all Trust staff. Over the past twelve months, new working partnerships have been established with an outstanding Educational Psychology service, a highly effective and respected curriculum advisory service, a focussed inspection service, external experts in safeguarding, external experts in cyber security, the largest national provider of accredited professional development for education and a national Research School. Where we can be sure of the impact these partnerships can bring, we will continue to look for strategic partners to work with the Trust.

The Trust has a number of well-established partnerships that it leads in the region. It is the lead organisation for a large Challenge Partner hub. The number of pupils represented in hub partner schools has now grown to be over 6,000 pupils. Sir Christopher Hatton Academy acts as the lead school for the hub and collaborates with other very high performing academies to secure improvement to each setting as well as showcasing its own strengths. After a successful external review by Challenge Partners it has received national accreditation for its provision in science as an Area of Excellence. It will be showcasing the work it completes in science at National Network meetings and be providing a Sharing Leading Practice showcase event, open to all Challenge Partner settings, in early 2022.

As a result of the Covid-19 pandemic, from the start of January 2021 until the 8th March 2021, the Trust led the repurposing of academy and Trust activities, towards limited face to face education, remote education and home based working. Remote education was quickly and effectively established, with most pupils expected to work from home, submitting work electronically to staff on set deadlines. A mixture of limited face to face learning, live lessons and other resources, such as narrated presentations or those created by Oak National, provided a seamless system of teaching at home as required. Many staff worked from home during this period, with a focus on providing the very best remote education possible. Compared to the first national lockdown, more staff worked in school as larger groups of pupils, particularly in primary academies, were expected to come in for face to face teaching. Stronger measures of mitigation were put into place in each academy to ensure the face to face teaching could be safely completed for pupils and staff.

A full programme of governance continued with Trustees switching from face to face meetings to holding scheduled meetings remotely. This has ensured Trustees have continued to focus on securing their core three functions. Trustees have elected to operate a hybrid model of face to face and remote meeting for full board and subcommittee meetings during 2021-2022.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Multi-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.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Financial Performance 2020/2021

Most of the multi-academy trust's income is obtained from the Education & Skills Funding Agency/Department of Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31st August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The multi-academy trust also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds to cover any running costs of the multi-academy trust not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

The multi-academy trust held fund balances at 31st August 2021 of £14.499 million (2020: £16.107 million) comprising £13.866 million (2020: £15.590 million) of restricted funds and £0.633 million (2020: £0.517 million) of unrestricted funds.

During the year ended 31st August 2021, total expenditure was £14,053 million (2020: £13.508 million) and total incoming funds from the ESFA/DfE and other sources were £13.918 million (2020: £12.771 million).

At 31st August 2021, the net book value of tangible fixed assets was £20.151 million (2020: £20.268 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the multi-academy trust.

Through its robust liquidity management processes, the multi-academy trust continues to have a strong net current assets position, with a current ratio at 31st August 2021 of 2.08 (31 August 2020: 1.86) indicating that the multi-academy trust's current assets more than exceed its current liabilities.

Reserves policy

The trustees recognise the importance of spending current grant funding on current students on roll and review the reserve levels of the multi-academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with financial commitments and the nature of reserves. The trustees have determined that the approximate level of free reserves should be no less than 8% of annual expenditure. The reasons for this are:

- to provide sufficient working capital to cover delays between spending and receipt of grants
- to provide a cushion to deal with unexpected emergencies such as urgent maintenance. This is particularly important, given that the trust is not eligible for formulaic premises maintenance funding from the ESFA, which is a guaranteed source of income for larger multi-academy trusts with more than 3,000 pupils to plan their longer term maintenance projects.
- to ensure that the multi-academy trust has sufficient reserves to fund future forecast financial pressures due to anticipated reduced grant funding from the ESFA or reduced demand for places in trust academies.

The multi-academy trust's current level of free reserves (total funds less the amount held in restricted funds) is £0.633 million. The multi-academy trust intends to continue building up free reserves to the level required. As anticipated and in line with previous years, the multi-academy trust's defined benefit pension scheme continues to be in deficit (see further details below) presenting a long term financial risk.

Investment policy

The Multi-Academy Trust does not hold any investments other than its subsidiary company and cash. The Multi-Academy Trust holds cash balances and has a policy and objective to ensure balances are maintained to meet operational cash requirements so that any surpluses are transferred to higher interest deposit accounts.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the multi-academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the multi-academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the multi-academy trust, and its finances. The trustees have implemented and regularly reviewed its Risk Register and a number of other systems to assess risks that the multi-academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, safeguarding pupil well-being, academy trips and visits, and urgent premises maintenance requirements) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk.

Where significant financial risk still remains trustees have ensured they have adequate cover, either through insurance policies or through the DfE Risk Protection Arrangement. The multi-academy trust has an effective system of internal financial controls, clearly evidenced within its internal controls assurance reports, and this is explained in more detail in the Governance Statement.

The trustees do not consider that the multi-academy trust's exposure to financial risks is material to the assessment of the trust's assets, liabilities, financial position and its results, given the nature of the multi-academy trust and low risk and uncomplicated financial instruments used (mainly bank balances and trade creditors).

The restricted pension reserve was in deficit by £7.171 million (2020: £5.067 million). This deficit relates solely to the actuarial assessment, at 31st August 2021, of the Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit. Further details can be found in note 22 to the financial statements.

