

Company registration number 07949111 (England and Wales)

HATTON ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 W A Thallon (Chairman)
Mr R Hardcastle (CEO and Accounting Officer)
Mr C Hinds (CFO/Director of Finance & Operations)
Mr D J Morris
Mr G M Lawman
Mr R B Joshi
Mrs K L Bishop (Resigned 9 November 2022)
Mr C L Brown
Mrs K M Aitken
Mrs J E Austen
Ms J Templeman (known as Kedwards)

Senior management team

- Chief Executive Officer	Mr R Hardcastle
- Director of Finance & Operations	Mr C Hinds
- Associate Principal	Mrs C Byron
- Co-Principal (Sir Christopher Hatton)	Mr N Salisbury
- Co-Principal (Sir Christopher Hatton)	Mr A Mitchell
- Principal (Victoria Primary)	Mrs H Scargill (Resigned 31 May 2023)
- Principal (Victoria Primary)	Mr I Pearson
- Principal (Oakway)	Mrs C Byron
- Principal (Ecton Village Primary)	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

Mr N Salisbury and Mr A Mitchell (Co-Principals)
Mr I Pearson
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
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Bankers	Yorkshire Bank 7 Gold Street Northampton NN1 1EN United Kingdom
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Solicitors	Howes Percival Nene House 4 Rushmills Northampton NN4 7YB United Kingdom
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HATTON ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates three primary academies, Victoria Primary Academy, 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 2,509 and had a roll of 2,482 in the school census of October 2022.

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 receive copies of policies, procedures, minutes, accounts, budgets, strategic plans at Trust and Academy level and other documents that they will need to undertake their role as Trustees. All new Trustees receive a copy of the Academies Trust 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 2023

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 Associate Principal, 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 area of 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) and the National Joint Council for Local Government Services Single Status Agreement for support staff.

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 has pay set on a Trust pay-scale 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 2023

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	12,018,000
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	-
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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 equality, diversity and inclusion 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, and that the principles of equality and appreciating diversity are advanced 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 2023

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 15 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 3 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 2023 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 seven areas within its published Strategy Plan 2020-2024

- Academic Outcomes
- Inspection & Quality Assurance,
- Curriculum
- Developing & Retaining our Staff
- Finance & Infrastructure
- Reaching Beyond the Trust and Partnership and
- Governance and Growth.

To this end the activities provided include, but are not limited to:

- The provision of a consistently high quality education for all pupils;
- 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 2023

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

After the lifting of all Coronavirus restrictions nationally in 2012-2022, schools have been operating with face to face teaching again. There were no periods of remote teaching in 2022-2023 although it should be noted that at times, staff shortages were severe and forced our academies to seek temporary staffing solutions, predominantly through supply agency solutions.

Statutory testing of pupils from Key Stage 1 through to Key Stage 5 nationally has now operated since 2021 and the Department for Education chose to publish the performance of pupils at the end of Key Stage 2, 4 and 5. All Trust academy results were released to each setting and the DfE provided key outcomes data to Regional Directors and Ofsted through its Inspection Data Summary Report (IDSR). Headline data for each academy continues to be published on the DfE

Hatton Academies Trust – Secondary Performance

Information about performance at Sir Christopher Hatton Academy can be found at:

[Sir Christopher Hatton Academy - Compare school and college performance data in England - GOV.UK \(compare-school-performance.service.gov.uk\)](https://www.gov.uk/compare-school-performance)

In 2022-2023, 55% of pupils achieved grades 5 to 9 GCSEs, in both English and Mathematics. In 2022, 56% of pupils achieved grades 5 to 9 GCSEs, in both English and Mathematics. In 2021, 54% of pupils achieved grades 5 to 9 GCSEs, in both English and Mathematics. All of these levels of attainment are higher than the national figure for 2023 of 45% and the Local Authority average of 40%.

In 2022-2023, the Progress 8 score for Sir Christopher Hatton Academy was +0.59. This means on average each student who completed GCSE tests in 2022 achieved more than half a grade more per GCSE examination than that achieved nationally by all GCSE students. This is significantly better progress than that achieved nationally. For pupils identified as qualifying for pupil premium payments the progress score was +0.35. This achievement consolidates the historical position of achievement for disadvantaged pupils who attend the academy. Compared to similar schools, disadvantaged pupils at Hatton progress at a significantly faster rate than that achieved by almost every other local secondary academy and much faster than disadvantaged pupils nationally. This has now been the case since 2017, a track record of success for all of our pupils, but particularly those classed as disadvantaged.

At Key Stage 5 in 2022-2023, 68% of pupils received A* to B grade at A level. In 2022, 68% of pupils received A* to B grade. In 2021, 72% of pupils received an A* to B grade. In 2023, the average A Level grade for students at Sir Christopher Hatton Academy was a Grade B compared to Grade C achieved nationally.

In 2022-2023, 88% of pupils received A* to C grade at A level. In 2022, 91% of all pupils received A* to C grades.

The three year average of Year 13 grades achieved places attainment at the academy in the top 5% nationally.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

University Destinations 2021-2022

This year there were 98 applicants to UCAS from pupils at Sir Christopher Hatton Academy. The final UCAS report shows the following:

	2022 number of pupils (105 in total)	2022 % of total	2023 number of pupils (in total)	2023 % of total
Pupils attending University	98	96%	94	87%
Pupils with places at Russell Group Universities	33	33.6%	36	38.29%
Pupils with places at Oxbridge Universities	1	1%	1	1%
Pupils at places that are not Russell Group Universities	64	65.3%	58	61.7%
Other (Apprenticeships, services and employment)	4	4%	13	12.03%
Total number of pupils placed	102	97.2%	107	99.07%
Total number of pupils not placed	3	2.8%	1	1%

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.

Hatton Academies Trust Primary Performance

Information about Trust primary performance will be published in December 2023 and can be found at the following website - <https://www.compare-school-performance.service.gov.uk/find-a-school-in-england>

In 2022-2023, 45% of Year 6 pupils achieved at least the expected grade in reading, writing and maths combined. This compares to a national figure of 59%.

In 2022-2023, 57% of Year 6 pupils achieved at least the expected grade in reading. This compares to a national figure of 73%.