The trustees consider the following items as the principal risks and uncertainties facing the multi-academy trust:

- Academy funding within the Northamptonshire funding formula has led to a real terms decrease in funding for trust academies, as there is no element in the funding formula for support inflationary pressures. This trend is likely to continue in future financial years, given increased public sector borrowing due to COVID-19.
- The national pay awards to Teaching staff in 2020/21 for cost of living of 2.5% have not been fully funded in annual grant funding allocations. Grant allocations also provide no element of funding for cost of living for support staff on National Joint Council contracts, which creates a real terms reduction in funding and a cost pressure which must be managed by restricting budgets elsewhere.
- COVID-19 has created a loss of income from commercial trading sources, including in house catering provision, IT services contracts and School Sports Coordinator contracts. Academies are also seeing increased costs of free school meals vouchers and other COVID-19 related expenditure.
- The trust's ineligibility for formulaic academies maintenance funding based on the Trust not meeting the arbitrary criteria of having 3000 students on roll, results in the requirement to submit annual Condition Improvement Fund bids in an increasingly competitive environment. The Trust has two schools with boilers which are beyond economical repair and has been required to utilise reserves to fund replacements to avoid school closures. Should the Trust not meet its growth expectation, there is a threat to future funding opportunities for school improvements. Historically, teaching staff recruitment has been an issue in some Trust academies. The Trust has a robust recruitment and retention strategy to overcome the risk of losing its key senior and teaching staff and this is further supplemented by the trust's work in training and developing staff which will impact positively on professional development and recruitment and retention in all trust academies.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- The risk of Cyber Security attacks on educational establishments has increased based on the prevalence of physical attacks on schools both regionally and nationally. The Trust has implemented robust controls to mitigate this risk and will achieve the NCSC Cyber Security Essentials accreditation in 2021/22.
- With effect from September 2021, the Trust has brought catering in all schools in house with the development of a primary kitchen hub. The aim of this development is to improve the quality of school meal provision and the uptake of school meals, including free school meals. There remains some uncertainty around inflationary pressures associated with in house catering, for example rising food prices and fuel costs.
- The Trust is anticipating future risks as a result of the ongoing Covid19 pandemic, which could lead to increased learning loss for students with a potential impact on educational outcomes. The Trust is prepared well to mitigate this risk with a continued management of Covid through robust hygiene & infection control measures and a strong plan for Covid recovery using funds allocated from DfE. (There is also some uncertainty around future private income streams as a result of the pandemic, eg. catering and lettings).
- The Trust continues to face challenges to improve the quality of provision within its three primary academies although it is clear from the performance data within this document and the most recent Ofsted judgements that these academies are developing at a sustainable rate with strong leadership. The trust will continue to prioritise the development of leadership capacity and improvement of teaching performance to ensure that these schools advance beyond their current Ofsted judgements.

Financial and risk management objectives and policies

The academy trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk register

With effect from September 2021 the Trust has implemented a separate audit & risk committee dedicated to challenge and support executive leaders to manage the ongoing risks and uncertainties facing the Trust.

Fundraising

Fundraising activities within the trust in 2020/21 started again on a small scale. The Trust plans to develop its fundraising potential in 2021/22 for the benefit of all trust students. Monitoring of all fundraising activities will take place on a regular basis by the Director of Finance and Operations which will be reported to the Board of Directors Finance, Audit and Premises subcommittee.

Two academies within the trust have established Parent / Home School Associations which operate as independent charities to raise funds for the benefit of the students within those academies.

Streamlined energy and carbon reporting

The trustees recognise their duty to improve energy efficiency and encourage its stakeholders to do the same. During the last two financial years, the Trust has introduced the first solar panels in one of its academies which reduces purchased energy consumption. Through the use of remote technology, mileage travelled to meetings has reduced in total, as a by-product of the pandemic, and the trust intends to encourage this as best practice in future periods.

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	2,338,353	
- Fuel consumed for transport	7,364	
- Electricity purchased	933,126	
		3,278,843

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	428.29	
- Fuel consumed for owned transport	1.79	
		430.08
Scope 2 - indirect emissions		
- Electricity purchased		198.13
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust		0.05
Total gross emissions		628.26
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		0.26

Quantification and reporting methodology

We have followed the 2020 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 CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Within the trust's strategic plan, it intends to reduce the carbon footprint in all academies by exploring alternative energy sources to gas when considering boiler replacements, and it will explore environmentally friendly ways to encourage staff and parents to reduce vehicle use. In 2020/21 the number of staff travel claims has reduced significantly as staff use online digital methods of holding meetings and conducting or receiving training. The Trust has implemented new more energy efficient boilers in two academies and continues its programme to replace redundant lighting with energy efficient LED. The Trust has one academy whose premises are partially served with solar panels to reduce energy consumption and costs. The Trust has set up monitoring systems for all aspects of energy consumption and emissions and reports this data to trustees and staff to raise and maintain awareness of this critical issue. The Trust will continue to explore the use of local suppliers and contractors as part of its procurement policy to reduce emissions through the reduction of long distance supplier deliveries.

Overall gross emissions have increased over the 2019/20 figures as a direct result of there being more school days open to students due to there being less periods of lockdown during the Covid pandemic.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

Within its published Strategic Plan, the Trust has stated its clear growth plans over the next four years. The Trust has built its long term capacity to support more Primary and Secondary schools with the improvement of their performance for the benefit of local children. The Trustees recognise that it is important to consolidate the teaching quality and performance of its existing schools and as a result of the sustainable improvements to student outcomes in all primary schools and the continuing outstanding student outcomes of its secondary school, the Trustees wish to expand the number of schools within the Trust by building further capacity for development. To this effect, following on from a skills audit, new Trustees have been appointed to provide support to the Executive Team within the Trust and Senior Leaders within the academy.

Furthermore, the Trust continues to develop strategic partnerships through the Challenge Partner hub it leads, its provision of early career framework and NPQ courses as ongoing professional development, and work with other MATS locally.