In 2022-2023, 64% of Year 6 pupils achieved at least the expected grade in writing. This compares to a national figure of 71%.

In 2022-2023, 64% of Year 6 pupils achieved at least the expected grade in mathematics. This compares to a national figure of 73%.

The progress made by Year 6 pupils in reading, writing and maths at all three HAT primary academies was above in one academy, inline for one academy and below for the third academy.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Ofsted Inspection

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

Sir Christopher Hatton Academy – NOR 1422 – Inspection October 2022

- **Overall effectiveness – Good with Outstanding features**
- The Quality of Education – Good
- Personal Development – Outstanding
- Leadership and Management – Good
- Behaviour and safety of pupils – Good
- Sixth form provision – Outstanding

Oakway Academy – NOR 575 – Inspection January 2023

- **Overall effectiveness – Good**
- The Quality of Education – Good
- Personal Development – Good
- Leadership and Management – Good
- Behaviour and safety of pupils – Good
- Early Years Provision – Good

Victoria Primary Academy – NOR 420 – Inspection June 2023

- **Overall effectiveness – Good**
- The Quality of Education – Good
- Personal Development – Good
- Leadership and Management – Good
- Behaviour and safety of pupils – Good
- Early Years Provision – Good

Ecton Village Primary Academy – NOR 58 – Inspection June 2023

- **Overall effectiveness – Good**
- The Quality of Education – Good
- Personal Development – Good
- Leadership and Management – Good
- Behaviour and safety of pupils – Good
- Early Years Provision – Good

Hatton Academies Trust – Strategy Update

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 wasted no time in 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 follow this link for further details - <https://www.hattonacademiestrust.org.uk/about/trust-strategy-2020-2024/>

Strengthening Curriculum

All academies have a strong curriculum offer and this has been quality assured by Ofsted in each academy over the course of the academic year. Key substantive and disciplinary knowledge, alongside ambitious vocabulary is identified in planning across all subjects at all Trust academies. Curriculum plans are detailed, very ambitious for pupils and support staff in terms of workload with these being ready to use. The emphasis is for staff to be able to focus on the effective implementation of these plans in the classroom.

Across all academies, a robust and consistent model of securing curriculum improvement has been implemented. Each improvement cycle starts with a half day subject review led by an external curriculum expert working with the subject leader or head of department. The report from the external expert contains strengths and areas for development for that subject leader to follow up on over the next ten weeks. During that time they receive externally led coaching, alongside monitoring from a senior leader in the academy to check the necessary actions to strengthen the curriculum are being undertaken and identifying what difference this is making. The final part of the cycle is a follow up subject review with the same external curriculum expert who focusses on the progress that has been made to strengthen the curriculum subject and provides a final report. Trustees are made aware of the schedules and receive copies of the external reports as they come in.

As part of the Ofsted inspection process, all Trust academies have gone through external review of their safeguarding process, including scrutinising their PSHE curriculum. All academies received very positive comments in their reports.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Leaders at Hatton Academies Trust work widely to promote research driven innovation and drives professional development across its own and other educational settings. This happens through the work of Hatton Centre for Education, which was established at the end of the designation as a Teaching School.

The Multi-Academy Trust is the lead partner in a thriving Challenge Partner Northants Hub, with the CEO operating as Senior Partner for the Hub and being recently appointed to the Challenge Partner Education Advisory Group. The Hub comprises of 17 primary academies and 6 secondary academies, representing over 12,000 pupils in total.

The Multi-Academy Trust also acts as a regional delivery facilitator for Best Practice Network and provides a full ECF programme for over 80 ECTS and ECT Mentors at settings within and outside of the Trust. The ECF programme it facilitates for Best Practice Network was inspected by Ofsted in May 2023 and has been graded as Outstanding.

Through our work with Best Practice Network, the Trust has also provides a growing range of National Professional Qualifications (NPQs) including NPQLT, NPQSL and NPQH. Trust and Academy leaders facilitate these courses and over 100 colleagues from Trust academies and settings outside of the Trust have or currently attend professional development opportunities at Hatton Centre for Education.

Research continues to underpin the curriculum thinking and work completed as a Trust. All of our Trust primary academies continue to work very closely with Unity Research School. We are using their research projects to influence pedagogy and curriculum planning across all academies and the way we utilise pupil voice as an important tool of assessment.

Developing and Retaining our Staff

As well as working with Best Practice Network as a provider of professional development, we are now exploring new routes to recruitment working in partnership with them. A new route into teaching is through the Teacher Apprenticeship pathway. As a Multi-Academy Trust we have experienced a recruitment shortfall in a number of secondary and primary areas of work and the ability to explore and utilise new routes of ITT will be vital to the regular supply of good quality colleagues we need to thrive. This is particularly the case given the current backdrop of a cost of living crisis and much of the year having some disruption thorough national strike action.

During 2022-2023, the Trust has again completed the HSE Stress Management survey with all of its staff. This forms an important approach to retaining staff and providing the Trust with quality data in seven strands relating to overall levels of wellbeing amongst colleagues in our organisation. Compared to the previous report, the report for 2023 is a positive and pleasing one. It sets out some very positive data regarding the attitudes and perceptions of our staff about aspects of work that are known to be associated with work-related stress. The report also enables us to continue to focus on the priority areas and make targeted improvements. It is very pleasing that all seven areas have seen improvement over the course of the last year and much of our data compares very favourably to other organisations involved in the survey. Our report in 2022, provided data that indicated our staff perceptions of their workload, work patterns and work environment were worse than 75% of participating organisations. It is pleasing that the report shows an improvement in the data, with scores now sitting between the 25th and 75th percentile. This is against the backdrop of workload being seen as a national problem in the sector.

Ofsted inspectors commented favourably in each academy inspection report about the way in which Trust and Academy leaders were working consistently to ensure staff were not overburdened by excessive workloads and having leaders who are considerate to supporting them to find the right work-life balance.