Impact of COVID-19 Pandemic on Trust Activities

The coronavirus pandemic has had an impact on the activities of the multi-academy trust this year. During the period of lockdown from 4th January to 8th March, all academies remained open to our most vulnerable children and children of keyworkers. Our pastoral teams worked hard during this period to ensure that our vulnerable children remained safe and staff supported in-school activities on a rota basis. Families eligible for free school meals continued to receive vouchers to assist with their food costs.

There remains some financial uncertainty moving forward however the Trust has benefitted from receipt of targeted COVID funding from the ESFA / DFE and the local authority for mass testing, educational catch up and general costs of COVID19 risk management. Other income from non-government sources has increased over 2019/20 levels but is still below historic levels prior to 2019, including income from in house catering services, lettings, teacher training activities, fundraising activities and IT service agreements with local schools. The Trustees managed this situation to ensure its budget was in balance by ceasing expenditure in non-priority areas and using virement of these funds to cover these budget pressures. The Trustees furloughed some catering staff to retain jobs and minimise the lost income from lockdown of approximately each month (see note 4).

The Trust continues to incur significant additional costs as a result of coronavirus both to manage the sanitisation of the school buildings in use and to manage COVID related absence of both pupils and staff.

The outbreak of the virus required the trust to implement new ways of working. Investment in IT hardware infrastructure has enabled staff to access servers remotely and remote meetings became the norm, enabling trustees and Senior Leaders to continue to meet frequently to manage the requirements to put in place suitable and sufficient risk assessments to mitigate virus spread and transmission in our academies. The early signs are that this work has been effective based on the low number of cases experienced in our academies compared to other local schools and a successful HSE COVID-19 inspection in one of our academies.

In the coming financial year 2021/22, pressures are forecast as rising infection rates and new variants threaten to destabilise normal operations. Income streams are anticipated to remain under pressure. When required, all academies have invested in additional cleaning staff to maintain the standards of hygiene and ventilation required to minimise spread of the virus.

Through regular financial reporting to trustees and the work of the Finance, Premises and Audit committee, trustees are aware of these pressures and their responsibility to deliver a balanced budget and are well equipped to monitor trust finances and make appropriate decisions where necessary to manage these financial pressures without impacting detrimentally on the multi-academy trust's core aims and objectives.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

Insofar as the trustees are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~16th Dec 2021~~ 16th Dec 2021 and signed on its behalf by:

W. A. Thallon

.....
Mr WA Thallon
Chairman

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hatton Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body 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. There were 14 meetings of the board and its sub committees in 2020/21.

Attendance during the year at meetings of the board of trustees and its sub committees was as follows:

Trustees	Meetings attended	Out of possible
Mr W A Thallon (Chairman)	14	14
Mr C Hinds (CFO/Director of Finance & Operations)	11	11
Mr D J Morris	9	9
Mr G M Lawman	8	9
Mr R B Joshi	9	9
Mrs S Fitzgerald (Parent Director) (Resigned 25 March 2021)	2	5
Mrs K L Bishop	5	10
Mr R Hardcastle (CEO and Accounting Officer)	14	14
Mr C L Brown (Appointed 9 October 2020)	8	8
Mrs K M Aitken (Appointed 1 September 2021)	0	0
Mrs J E Austen (Appointed 1 September 2021)	0	0
Ms J Templeman (Appointed 1 September 2021)	0	0

The Finance, Premises and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review and approve all matters relating to finance, premises, audit & risk. The Committee makes recommendations to the Board of Trustees for approval as set out in the terms of reference. The main purposes are to ensure a comprehensive review of risks to which the trust is exposed and make recommendations and ensuring there is a robust system of internal controls in place. To this effect internal controls assurance reports were reviewed at the Finance, Premises & Audit Committee meetings, with no significant findings raised in 2020/21.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

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

Review of Leadership and Management of Academies and curriculum focus

To ensure that there is targeted improvement in all Academies within Hatton Academies Trust there has been a continuous review of leadership and staffing structures in 2020/21 to ensure that:-

- Clear accountability frameworks are in place with a focus on accelerated improvement of individual academies performance indicators
- School leaders at all levels have the capacity to review, develop and implement necessary improvements to ensure that their curriculum is fit for purpose.
- Key staff are deployed efficiently and effectively to support the improved curriculum offer and deliver interventions to accelerate pupil progress
- Public funding is directed towards core activities. Inefficient and ineffective activities have been addressed.
- The development of teaching and learning and associated student outcomes remains the Trust's core priority

The Trust is satisfied that with the improvements put in place in 2020/21 all Academies are now in the position to move forward with a strong leadership and accountability culture and a broad and balanced curriculum which supports our pupils to achieve.

Focus on the accelerated improvement of individual pupils

In 2020/21, the Trust has continued to develop clear accountability frameworks in all Academies to ensure that Academy Leaders and teaching staff are focused on the accelerated progress and attainment of individual pupils against their expected levels of achievement. This has been achieved by:

- Ensuring that adequate financial resources are directed towards pupils who have identified high needs and are in need of additional support to achieve their potential
- Ensuring that pupil premium and COVID Recovery Premium resources are spent with a focus on impact on teaching and learning outcomes and enrichment of their learning for these pupils.
- Ensuring that resources are directed to ensure that Gifted and Talented pupils are afforded every opportunity to exploit and progress their gifts and talents.
- Investing resources in phonics, literacy and numeracy systems designed to accelerate progress for pupils who are assessed as being below their expected potential.
- Ensuring that structured programmes of intervention and the required level of staffing support is in place for any pupil whose academic progress is behind their age related expectation.