Reaching Beyond the Trust and Partnership

The Parent Forum which provides a direct communications link between the Trust Board and parents and carers is now in its second year of operation. During the year, three meetings were held alongside a brief AGM. Over the year, the forum discussed matters relating to curriculum, wider additional opportunities alongside matters relating to reducing costs for parents and families. A substantial piece of work completed by the Parent Forum was the Parent Forum parental survey. Trustees were keen to have a parent led survey of all our families to independently establish their views of communication and provision in each academy.

The Parent Forum parental survey was discussed by the Trust Board on 19th July 2023 with two areas being identified for further discussion at the next Parent Forum meetings. The first was the role the Trust could play in helping resolve concerns that parents did not feel had been fully addressed by the academy and the second being the need for parents' views to have more impact, particularly in the secondary academy.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust continues to use its social media platforms and website effectively as a means of communications to all stakeholders and the wider community.

Through the extensive operation of its professional development centre, Hatton Centre for Education, the Trust has developed a successful network of professional development strands that operate to train colleagues from within and outside of the its academies. As stated earlier, the Trust continues to play a leading role in Challenge Partners, with its Hub being the largest it has been over the past six years and now encompassing settings from Rugby to Peterborough to Leicestershire.

Finance and Infrastructure

The Trust has successfully implemented its plans to improve its financial accounting and HR management information systems during the year. The Trust now has in place modern, streamlined and digitised processes for all aspects of its financial and administrative processes and information flows, with a significant impact on to improving capacity through reduced bureaucracy.

The Trust has successfully obtained over £2M of external capital funding this year, supplementing this with £0.35M from Trust budgets in order to improve the energy efficiency of its boiler plant rooms and investing in modern equipment and student external facilities, including state of the art sports and exercise facilities and play equipment, outside learning resources and IT infrastructure.

The Trust has made significant progress in managing the many inflationary cost pressures facing its academies in 2022-23, through the development of centralised contract / lease procurement opportunities, for example in photocopying equipment, the experienced central services team now lead on all significant contracts.

The Trust continues to make good use of its assets in the community through letting its facilities to the local community. Lettings have been firmly re-established in 2021-22 post-pandemic and continue to grow in 2022-23, with the Wellingborough Music School being run by Northamptonshire Music and Performing Arts Trust moving to Sir Christopher Hatton Academy premises from September 2022.

Occupancy rates in academies continues to pose a challenge in Oakway Academy and Ecton Village, which both saw undersubscription in 2021-22. Through the strong marketing work undertaken by the Academy mobility rates have improved in both schools 2022-23. Occupancy rates in Sir Christopher Hatton Academy and Victoria Primary Academy continue to remain strong with both academies fully subscribed at the commencement of the 2023/24 academic year. The Trust has planned for this under-occupancy in its financial plans to safeguard consistently high quality teaching and learning in equal measure across all academies.

The Trust has prioritised investment in the continuous improvement of Cybersecurity infrastructure across the Trust in face of the constant threat of cybercrime. Having achieved the NCSC's Cyber Essentials accreditation in January 2022, the Trust was successfully reaccredited in January 2023. The Trust has invested in robust software designed to prevent cyber-attacks, which has successfully defended many attempts to infiltrate Trust systems and has also invested in cloud based systems and multi-factor authentication for both pupils and staff across the Trust to minimise the risk of attack.

Governance and Growth

The Trust Strategy 2020-2024 remains the driving document for colleagues in the Trust to follow and against which to evaluate their own plans and performance. The Board of Directors have regularly reviewed progress against each section of the strategic plan in 2022-2023. The Board has met some key strategic objectives this year, especially with all of its academies begin graded as good or better at the end of the academic year. This information has already been disseminated to the East Midlands Regions Group who are now updating their information regarding the Trust and readying the pathway with the Regional Director and Advisory Board in anticipation of Trust growth in 2023-2024.

The Trust has started initial early discussions with a small number of primary and secondary settings from across our region. Communication with these settings will continue beyond 2022-2023. These potential opportunities have been discussed with officers at the East Midlands Regions Group and they are keen for us to continue with this communication in pursuit of Trust growth.

In readiness for Trust growth, the Board of Directors chose to commission an independent external review of its effectiveness through the National Governors' Association. The report was finalised in February 2023. The review scrutinised and gathered evidence about the following areas: Governance Structure, Vision, Ethos and Strategy, Holding others to account and Financial Oversight.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The external review of governance report states the following:

The trust board provides effective governance and has strengthened considerably since the last external review. The strategic plan provides a focus for meetings and informs both agendas and reports compiled by executives. Trustees provide a high level of appropriate challenge, focused on the trust objectives. The board knows its schools well and has ensured that the trust is in a strong financial position.

The board has ample capacity to develop and will be further supported in its oversight with the recruitment of additional individuals. Discussion of succession planning on the board and greater distribution of responsibilities will also secure the ongoing strength of the board.

Trustees are confident in their ability to challenge executives over educational performance. Trustee skills have been strengthened with recent recruits to the board. Longer serving trustees note that their challenge is now much more effective than at the time of the last external review. In the observed meeting all trustees contributed to discussions. Evidence from that meeting and from minutes shows that trustees are relentless in asking questions to ensure that the trust retains its high aspirations and continues to strive for continuous school improvement.

Other Trust Developments

Trust executives continue to make strategic appointments that strengthen the overall quality of our workforce. In the Central Services Team, a new Assistant Finance Manager has been appointed. At academy level, new appointments to Vice and Assistant Principal posts have been made at Sir Christopher Hatton Academy and Victoria Primary Academy, further strengthening the quality of leadership throughout the organisation. Our appointment of Associate Principal to the Central Services Team has been very positive and the impact of their work can be seen through the Ofsted inspection reports at all Trust academies.

The Trust thrives and develops because it is outward facing and looks to build and deepen partnerships with other organisations. We continue to work closely with Unity Research School to make curriculum choices that we can be sure have evidence of impact.

The Trust continues to lead a number of well-established partnerships in the region. It remains the lead organisation for a large Challenge Partner hub across a number of local counties. The Trust's work as a partner with Best Practice Network to provide a wide and growing offer for professional development has grown further still. This professional development offer is one that an increasing number of settings and other Multi-Academy Trusts are now taking advantage of and the number of participants continue to grow.

Going concern

Having conducted a detailed and robust review of the Trust's liquidity and ability to meet its future liabilities and commitments through its expected income, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis for the preparation of its 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 2023

Financial review

Financial Performance 2022/23

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 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Multi-Academy Trust also receives grants to fund fixed asset improvements from the ESFA/DfE, either through formulaic allocation or through national bidding arrangements. 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, the Trust carries out various activities 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 2023 of £21.403 million (2022: £20.482 million) comprising £20.592 million (2022: £19.735 million) of restricted funds and £0.811 million (2022: £0.747 million) of unrestricted funds.

During the year ended 31st August 2023, total expenditure was £16.352 million (2022: £15.414 million) and total incoming funds from the ESFA/DfE and other sources were £16.221 million (2022: £14.473 million).

At 31st August 2023, the net book value of tangible fixed assets was £20.513 million (2022: £20.383 million) and movements in tangible fixed assets are shown in note 14 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 2023 of 1.74 (31st August 2022: 1.96) 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 target 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 long-term maintenance projects. This, coupled with the increasingly competitive nature of the Condition Improvement Funding bid process, leads to a greater need to reserves to support urgent projects which may affect business continuity.
- 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 £0.811 million, representing 5% of total annual expenditure. 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 2023

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 £0.192 Million (2022: £1.245 million). This deficit relates solely to the actuarial assessment, at 31st August 2023, of the Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit. Further details can be found in note 23 to the financial statements.

The Trustees consider the following items as the most strategic risks and uncertainties facing the multi-academy trust:

- Academy funding within the Northamptonshire funding formula continues to offer a lower increase than the academy has had to bare through both inflationary increases to pay and for goods and services. .
- The national pay awards to Teaching staff in September 2023 for cost of living of 6.5% have been funded as an additional grant although this does not always cover the total amount of the increase in pay cost the Trust has to make. Grant allocations also provides 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.
- 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, which is time consuming and seems to lack equity to other larger Trusts. Despite this level of competition, the Trust has been successful in 2022-23 with an infrastructure project at Sir Christopher Hatton Academy which has a total value of £1.8M. Should the Trust not meet its growth expectation, there is a threat to future funding opportunities for school improvements.
- 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, having been reaccredited with Cyber Essentials status in January 2023.
- In house catering in all schools remains a strategic risk as we continue to work through a period of high inflationary pressures, particularly in the areas of pay, ingredients and fuel. The Trust subsidised catering services from its General Annual Grant allocation in 2022/23 and aims to increase uptake for school meals and bare down on costs in 2023-2024 to reduce this subsidy.
- The Trust continues to act through strong and knowledgeable leadership to strengthen provision in each of its primary academies. It is clear from internal and external sources of evidence that they are strengthening substantially. 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.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/2023 continued to thrive, particularly with the introduction of the NMPAT Music School now being based at Sir Christopher Hatton Academy. 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 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. The Trust's emissions data for 2022/23 is captured below.

	2023	2022
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	1,894,130	2,028,014
- Fuel consumed for transport	10,576	10,510
- Electricity purchased	804,959	879,382
	<u>2,709,665</u>	<u>2,917,906</u>
	2023	2022
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	345.79	365.04
- Fuel consumed for owned transport	2.66	2.62
	<u>348.45</u>	<u>367.66</u>
Scope 2 - indirect emissions		
- Electricity purchased	166.69	170.05
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust	0.35	0.45
	<u>515.49</u>	<u>538.16</u>
Total gross emissions		
	<u>0.21</u>	<u>0.22</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		
	<u>0.21</u>	<u>0.22</u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

The following measures have been taken to improve energy efficiency within the Trust during the financial year 2022/23.

- Consistent messages and drive to reduce consumption with staff and pupils – raise awareness of energy wastage through staff bulletin
- Increased energy prices have resulted in a natural awareness of consumption amongst staff to protect the school budget
- Alteration of boiler activation times and thermostatic controls to reduce energy consumption
- Encouragement to hold meetings and training on line where possible to reduce emissions through travel
- All replacement lights now replaced routinely with LED lights on a rolling programme
- Motion Sensor controlled lights in toilets and rolled out to classrooms
- Review and modernisation of external security lighting
- Replacement of Boiler Rooms including successful bid to install air source heat pump in main boiler room at Sir Christopher Hatton.

Future decarbonisation developments

Within its strategic plan, the Trust continues to develop its Decarbonisation strategy and action plan, following work undertaken by independent consultants in October 2022. As a result of this work, all Academies will have carbon footprint reduction targets set and will be monitored against them.

The Trust will continue 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. Trust vehicles will be changed for hybrid or electric vehicles at next lease renewal and the Trust will use local companies as far as possible for goods delivered each day to Trust premises.

Analysis of results

The Trust's overall carbon emissions have reduced by 4.2% in 2022/23, compared to 2021/22. Contributory factors towards this reduction are as follows:

- Reduced gas consumption as a result of installation of additional energy efficient boiler systems
- Reduced electricity consumption as a consequence of solar panels, increased installation of LED lighting and consistent drive to raise awareness of energy usage in schools
- Reduced gas consumption through improved lagging of pipes and installation of better roof insulation.

The most notable reductions are within Gas and Electricity consumption with a combined reduction in consumption of 7.1% across all Trust premises. It is anticipated that this will improve further in future years as the Trust will have replaced 3 of its remaining 4 aged boiler room plant in need of replacement by August 2024.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Within its published Strategic Plan, the Trust has stated its clear growth plans over the next four years. The Trust's work to build its long term educational and operational capacity to support more Primary and Secondary schools with the improvement of their performance for the benefit of local children. The Trustees are pleased that this capacity has been effectively deployed and has secured improvement in the teaching quality and performance of its existing schools. The four Ofsted inspections reports evidence this secured improvement and the Trust has been working closely alongside officials from the East Midland Regions Group who have confirmed their view of us as a strong Trust and are happy for us to expand the number of schools within the Trust by building further capacity for development.

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

Should the Trust be involved with a suitable expansion project then it will look to strengthen its Central Team through further appointments. It will look to apply for grant funding through the DfE Trust Establishment and Growth (TEG) Fund (strand A or B) or DfE Trust Capacity Fund (TCaF).