Value for Money Achieved through Collaboration

In 2020/21 the Trust has worked hard to develop its collaborative links with organisations to ensure that our Academies experience the financial benefits of achieving economies of scale through shared access to services, with the following key achievements:-

- The Trust has successfully maintained and developed shared support services for all Trust Academies for financial and treasury management services, payroll, IT technical support services, HR support services, Legal, Insurance and Health and Safety support services, school improvement and data support services.
- The Trust has developed through its lead Academy, Sir Christopher Hatton Academy, the Hatton Teaching School Alliance. Through this alliance, the Trust has developed as a local lead school for Schools Direct and Teach First working with Trust primary academies and other local secondary schools resulting in recruitment of NQTs / Trainee teachers into Trust Academies and in schools locally. It has also gained status as a Challenge Partners hub.
- Trust-wide marketing and advertising of recruitment opportunities has enhanced our teaching appointments in a challenging recruitment environment ensuring that all key teaching posts in Trust academies were full at 1 September 2021.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- Sir Christopher Hatton Academy continues to collaborate proactively with local secondary schools and the Local Authority in the behaviour and attendance partnership meetings with a positive impact on attendance rates and minimising exclusions.
- Oakway Academy and Victoria Primary Academy have commissioned support from the 5 Wells teaching school alliance to support the development of their NQTs and established teaching workforce.
- Following investment by the Trust in its senior staff to train as facilitators, the Trust has facilitated training to staff in many local schools through its partnership with University College London Institute of Education and delivered by the Middle Leader Development Programme and NPQ programme.

The key performance indicators for all of our Academies are clearly stated within the Trustees report.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hatton Academies Trust for the period 1st September 2020 to 31st 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 Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year ending 31st August 2021 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

The board of trustees commissioned Infinitas Chartered Accountants and Business Advisers to provide its internal audit function in 2020/21 to ensure separation between external and internal audit functions.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the multi-academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of staff expenses

The trustees are responsible for the design and selection of the internal checks and have agreed a pro-forma to be used for all future internal audit reviews. During the year, as a consequence of the Covid-19 pandemic, quarterly checks were not routinely conducted, however to remedy this the Board agreed on extensive checks the summer term with the internal audit team. The agreed internal audit programme was delivered in full and the final internal audit reports issued to Trustees indicated that there were no significant issues.

HATTON ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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



Mr R Hardcastle
Accounting Officer

16th Dec 2021

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In 2021/22, the internal auditor will revert to reports to the board of the trustees on a regular basis, through the Audit and Risk committee on the operations of the systems of control and on the discharge of the board of trustees' financial responsibilities..

Review of effectiveness

As accounting officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- internal audit and assurance checks;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Director of Finance and Operations and the Trust finance team who have responsibility for the development and maintenance of the internal control framework;
- The work of the Finance, Premises and Audit committee; and
- Attendance at regular academy budget monitoring meetings.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16th Dec 2021 and signed on its behalf by:

W.A. Thallon

Mr WA Thallon
Chairman

R Hardcastle

Mr R Hardcastle
CEO and Accounting Officer

HATTON ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Hatton Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 16th Dec 2021 and signed on its behalf by:



Mr WA Thallon
Chairman

HATTON ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HATTON ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Hatton Academies Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

HATTON ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HATTON ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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.

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

HATTON ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HATTON ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

Use of our report

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

Azets Audit Services

Mr Paul Tyler (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

21/12/2021

Chartered Accountants
Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
United Kingdom
NN15 6BL

HATTON ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HATTON ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

Respective responsibilities of Hatton Academies Trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Hatton Academies Trust's funding agreement with the Secretary of State for Education dated 30 April 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

HATTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Thorpe House

93 Headlands

Kettering

Northamptonshire

NN15 6BL

United Kingdom

Dated: 21/12/2021

HATTON ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	3	-	8	290	298	76
Charitable activities:						
- Funding for educational operations	6	81	13,382	-	13,463	12,574
- Funding for teaching school	30	-	40	-	40	37
Other trading activities	4	99	14	-	113	77
Investments	5	4	-	-	4	7
Total		<u>184</u>	<u>13,444</u>	<u>290</u>	<u>13,918</u>	<u>12,771</u>
Expenditure on:						
Raising funds	7	-	14	-	14	31
Charitable activities:						
- Educational operations	9	68	13,426	500	13,994	13,445
- Teaching school	30	-	45	-	45	32
Total	7	<u>68</u>	<u>13,485</u>	<u>500</u>	<u>14,053</u>	<u>13,508</u>
Net income/(expenditure)		116	(41)	(210)	(135)	(737)
Transfers between funds	20	-	(234)	234	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	22	-	(1,473)	-	(1,473)	(10)
Net movement in funds		116	(1,748)	24	(1,608)	(747)
Reconciliation of funds						
Total funds brought forward		517	(4,678)	20,268	16,107	16,854
Total funds carried forward		<u>633</u>	<u>(6,426)</u>	<u>20,292</u>	<u>14,499</u>	<u>16,107</u>

HATTON ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	20,151	20,268
Current assets			
Stocks	15	8	11
Debtors	16	535	441
Cash at bank and in hand		2,391	1,533
		<u>2,934</u>	<u>1,985</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,404)	(1,065)
Net current assets		<u>1,530</u>	<u>920</u>
Total assets less current liabilities		<u>21,681</u>	<u>21,188</u>
Creditors: amounts falling due after more than one year	18	(11)	(14)
Net assets before defined benefit pension scheme liability		<u>21,670</u>	<u>21,174</u>
Defined benefit pension scheme liability	22	(7,171)	(5,067)
Total net assets		<u>14,499</u>	<u>16,107</u>
Funds of the academy trust:			
Restricted funds	20		
- Fixed asset funds		20,292	20,268
- Restricted income funds		745	389
- Pension reserve		(7,171)	(5,067)
Total restricted funds		<u>13,866</u>	<u>15,590</u>
Unrestricted income funds	20	<u>633</u>	<u>517</u>
Total funds		<u>14,499</u>	<u>16,107</u>