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 18 December 2023 and signed on its behalf by:

Mr W A Thallon
Chairman

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/23.

Full Board Meetings	4 meetings
Finance and Premises Sub Committee	3 meetings
Staff and Pay Sub Committee	2 meetings
Curriculum and Standards Sub Committee	3 meetings
Audit and Risk Sub Committee	2 meetings

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 R Hardcastle (CEO and Accounting Officer)	14	14
Mr C Hinds (CFO/Director of Finance & Operations)	10	11
Mr D J Morris	6	7
Mr G M Lawman	9	10
Mr R B Joshi	4	6
Mrs K L Bishop (Resigned 9 November 2022)	2	2
Mr C L Brown	6	7
Mrs K M Aitken	5	6
Mrs J E Austen	8	8
Ms J Templeman (known as Kedwards)	6	7

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conflicts of interest

The Trust has in place stringent internal controls to manage conflicts of interest arising in the course of its business in the following ways:

- The Trust holds an up to date register of business interests for all Trustees and Trust staff to enable early identification of all actual or potential conflicts of interest. The register is renewed annually and held by the Trust Central Services team. It is shared with senior finance staff to enable them to challenge conflicts of interest before orders are placed and costs committed.
- At each Directors meeting, Trustees are asked to declare any conflicts of interest as a standing agenda item. Standard procedures require those who have declared interests pertinent to an issue under discussion or vote to withdraw from the meeting to ensure transparency and integrity.
- The Trust Chief Financial Officer holds responsibility to ensure that all related party transactions are managed transparently in accordance with the Academy Trust handbook reported to the ESFA via their portal, with a full audit trail of records maintained and all transactions noted in the Trust's annual accounts. Related party transactions are reviewed by the Trust Audit and Risk Committee and the Trust internal and external auditors.
- The Trust has in place a whistleblowing policy and an anti-fraud and corruption policy, which clarifies to all Trustees and staff the procedures to follow in the event of any concerns surrounding impropriety, or failure to properly declare an interest.
- The Trust Finance Manual contains clear guidance to staff on the internal control processes in place to avoid conflicts of interest when making purchasing decisions.
- The Trust Competitive Tendering Policy contains a clear internal controls framework to be followed for higher value procurement decisions.

Governance reviews

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 2022/23 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

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust is satisfied that with the improvements put in place in 2022/23 all Academies are now operating with a strong leadership and accountability culture and a broad and balanced curriculum which supports our pupils to achieve. This has been confirmed through Ofsted inspections in each Trust academy over the past 12 months.

Focus on the accelerated improvement of individual pupils.

In 2022/23, 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 high attaining pupils are afforded every opportunity to exploit and progress their gifts and talents.
- Investing resources in reading and curriculum systems designed to accelerate progress for pupils who are assessed as being below their expected potential. This has been achieved in partnership with Unity Schools Partnership and Unity Research School to ensure the evidence underpinning its design and implementation is secure.
- 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.
- Continuing to invest in leadership of curriculum for all subjects – working alongside a serving Ofsted inspector and an external leadership and coaching expert.

Value for Money Achieved through Collaboration

In 2022/23 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 its professional development offer to its own academies and to the wider sector through the work of Hatton Centre for Education. Through the Centre, 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 ECTs/Trainee teachers into Trust Academies and in schools locally. It has also retained status as a Challenge Partners hub with a growing number of school memberships.
- 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 2023.
- 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.
- Following investment by the Trust in its senior staff to train as facilitators, the Trust has facilitated training for staff in many local schools through its partnership with Best Practice Network and delivered a range of NPQs to a record number of colleagues over the year.

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 2022 to 31st August 2023 and up to the date of approval of the annual report and financial statements.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 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 2022/23 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 regular checks were routinely conducted. 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.

In 2023/24, the internal auditor will continue to report 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.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 18 December 2023 and signed on its behalf by:

Mr W A Thallon
Chairman

Mr R Hardcastle
CEO and Accounting Officer

HATTON ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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

Mr R Hardcastle
Accounting Officer

18 December 2023

HATTON ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2022 to 2023;
- 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 18 December 2023 and signed on its behalf by:

Mr W A Thallon
Chairman

HATTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Hatton Academies Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023.

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 other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HATTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

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 2022 to 2023 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 is available on the Financial Reporting Council's website at: <https://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.

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

20 December 2023

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 2023

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

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2023

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

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

Dated: 20 December 2023

HATTON ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	-	6	424	430	94
Charitable activities:						
- Funding for educational operations	4	289	15,419	-	15,708	14,234
Other trading activities	5	30	31	-	61	139
Investments	6	21	-	-	21	6
Total		340	15,456	424	16,220	14,473
Expenditure on:						
Raising funds	7	-	31	-	31	28
Charitable activities:						
- Educational operations	9	276	15,722	536	16,534	15,386
Total	7	276	15,753	536	16,565	15,414
Net income/(expenditure)		64	(297)	(112)	(345)	(941)
Transfers between funds	21	-	(242)	242	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	23	-	1,266	-	1,266	6,924
Net movement in funds		64	727	130	921	5,983
Reconciliation of funds						
Total funds brought forward		747	(648)	20,383	20,482	14,499
Total funds carried forward		811	79	20,513	21,403	20,482

HATTON ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		20,513		20,383
Current assets					
Stocks	16	13		11	
Debtors	17	501		605	
Cash at bank and in hand		2,052		2,132	
		<u>2,566</u>		<u>2,748</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(1,478)		(1,396)	
Net current assets			1,088		1,352
Total assets less current liabilities			21,601		21,735
Creditors: amounts falling due after more than one year	19		(6)		(8)
Net assets before defined benefit pension scheme liability			21,595		21,727
Defined benefit pension scheme liability	23		(192)		(1,245)
Total net assets			21,403		20,482
Funds of the Academy Trust:					
Restricted funds	21				
- Fixed asset funds			20,513		20,383
- Restricted income funds			271		597
- Pension reserve			(192)		(1,245)
Total restricted funds			20,592		19,735
Unrestricted income funds	21		811		747
Total funds			21,403		20,482

The accounts were approved by the trustees and authorised for issue on 18 December 2023 and are signed on their behalf by:

Mr W A Thallon
Chairman

Company registration number 07949111

HATTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	£'000	2022 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	24		(59)		426
Cash flows from investing activities					
Dividends, interest and rents from investments		21		6	
Capital grants from DfE Group		424		86	
Purchase of tangible fixed assets		(464)		(774)	
Net cash used in investing activities			(19)		(682)
Cash flows from financing activities					
Repayment of other loan		(2)		(3)	
Net cash used in financing activities			(2)		(3)
Net decrease in cash and cash equivalents in the reporting period			(80)		(259)
Cash and cash equivalents at beginning of the year			2,132		2,391
Cash and cash equivalents at end of the year			2,052		2,132

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2023

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 2023

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.

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.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

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.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Capital grants	-	424	424	86
Other donations	-	6	6	8
	<u>-</u>	<u>430</u>	<u>430</u>	<u>94</u>

The income from donations and capital grants was £430,000 (2022: £94,000) of which £6,000 was restricted (2022: £8,000) and £424,000 was restricted fixed assets (2022: £86,000).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	12,733	12,733	12,261
Other DfE/ESFA grants:				
- UIFSM	-	132	132	121
- Pupil premium	-	758	758	619
- Supplementary grant	-	514	514	-
- Teachers pension grants	-	46	46	40
- Teachers pay grants	-	1	1	14
- Others	-	369	369	269
	-	14,553	14,553	13,324
Other government grants				
Local authority grants	-	509	509	452
Other incoming resources	289	357	646	458
Total funding	289	15,419	15,708	14,234

The income from funding for educational operations was £15,708,000 (2022: £14,234,000) of which £289,000 was unrestricted (2022: £211,000) and £15,419,000 was restricted (2022: £14,023,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Catering income	17	-	17	19
Staff recharges	-	31	31	28
Other income	13	-	13	92
	30	31	61	139

The income from other trading activities was £61,000 (2022: £139,000) of which £30,000 was unrestricted (2022: £111,000) and £31,000 was restricted (2022: £28,000).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Short term deposits	21	-	21	6

The income from funding for investment income was £21,000 (2022: £6,000) of which £21,000 was unrestricted (2022: £6,000).

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Expenditure on raising funds					
- Direct costs	31	-	-	31	28
Academy's educational operations					
- Direct costs	10,239	536	1,297	12,072	10,687
- Allocated support costs	2,279	1,267	916	4,462	4,699
	12,549	1,803	2,213	16,565	15,414

The expenditure on raising funds was £31,000 (2022: £28,000) of which £31,000 was restricted (2022: £28,000).

Net income/(expenditure) for the year includes:

	2023 £'000	2022 £'000
Fees payable to auditor for:		
- Audit	12	11
- Other services	4	2
Operating lease rentals	28	32
Depreciation of tangible fixed assets	536	542
Net interest on defined benefit pension liability	57	125

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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 6.6% of the secondary academy's General Annual Grant (GAG) and 6% of each primary academies' GAG income.

The amounts charged during the year were as follows:

	2023 £'000	2022 £'000
Sir Christopher Hatton Academy	531	480
Victoria Primary Academy	124	121
Oakway Academy	166	158
Ecton Village Primary School	24	24
	<u>845</u>	<u>783</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Direct costs				
Educational operations	-	12,072	12,072	10,687
Support costs				
Educational operations	276	4,186	4,462	4,699
	<u>276</u>	<u>16,258</u>	<u>16,534</u>	<u>15,386</u>

The expenditure on charitable activities was £16,534,000 (2022: £15,386,000) of which £276,000 was unrestricted (2022: £214,000), £15,722,000 was restricted (2022: £14,630,000) and £536,000 was restricted fixed assets (2022: £542,000).

2023
£'000

2022
£'000

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9	Charitable activities	(Continued)	
	Analysis of support costs		
	Support staff costs	2,279	2,771
	Technology costs	206	361
	Premises costs	1,267	908
	Legal costs	7	8
	Other support costs	678	634
	Governance costs	25	17
		<u>4,462</u>	<u>4,699</u>
		<u><u>4,462</u></u>	<u><u>4,699</u></u>
10	Governance costs		
		Total	Total
	All from restricted funds:	2023	2022
		£'000	£'000
	Amounts included in support costs		
	Legal costs	7	8
	Auditor's remuneration		
	- Audit of financial statements	12	11
	- Other audit costs	4	2
	Other governance costs	9	4
		<u>32</u>	<u>25</u>
		<u><u>32</u></u>	<u><u>25</u></u>
11	Staff		
	Staff costs		
	Staff costs during the year were:		
		2023	2022
		£'000	£'000
	Wages and salaries	9,073	8,399
	Social security costs	967	795
	Pension costs	1,978	2,614
		<u>12,018</u>	<u>11,808</u>
	Staff costs - employees	12,018	11,808
	Agency staff costs	489	290
	Staff restructuring costs	42	18
		<u>12,549</u>	<u>12,116</u>
		<u><u>12,549</u></u>	<u><u>12,116</u></u>
	Staff restructuring costs comprise:		
	Redundancy payments	-	17
	Severance payments	42	1
		<u>42</u>	<u>18</u>
		<u><u>42</u></u>	<u><u>18</u></u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Staff

(Continued)

Severance payments

The Academy Trust paid 3 severance payments in the year, disclosed in the following bands:

0 - £25,000	3
-------------	---

Staff numbers

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

	2023 Number	2022 Number
Teachers	159	154
Administration and support	142	143
Management	7	7
	<u>308</u>	<u>304</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	5
£70,001 - £80,000	2	-
£80,001 - £90,000	3	3
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>10</u>	<u>9</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 £721,607 (2022: £695,031).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 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 £100,000 - £105,000 (2022: £95,000 - £100,000)
- Employer's pension contributions £15,000 - £20,000 (2022: £15,000 - £20,000)

C Hinds (staff):

- Remuneration £85,000 - £90,000 (2022: £80,000 - £85,000)
- Employer's pension contributions £Nil (2022: £Nil)

During the year, travel and subsistence payments and other expenses totalling £313 (2022: £536) were reimbursed or paid directly to 2 trustees (2022: 3 trustees).