The accounts were approved by the trustees and authorised for issue on 16th Dec 2021 and are signed on their behalf by:

W A Thallon

 Mr W A Thallon
 Chairman

Company Number 07949111

HATTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	23		950		(280)
Cash flows from investing activities					
Dividends, interest and rents from investments		4		7	
Capital grants from DfE Group		192		202	
Purchase of tangible fixed assets		(285)		(482)	
Net cash used in investing activities			(89)		(273)
Cash flows from financing activities					
Repayment of other loan		(3)		(3)	
Net cash used in financing activities			(3)		(3)
Net increase/(decrease) in cash and cash equivalents in the reporting period			858		(556)
Cash and cash equivalents at beginning of the year			1,533		2,089
Cash and cash equivalents at end of the year			<u>2,391</u>		<u>1,533</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Hatton Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Basis of consolidation

The financial statements contain information about Hatton Academies Trust as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the Trustees' opinion the results of the subsidiary are not material to an understanding of the Academy Trust's financial statements as in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

1.4 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

The Academy Trust has entered into 125 year leases with Northamptonshire County Council for the former Victoria Primary School, Oakway Primary School and Ecton Village Primary School's land and buildings. The rental charge under these lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the leases are treated as finance lease and the assets capitalised and depreciated over the period of the leases, in accordance with the tangible fixed assets accounting policy below.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, (which is included at a value of £2.4 million), assets in the course of construction (which are included at cost and depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings) and software licences which have an indefinite life (£11,010), at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	Buildings 2% of cost, land over the term of the lease
Freehold land and buildings	Buildings 2% of cost
Software and ICT equipment	10% or 33 1/3% of cost
Furniture and equipment	10% or 20% of cost
Assets in the course of construction	Nil - See above

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.11 Taxation

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

1.12 Pensions benefits

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

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

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.13 Fund accounting

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

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

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Donated fixed assets	-	98	98	-
Capital grants	-	192	192	50
Other donations	-	8	8	26
	<u>-</u>	<u>298</u>	<u>298</u>	<u>76</u>

The income from donations and capital grants was £298,000 (2020: £76,000) of which £8,000 was restricted (2020: £26,000) and £290,000 was restricted fixed assets (2020: £50,000).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Catering income	1	-	1	7
Staff recharges	-	14	14	31
Other income	98	-	98	39
	<u>99</u>	<u>14</u>	<u>113</u>	<u>77</u>

The income from other trading activities was £113,000 (2020: £77,000) of which £99,000 was unrestricted (2020: £46,000) and £14,000 was restricted (2020: £31,000).

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Short term deposits	4	-	4	7
	<u>4</u>	<u>-</u>	<u>4</u>	<u>7</u>

The income from funding for investment income was £4,000 (2020: £7,000) of which £4,000 was unrestricted (2020: £7,000).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

6 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	11,258	11,258	10,540
Other DfE / ESFA grants:				
UIFSM	-	158	158	156
Pupil premium	-	590	590	607
Teachers pension grants	-	415	415	406
Teachers pay grants	-	140	140	137
Others	-	193	193	126
	<u>-</u>	<u>12,754</u>	<u>12,754</u>	<u>11,972</u>
Other government grants				
Local authority grants	-	213	213	187
	<u>-</u>	<u>213</u>	<u>213</u>	<u>187</u>
Exceptional government funding				
Coronavirus job retention scheme grant	-	36	36	16
Coronavirus exceptional support	-	264	264	4
	<u>-</u>	<u>300</u>	<u>300</u>	<u>20</u>
Other funding				
Teaching school income	-	40	40	37
Other incoming resources	81	115	196	395
	<u>81</u>	<u>155</u>	<u>236</u>	<u>432</u>
Total funding	<u>81</u>	<u>13,422</u>	<u>13,503</u>	<u>12,611</u>

The income from funding for educational operations was £13,503,000 (2020: £12,611,000) of which £81,000 was unrestricted (2020: £181,000) and £13,422,000 was restricted (2020: £12,430,000).

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 UIFSM, Pupil Premium, Teachers' Pension Grants and Teachers' Pay Grants 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.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Funding for the academy trust's educational operations

(Continued)

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

- The funding received for coronavirus exceptional support covers Catch-up Premium of £173,360 (2020: £nil), Testing grant of £31,570 (2020: £nil) and Local Authority Covid Response grants of £59,011 (2020: £Nil). The 2020 income of £3,540 covered free school meal vouchers, PPE costs and other additional costs incurred as a result of the coronavirus outbreak. These costs are included in notes 7 and 9 below as appropriate.

- The academy trust furloughed some of its catering staff (as, under the relevant guidance, these were deemed as being funded from private sources) under the government's CJRS. The funding received of £36,203 (2020: £15,576) relates to staff costs in respect of 5 staff which are included within note 11 below as appropriate.

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Expenditure on raising funds					
- Direct costs	14	-	-	14	31
Academy's educational operations					
- Direct costs	8,975	500	702	10,177	9,820
- Allocated support costs	2,191	906	720	3,817	3,625
Teaching school					
- Direct costs	31	-	-	31	6
- Allocated support costs	8	6	-	14	26
	<u>11,219</u>	<u>1,412</u>	<u>1,422</u>	<u>14,053</u>	<u>13,508</u>

The expenditure on raising funds was £14,000 (2020: £31,000) of which £14,000 was restricted (2020: £31,000).