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

13 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.

14 Tangible fixed assets

	Leasehold land and buildings	Freehold land and buildings	Software and ICT equipment	Furniture and equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2022	6,788	16,158	705	3,198	-	26,849
Additions	-	263	38	74	291	666
At 31 August 2023	6,788	16,421	743	3,272	291	27,515
Depreciation						
At 1 September 2022	983	2,239	621	2,623	-	6,466
Charge for the year	132	280	55	69	-	536
At 31 August 2023	1,115	2,519	676	2,692	-	7,002
Net book value						
At 31 August 2023	5,673	13,902	67	580	291	20,513
At 31 August 2022	5,805	13,919	84	575	-	20,383

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets

(Continued)

Transactions relating to freehold land and buildings during the year relate to buildings improvement works undertaken during the 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.

15 Fixed asset investments

	Total
Historical cost:	£
At 31 August 2023	1
	=====
At 31 August 2022	1
	=====

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:

		Capital and reserves	Profit/(loss) for the year
	Principal activities	£'000	£'000
Hatton School Limited	Hire of sports and business facilities and sale of uniform	1	1
		=====	=====

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.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Stocks

	2023 £'000	2022 £'000
School uniform	6	5
Catering stock	7	6
	<u>13</u>	<u>11</u>

17 Debtors

	2023 £'000	2022 £'000
Trade debtors	19	14
VAT recoverable	175	174
Amounts owed by group undertakings	10	5
Other debtors	12	8
Prepayments and accrued income	285	404
	<u>501</u>	<u>605</u>

18 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Government loans	3	3
Trade creditors	395	422
Other taxation and social security	204	196
Other creditors	303	236
Accruals and deferred income	573	539
	<u>1,478</u>	<u>1,396</u>

19 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Government loans	6	8
	<u>6</u>	<u>8</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Creditors: amounts falling due after more than one year		(Continued)	
	2023 £'000	2022 £'000	
Analysis of loans			
Wholly repayable within five years	9	11	
Less: included in current liabilities	(3)	(3)	
	<u>6</u>	<u>8</u>	
Amounts included above	<u>6</u>	<u>8</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	3	5	
	<u>9</u>	<u>11</u>	

Government loans comprise a Salix loan from ESFA which is interest free and repayable in six equal instalments payable over the remaining 3 years of the loan as at 31 August 2023.

20 Deferred income		2023 £'000	2022 £'000
Deferred income is included within:			
Creditors due within one year		148	230
		<u>148</u>	<u>230</u>
Deferred income at 1 September 2022		230	161
Released from previous years		(230)	(161)
Resources deferred in the year		148	230
		<u>148</u>	<u>230</u>
Deferred income at 31 August 2023		<u>148</u>	<u>230</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 2023.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	597	12,733	(12,817)	(242)	271
UIFSM	-	132	(132)	-	-
Pupil premium	-	758	(758)	-	-
Teachers pension grants		46	(46)	-	-
Teachers pay grants		1	(1)	-	-
Supplementary grant		514	(514)	-	-
Other DfE / ESFA grants	-	369	(369)	-	-
Other government grants	-	509	(509)	-	-
Other restricted funds	-	394	(394)	-	-
Pension reserve	(1,245)	-	(213)	1,266	(192)
	<u>(648)</u>	<u>15,456</u>	<u>(15,753)</u>	<u>1,024</u>	<u>79</u>
Restricted fixed asset funds					
Fixed assets	20,383	-	(536)	666	20,513
DfE group capital grants	-	424	-	(424)	-
	<u>20,383</u>	<u>424</u>	<u>(536)</u>	<u>242</u>	<u>20,513</u>
Total restricted funds	<u>19,735</u>	<u>15,880</u>	<u>(16,289)</u>	<u>1,266</u>	<u>20,592</u>
Unrestricted funds					
General funds	747	340	(276)	-	811
Total funds	<u>20,482</u>	<u>16,220</u>	<u>(16,565)</u>	<u>1,266</u>	<u>21,403</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 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 £242,000 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 2023 Restricted Fixed Asset Funds comprise the Net Book Value of Fixed Assets.

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 31 August 2023.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	608	12,261	(11,725)	(547)	597
UIFSM	-	121	(121)	-	-
Pupil premium	-	619	(619)	-	-
Teachers pension grants	-	40	(40)	-	-
Teachers pay grants	-	14	(14)	-	-
Other DfE / ESFA grants	-	269	(269)	-	-
Other government grants	-	452	(452)	-	-
Other restricted funds	137	283	(420)	-	-
Pension reserve	(7,171)	-	(998)	6,924	(1,245)
	<u>(6,426)</u>	<u>14,059</u>	<u>(14,658)</u>	<u>6,377</u>	<u>(648)</u>
Restricted fixed asset funds					
Transfer on conversion	20,292	-	(542)	633	20,383
DfE group capital grants	-	86	-	(86)	-
	<u>20,292</u>	<u>86</u>	<u>(542)</u>	<u>547</u>	<u>20,383</u>
Total restricted funds	<u>13,866</u>	<u>14,145</u>	<u>(15,200)</u>	<u>6,924</u>	<u>19,735</u>
Unrestricted funds					
General funds	633	328	(214)	-	747
	<u>633</u>	<u>328</u>	<u>(214)</u>	<u>-</u>	<u>747</u>
Total funds	<u>14,499</u>	<u>14,473</u>	<u>(15,414)</u>	<u>6,924</u>	<u>20,482</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Funds

(Continued)

Total funds analysis by academy

	2023 £'000	2022 £'000
Fund balances at 31 August 2023 were allocated as follows:		
Sir Christopher Hatton Academy	669	807
Victoria Primary Academy	100	136
Oakway Academy	300	233
Ecton Village Primary School	12	59
Central services	1	109
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,082	1,344
Restricted fixed asset fund	20,513	20,383
Pension reserve	(192)	(1,245)
	<hr/>	<hr/>
Total funds	21,403	20,482
	<hr/>	<hr/>