Net Income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Fees payable to auditor for:		
- Audit	11	14
- Other services	4	12
Operating lease rentals	26	28
Depreciation of tangible fixed assets	500	465
Net interest on defined benefit pension liability	91	90

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

The academy trust has provided the following central services to its academies during the year:

Back office functions

- Accounting services
- Human resources
- Payroll
- ICT services
- Facilities advisory
- Insurance services
- Staff cover
- Health and safety audits
- Administration support

Teaching and Learning

- Principal - Leadership and management
- Science specialist teaching years 5 and 6
- MDL Specialist teaching and support years 5 and 6
- Specialist PE teaching
- Specialist Music support
- Safeguarding support

The academy trust charges for these services on a fair share based on approximately 4.6% of the secondary academy's General Annual Grant (GAG) and 6% of each primary academies' GAG income.

During the previous year certain income and costs associated with the Central Services Team were formally separated from Sir Christopher Hatton Academy, as a result of which the accounts include a central service recharge of £465,000 (2020: £283,000) to Sir Christopher Hatton Academy. The charge for the current year also includes certain additional costs previously allocated to Sir Christopher Hatton Academy specifically recharged in addition to the 4.6% referred to above.

The amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Sir Christopher Hatton Academy	465	283
Victoria Primary Academy	113	101
Oakway Academy	152	142
Ecton Village Primary School	25	23
	<u>755</u>	<u>549</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs				
Educational operations	-	10,177	10,177	9,820
Teaching school	-	31	31	6
Support costs				
Educational operations	68	3,749	3,817	3,625
Teaching school	-	14	14	26
	<u>68</u>	<u>13,971</u>	<u>14,039</u>	<u>13,477</u>

The expenditure on charitable activities was £13,994,000 (2020: £13,445,000) of which £68,000 was unrestricted (2020: £112,000), £13,426,000 was restricted (2020: £12,868,000) and £500,000 was restricted fixed assets (2020: £465,000).

The expenditure on teaching school was £45,000 (2020: £32,000) of which £45,000 was restricted (2020: £32,000).

	Teaching school £'000	Educational operations £'000	Total 2021 £'000	Total 2020 £'000
Analysis of support costs				
Support staff costs	8	2,191	2,199	2,134
Technology costs	-	300	300	235
Premises costs	6	906	912	780
Legal costs	-	7	7	2
Other support costs	-	394	394	482
Governance costs	-	19	19	18
	<u>14</u>	<u>3,817</u>	<u>3,831</u>	<u>3,651</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' remuneration and expenses

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

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

R Hardcastle (executive principal):

- Remuneration £95,000 - £100,000 (2020: £90,000 - £95,000)
- Employer's pension contributions £20,000 - £25,000 (2020: £20,000 - £25,000)

C Hinds (staff):

- Remuneration £75,000 - £80,000 (2020: £70,000 - £75,000)
- Employer's pension contributions £Nil (2020: £Nil)

During the year, travel and subsistence payments and other expenses totalling £83 (2020: £420) were reimbursed or paid directly to 1 trustee (2020: 3 trustees).

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

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	8,080	7,574
Social security costs	723	700
Pension costs	2,221	2,145
Staff costs - employees	11,024	10,419
Agency staff costs	157	265
Staff restructuring costs	38	-
Total staff expenditure	11,219	10,684
Staff restructuring costs comprise:		
Redundancy payments	38	-

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Staff

(Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	145	132
Administration and educational support	146	142
Management	7	8
	<u>298</u>	<u>282</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	3	3
£90,001 - £100,000	1	1
	<u>8</u>	<u>6</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £683,776 (2020: £709,309).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Leasehold land and buildings	Freehold land and buildings	Software and ICT equipment	Furniture and equipment	Assets in the course of constructio n	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2020	6,776	15,645	549	2,722	-	25,692
Additions	-	7	111	24	241	383
At 31 August 2021	6,776	15,652	660	2,746	241	26,075
Depreciation						
At 1 September 2020	720	1,709	481	2,514	-	5,424
Charge for the year	130	266	59	45	-	500
At 31 August 2021	850	1,975	540	2,559	-	5,924
Net book value						
At 31 August 2021	5,926	13,677	120	187	241	20,151
At 31 August 2020	6,056	13,936	68	208	-	20,268

Transactions relating to land and buildings during the year include the construction costs incurred of £7,000 (2020: £428,000) in respect of a new freehold classroom building at Sir Christopher Hatton Academy. This asset was previously shown within assets in the course of construction, but following its completion in the previous year, this asset was transferred to freehold land and buildings in that year.

The long leasehold land and buildings are held under 125 year leases with Northamptonshire County Council, who are the legal owners of the property.

14 Fixed asset investments

	Total
Historical cost:	£
At 31 August 2021	1
At 31 August 2020	1

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

14 Fixed asset investments

(Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Hatton School Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activities	Capital and reserves £'000	Profit/(loss) for the year £'000
Hatton School Limited	Hire of sports and business facilities and sale of uniform	-	-

The investment is shown in the balance sheet at cost. The Trustees have not prepared group accounts as they are of the opinion that the results of the subsidiary are not material to an understanding of the Academy Trust's financial statements in accordance with S402 (2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

The audit report for Hatton School Limited for the year ended 31st August 2021 is unmodified.

15 Stocks

	2021 £'000	2020 £'000
School uniform	3	5
Catering stock	5	6
	<u>8</u>	<u>11</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Debtors

	2021 £'000	2020 £'000
Trade debtors	18	8
VAT recoverable	174	104
Amounts owed by group undertakings	4	32
Other debtors	9	8
Prepayments and accrued income	330	289
	<u>535</u>	<u>441</u>

17 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Government loans	3	3
Trade creditors	685	283
Other taxation and social security	189	168
Other creditors	199	182
Accruals and deferred income	328	429
	<u>1,404</u>	<u>1,065</u>

18 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Government loans	<u>11</u>	<u>14</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Creditors: amounts falling due after more than one year		(Continued)
	2021 £'000	2020 £'000
Analysis of loans		
Not wholly repayable within five years by instalments	-	3
Wholly repayable within five years	14	14
	<u>14</u>	<u>17</u>
Less: included in current liabilities	(3)	(3)
	<u>11</u>	<u>14</u>
Amounts included above	<u>11</u>	<u>14</u>
Loan maturity		
Debt due in one year or less	3	3
Due in more than one year but not more than two years	3	3
Due in more than two years but not more than five years	8	8
Due in more than five years	-	3
	<u>14</u>	<u>17</u>

Government loans comprise a Salix loan from ESFA which is interest free and repayable in ten equal instalments payable over the remaining 5 years of the loan as at 31 August 2021.

19 Deferred income		2021 £'000	2020 £'000
Deferred income is included within:			
Creditors due within one year		161	207
		<u>161</u>	<u>207</u>
Deferred income at 1 September 2020		207	172
Released from previous years		(207)	(172)
Resources deferred in the year		161	207
		<u>161</u>	<u>207</u>
Deferred income at 31 August 2021		<u>161</u>	<u>207</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and other income in respect of the year ended 31st August 2022.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	297	11,258	(10,713)	(234)	608
UIFSM	-	158	(158)	-	-
Pupil premium	-	590	(590)	-	-
Teachers pension grants	-	415	(415)	-	-
Teachers pay grants	-	140	(140)	-	-
Other DfE / ESFA grants	-	193	(193)	-	-
Other government grants	-	513	(513)	-	-
Teaching school	5	40	(45)	-	-
Other restricted funds	87	137	(87)	-	137
Pension reserve	(5,067)	-	(631)	(1,473)	(7,171)
	<u>(4,678)</u>	<u>13,444</u>	<u>(13,485)</u>	<u>(1,707)</u>	<u>(6,426)</u>
Restricted fixed asset funds					
Fixed assets	20,268	-	(500)	524	20,292
DfE group capital grants	-	192	-	(192)	-
Donated assets	-	98	-	(98)	-
	<u>20,268</u>	<u>290</u>	<u>(500)</u>	<u>234</u>	<u>20,292</u>
Total restricted funds	<u>15,590</u>	<u>13,734</u>	<u>(13,985)</u>	<u>(1,473)</u>	<u>13,866</u>
Unrestricted funds					
General funds	517	184	(68)	-	633
	<u>517</u>	<u>184</u>	<u>(68)</u>	<u>-</u>	<u>633</u>
Total funds	<u>16,107</u>	<u>13,918</u>	<u>(14,053)</u>	<u>(1,473)</u>	<u>14,499</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

20 Funds

(Continued)

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. During the year £234,000 was transferred to Restricted Fixed Asset Funds representing the trust's contribution to capital projects in the year net of revenue maintenance expenditure incurred from capital income (Devolved Formula Capital income) during the year.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. At 31 August 2021 Restricted Fixed Asset Funds comprise the Net Book Value of Fixed Assets plus unspent capital income of £141,000.

Restricted Pension Reserve Funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

Unrestricted funds represent funds that have been earmarked for academy business that does not fall within the restricted funds above.

Under the funding agreement with the Secretary of State the academy trust is not subject to a limit on the amount of GAG that it can carry forward at 31st August 2021.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

(Continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	207	10,540	(10,417)	(33)	297
UIFSM	-	156	(156)	-	-
Pupil premium	-	607	(607)	-	-
Teachers pension grants	-	406	(406)	-	-
Teachers pay grants	-	137	(137)	-	-
Other DfE / ESFA grants	-	130	(130)	-	-
Other government grants	-	203	(203)	-	-
Teaching school	-	37	(32)	-	5
Other restricted funds	-	271	(184)	-	87
Pension reserve	(4,398)	-	(659)	(10)	(5,067)
	<u>(4,191)</u>	<u>12,487</u>	<u>(12,931)</u>	<u>(43)</u>	<u>(4,678)</u>
Restricted fixed asset funds					
Transfer on conversion	20,202	-	(465)	531	20,268
DfE group capital grants	448	50	-	(498)	-
	<u>20,650</u>	<u>50</u>	<u>(465)</u>	<u>33</u>	<u>20,268</u>
Total restricted funds	<u>16,459</u>	<u>12,537</u>	<u>(13,396)</u>	<u>(10)</u>	<u>15,590</u>
Unrestricted funds					
General funds	395	234	(112)	-	517
Total funds	<u>16,854</u>	<u>12,771</u>	<u>(13,508)</u>	<u>(10)</u>	<u>16,107</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

(Continued)

Total funds analysis by academy

	2021 £'000	2020 £'000
Fund balances at 31 August 2021 were allocated as follows:		
Sir Christopher Hatton Academy	892	526
Victoria Primary Academy	146	86
Oakway Academy	128	177
Ecton Village Primary School	75	30
Central services	137	87
Total before fixed assets fund and pension reserve	1,378	906
Restricted fixed asset fund	20,292	20,268
Pension reserve	(7,171)	(5,067)
Total funds	14,499	16,107