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 2023 £'000	Total 2022 £'000
Sir Christopher Hatton Academy	6,082	374	271	1,662	8,389	8,028
Victoria Primary Academy	1,659	226	59	296	2,240	2,282
Oakway Academy	1,957	495	122	470	3,044	2,988
Ecton Village Primary School	373	40	29	95	537	552
Central services	168	1,020	-	418	1,606	874
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,239	2,155	481	2,941	15,816	14,724
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Central services expenditure includes expenditure arising from Central catering services, which commenced on 1 September 2021.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	20,513	20,513
Current assets	811	1,553	202	2,566
Current liabilities	-	(1,276)	(202)	(1,478)
Non-current liabilities	-	(6)	-	(6)
Pension scheme liability	-	(192)	-	(192)
Total net assets	811	79	20,513	21,403

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	20,383	20,383
Current assets	747	2,001	-	2,748
Current liabilities	-	(1,396)	-	(1,396)
Non-current liabilities	-	(8)	-	(8)
Pension scheme liability	-	(1,245)	-	(1,245)
Total net assets	747	(648)	20,383	20,482

23 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £217,926 (2022: £197,089) were payable to the schemes at 31 August 2023 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 academy trusts. 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 2023

23 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,304,000 (2022: £1,307,000).

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% to 24.8% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2023 £'000	2022 £'000
Employer's contributions	503	435
Employees' contributions	150	131
	<hr/>	<hr/>
Total contributions	653	566
	<hr/>	<hr/>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

23 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.49	3.55
Rate of increase for pensions in payment/inflation	2.99	3.05
Discount rate for scheme liabilities	5.2	4.25
Inflation assumption (CPI)	2.99	3.05
Commutation of pensions to lump sums - Pre April 2008 service	50	50
Commutation of pensions to lump sums - Post April 2008 service	50	75

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

	2023 Years	2022 Years
Retiring today		
- Males	20.9	21.7
- Females	23.2	24.1
Retiring in 20 years		
- Males	20.9	22.8
- Females	25.2	25.8

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

	2023 £'000	2022 £'000
Discount rate + 0.1%	(185)	(215)
Discount rate - 0.1%	185	215
Mortality assumption + 1 year	299	331
Mortality assumption - 1 year	(299)	(331)
CPI rate + 0.1%	172	199
CPI rate - 0.1%	(172)	(199)

Defined benefit pension scheme net liability	2023 £'000	2022 £'000
Scheme assets	7,946	7,005
Scheme obligations	(7,479)	(8,250)
Asset ceiling adjustment	(659)	-
Net liability	(192)	(1,245)

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

23 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme

	2023 Fair value £'000	2022 Fair value £'000
Equities	4,928	4,833
Bonds	1,906	1,121
Cash	79	70
Property	1,033	981
Total market value of assets	7,946	7,005

The actual return on scheme assets was £378,000 (2022: £(469,000)).

Amount recognised in the statement of financial activities

	2023 £'000	2022 £'000
Current service cost	659	1,308
Interest income	(309)	(119)
Interest cost	366	244
Total operating charge	716	1,433

Changes in the present value of defined benefit obligations

	2023 £'000	2022 £'000
At 1 September 2022	8,250	14,143
Current service cost	659	1,308
Interest cost	366	244
Employee contributions	150	131
Actuarial gain	(1,856)	(7,512)
Benefits paid	(90)	(64)
At 31 August 2023	7,479	8,250

Changes in the fair value of the Academy Trust's share of scheme assets

	2023 £'000	2022 £'000
At 1 September 2022	7,005	6,972
Interest income	309	119
Actuarial (gain)/loss	69	(588)
Employer contributions	503	435
Employee contributions	150	131
Benefits paid	(90)	(64)
At 31 August 2023	7,946	7,005

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Pension and similar obligations

(Continued)

The fair value of the pension plan assets at 31 August 2023 is in excess of the present value of the defined benefit obligations at that date for several of the academies operated by the Trust, including Sir Christopher Hatton Academy, Victoria Primary Academy and Ecton Village Primary School. The total surplus in relation to these academies at 31 August 2023 was £659,000, and the other academy operated by the Trust, Oakway Academy, had a deficit at 31 August 2023.

This surplus is recognised in the financial statements only to the extent that the Academy Trust can recover that surplus, either through a reduction in future contributions or through a refund to the Academy Trust. The Academy Trust is not able to determine that future contributions will be reduced and it is not possible for the academies to receive a refund, as the specific conditions for this have not been met. Therefore, an asset ceiling is in place such that the surplus recognised in the accounts for the academies mentioned is reduced to £Nil. As the deficit for the other academy operated by the Trust exceed the assets, there is an overall deficit of £192,000 recognised as at 31 August 2023.

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

	Notes	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(345)	(941)
Adjusted for:			
Capital grants from DfE and other capital income		(424)	(86)
Investment income receivable	6	(21)	(6)
Defined benefit pension costs less contributions payable	23	156	873
Defined benefit pension scheme finance cost	23	57	125
Depreciation of tangible fixed assets		536	542
(Increase) in stocks		(2)	(3)
Decrease/(increase) in debtors		104	(70)
(Decrease) in creditors		(120)	(8)
Net cash (used in)/provided by operating activities		(59)	426

25 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	2,132	(80)	2,052
Loans falling due within one year	(3)	-	(3)
Loans falling due after more than one year	(8)	2	(6)
	2,121	(78)	2,043

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 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.

27 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £'000	2022 £'000
Amounts due within one year	29	26
Amounts due in two and five years	15	13
	<u>44</u>	<u>39</u>

28 Capital commitments

	2023 £'000	2022 £'000
Expenditure contracted for but not provided in the accounts	1,543	318

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

29 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 £10,000 (2022: £5,380) due from the subsidiary.
- The academy trust recharged staff costs and other expenses totalling £31,482 (2022: £27,741) to the subsidiary.

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

- The company provided services totalling £1,610 (2022: £9,653) to the trust during the year and at the year end creditors include £Nil (2022: £2,083) due to this company.
- 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.

Other transactions with trustees

- During the year across the Trust, two (2022: one) close family member of two trustees (2022: one trustee) were employed in a teaching position and a catering position. The employments were subject to normal Trust procedures which include advertising, interviewing and national pay scale.

30 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.