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000	Total 2020 £'000
Sir Christopher Hatton Academy	5,144	823	182	1,157	7,306	7,246
Victoria Primary Academy	1,407	309	45	303	2,064	1,956
Oakway Academy	1,981	491	42	477	2,991	2,873
Ecton Village Primary School	342	54	7	80	483	512
Central services	132	536	5	36	709	456
	9,006	2,213	281	2,053	13,553	13,043

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	20,151	20,151
Current assets	633	1,934	367	2,934
Creditors falling due within one year	-	(1,178)	(226)	(1,404)
Creditors falling due after one year	-	(11)	-	(11)
Defined benefit pension liability	-	(7,171)	-	(7,171)
Total net assets	633	(6,426)	20,292	14,499

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	20,268	20,268
Current assets	517	1,420	48	1,985
Creditors falling due within one year	-	(1,017)	(48)	(1,065)
Creditors falling due after one year	-	(14)	-	(14)
Defined benefit pension liability	-	(5,067)	-	(5,067)
Total net assets	517	(4,678)	20,268	16,107

22 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 Hymans Robertson. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £192,280 (2020: £176,827) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,270,000 (2020: £1,174,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.8% for employers and 23.8% for employees.

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

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	410	412
Employees' contributions	122	117
Total contributions	532	529

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.4	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums - Pre April 2008 service	50	50
Commutation of pensions to lump sums - Post April 2008 service	75	75

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

	2021 Years	2020 Years
Retiring today		
- Males	21.7	21.5
- Females	24.1	23.7
Retiring in 20 years		
- Males	22.8	22.3
- Females	25.8	25.1

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

	2021 £'000	2020 £'000
Discount rate + 0.1%	(373)	(287)
Discount rate - 0.1%	373	287
Mortality assumption + 1 year	566	317 to 529
Mortality assumption - 1 year	(566)	(317) to (529)
CPI rate + 0.1%	335	256
CPI rate - 0.1%	(335)	(256)

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

	2021 Fair value £'000	2020 Fair value £'000
Equities	4,672	3,723
Bonds	1,394	863
Cash	69	161
Property	837	646
Total market value of assets	6,972	5,393

The actual return on scheme assets was £1,111,000 (2020: £(6,000)).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	950	981
Interest income	(96)	(97)
Interest cost	187	187
Total operating charge	1,041	1,071
Changes in the present value of defined benefit obligations	2021 £'000	2020 £'000
At 1 September 2020	10,460	9,336
Current service cost	950	981
Interest cost	187	187
Employee contributions	122	117
Actuarial loss/(gain)	2,488	(93)
Benefits paid	(64)	(68)
At 31 August 2021	14,143	10,460
Changes in the fair value of the academy trust's share of scheme assets	2021 £'000	2020 £'000
At 1 September 2020	5,393	4,938
Interest income	96	97
Actuarial (gain)/loss	1,015	(103)
Employer contributions	410	412
Employee contributions	122	117
Benefits paid	(64)	(68)
At 31 August 2021	6,972	5,393

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(135)	(737)
Adjusted for:		
Capital grants from DfE and other capital income	(290)	(50)
Investment income receivable	(4)	(7)
Defined benefit pension costs less contributions payable	540	569
Defined benefit pension scheme finance cost	91	90
Depreciation of tangible fixed assets	500	465
Decrease/(increase) in stocks	3	(2)
(Increase) in debtors	(94)	(57)
Increase/(decrease) in creditors	339	(551)
Net cash provided by/(used in) operating activities	950	(280)

24 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	1,533	858	2,391
Loans falling due within one year	(3)	-	(3)
Loans falling due after more than one year	(14)	3	(11)
	1,516	861	2,377

25 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy Trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy Trust site and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

26 Long-term commitments, including operating leases

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

	2021 £'000	2020 £'000
Amounts due within one year	29	23
Amounts due in two and five years	28	33
	<u>57</u>	<u>56</u>

27 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the accounts	<u>355</u>	<u>40</u>

28 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Hatton School Limited - The Academy Trust's subsidiary

- At the year end debtors include £4,311 (2020: £32,213) due from the subsidiary.
- The academy trust recharged staff costs and other expenses totalling £13,916 (2020: £21,148) to the subsidiary.

Tompkins Robinson Surveyors Limited - A company in which D Morris (Trustee) is a director

- The company provided services totalling £4,095 (2020: £7,821) to the trust during the year and there was no balance outstanding at the balance sheet date (2020: £Nil).
- The trust made these transaction at arm's length in accordance with its financial regulations, which Mr D Morris neither participated in, nor influenced, and the transaction were at no more than cost.

RB Travel - A business managed by S Dawson (Trustee until 19 December 2019)

- During the current accounting period there were no disclosable related party transactions with this former trustee.
- The business provided services totalling £7,570 to the trust during the year ended 31 August 2020 and at that date £900 was owing to the trust by this business.
- The trust made these transaction at arm's length in accordance with its financial regulations, which Mr S Dawson neither participated in, nor influenced.

Other transactions with trustees

- During the year across the Trust, one (2020: one) close family member of one trustee (2020: one trustee) was employed in a teaching position. The employments were subject to normal Trust procedures which include advertising, interviewing and national pay scale.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

29 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

30 Teaching school trading account

	2021		2020	
	£'000	£'000	£'000	£'000
Direct income				
Other income		40		37
Direct costs				
Direct staff costs	31		6	
	<u>31</u>		<u>6</u>	
Other costs				
Support staff costs	8		21	
Maintenance of premises and equipment	6		5	
	<u>14</u>		<u>26</u>	
Total operating costs		(45)		(32)
(Deficit)/surplus from teaching school		(5)		5
Teaching school balances at 1 September 2020		5		-
Teaching school balances at 31 August 2021		-		5