

HCAT

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

HCAT

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Reference and Administrative Details

Members	S Hardcastle
	G Wilson
	A J Richards
	J Brown (appointed 9 December 2019)
Trustees (Directors)	A J Richards, Chair of Trustees
	S Gallagher
	A Kent
	D Marsh
	L P Mann (resigned 2 September 2019)
	M Priestley
	M Gostelow
	A F Fearn
Chief Executive Officer	C W Webb (appointed 7 October 2019)
Company Secretary	T Banham
Key Management Personnel	V A Harrison
Senior Management Team	T W Banham, Accounting Officer
	V A Harrison, Trust Business Manager
	J Huckstepp, Director of Teaching and Learning
	N Whitehouse, Director of Teaching and Learning
	W Greenhoff, Director of Finance
	B Fallon, Headteacher - HCPS
	M Binns, Headteacher - WGPS
	N Bowen, Executive Principal - Horizon
	C Huddart, Principal - Horizon
	G Padfield, Headteacher - WCPS
	R Paddock, Headteacher - MPS

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Reference and Administrative Details (continued)

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

**Company Registration
Number** 08654591

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

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

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

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Trustees' Report for the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 4 primary academies and 1 secondary academy in Barnsley for pupils aged 3 to 16. Its academies have a combined pupil capacity of 3,477 and had a roll of 3,647 (446 HCPS, 339 Mapplewell, 476 WCPS, 414 WGPS and 1,972 Horizon) in the school census on January 2020.

Structure, governance and management

Constitution

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

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

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

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

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Organisational structure

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

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

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

Risk management

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

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

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

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

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

Engagement with employees (including disabled persons)

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

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

All the schools within our Trust have daily staff briefings that allow the sharing and flow of information to all staff, alongside a global email for important information from a Trust Level. During COVID, all staff within the Trust received both post cards and letters of support and thanks.

We actively encourage our employees' involvement in our performance and this financial year have introduced an employee share scheme, Perkbox a platform with perks specifically chosen to support our employees' physical, financial and mental wellbeing.

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

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

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

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

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Connected organisations, including related party relationships

HCAT holds 50% of the voting rights of Tykes Teaching School Alliance, a company limited by guarantee (company registered number – 10227087). Every Child Matters Academy Trust holds the remaining 50%. The CEO is a Director of Tykes Teaching School Alliance.

R Paddock, key management personnel, has a material interest in Lily Pad Web Services. During the year transactions totalling £150 (2019: £1,500) were paid to this party.

S Gallagher & M A Gostelow, trustees, have a material interest in Barnsley Governors' Association. During the year transactions totalling £nil (2019: £110) were paid to this party.

HCAT is a joint member of Tykes Teaching School Alliance. During the year staff costs were recharged to the Alliance and training services were provided to the Trust.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	6

Percentage of time spent on facility time

Percentage of time

0%

Number of employees

6

Percentage of pay bill spent on facility time

2020

Provide the total cost of facility time

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

Paid trade union activities

2020

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

Nil

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

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Policies and procedures adopted for the induction and training of Trustees

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

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

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

A Governor Handbook has also been devised with clear roles and remits for all.

Objectives and activities

Objects and aims

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

The HCAT trustees are determined to see a high performing Multi Academy Trust that delivers the very best education for all pupils. The aims of each Academy during the period ended 31 August 2020 are summarised below:

- Develop a caring attitude with self-esteem – respecting themselves, others and their environment
- Developing confident, happy, self-motivated learners who enjoy learning and see it as a life long adventure
- An expectation that everyone achieves their full potential
- Achieve the highest standards possible in all areas of the curriculum regardless of age, sex, creed, needs and ability and to raise the standard of educational achievement of all pupils; to develop the quality of learning, teaching and assessment;
- Develop values such as communication, commitment and relationships based on mutual respect and develop the ethos of each school and the Trust as a whole;
- Develop an effective home/school partnership
- to raise the standard of educational achievement of all pupils; to develop the quality of learning, teaching and assessment;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review and ensuring a strong infrastructure throughout the Multi Academy Trust.
- to comply with all appropriate statutory and curriculum requirements; to provide value for money for the funds expended; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Objectives, strategies and activities

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

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

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

There was also the continued capacity to improve especially with the challenges and opportunities arising from the growth of the Multi Academy Trust, with a further 2 primary schools joining the Trust in December 19 and February 20 respectively. We ensured there continues to be a strong team of central staff with clear lines of accountability who are readily able to support and assist at every level across the Trust.

Public benefit

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

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

Academic Achievements

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


 CEO Tom Banham
 COO Victoria Harrison
 T&L Director J. Hucklestep & N. Whitehouse

Hoyland Common Academy Trust 2019-2020

Academy		Academy 1	Academy 2	Academy 3	Academy 4	Associate Member	
Head of School		Wendy Green	Wendy Green	Rebecca Paddock	Gal. Fairfield	Milefield	
Chair of LGS		M. Marsh	S. Gallagher	Transitional Board	J. Egan	Karen Trickett	
Current MATEvaluation		1/2	1/2	2/3	2/3	3	
Current Ofsted Grading		Outstanding	Good	6	Outstanding	2	
Context	No		No	No	No	No	
	%		%	%	%	%	
	No		No	No	No	No	
	%		%	%	%	%	
	No		No	No	No	No	
	%		%	%	%	%	
Attendance		%		%		%	

HCS		WGFS		WGFS		MAP		MUE	
%		%	Trend	Gap	%	Trend	Gap	%	Trend
KS1		KS2		KS2		KS2		KS2	
National Standard Reading		National Standard Reading		National Standard Reading		National Standard Reading		National Standard Reading	
Greater Depth Reading		Greater Depth Reading		Greater Depth Reading		Greater Depth Reading		Greater Depth Reading	
National Standard Writing		National Standard Writing		National Standard Writing		National Standard Writing		National Standard Writing	
Greater Depth Writing		Greater Depth Writing		Greater Depth Writing		Greater Depth Writing		Greater Depth Writing	
National Standard Maths		National Standard Maths		National Standard Maths		National Standard Maths		National Standard Maths	
Greater Depth Maths		Greater Depth Maths		Greater Depth Maths		Greater Depth Maths		Greater Depth Maths	
WPM Combined N/S		WPM Combined N/S		WPM Combined N/S		WPM Combined N/S		WPM Combined N/S	
WPM Combined H/S		WPM Combined H/S		WPM Combined H/S		WPM Combined H/S		WPM Combined H/S	
KS2		KS2		KS2		KS2		KS2	
National Standard Reading		National Standard Reading		National Standard Reading		National Standard Reading		National Standard Reading	
Higher Score Reading		Higher Score Reading		Higher Score Reading		Higher Score Reading		Higher Score Reading	
National Standard Writing		National Standard Writing		National Standard Writing		National Standard Writing		National Standard Writing	
Greater Depth Writing		Greater Depth Writing		Greater Depth Writing		Greater Depth Writing		Greater Depth Writing	
National Standard Maths		National Standard Maths		National Standard Maths		National Standard Maths		National Standard Maths	
Higher Score Maths		Higher Score Maths		Higher Score Maths		Higher Score Maths		Higher Score Maths	
National Standard GPS		National Standard GPS		National Standard GPS		National Standard GPS		National Standard GPS	
Higher Score GPS		Higher Score GPS		Higher Score GPS		Higher Score GPS		Higher Score GPS	
WPM Combined Expected		WPM Combined Expected		WPM Combined Expected		WPM Combined Expected		WPM Combined Expected	
WPM Combined Higher		WPM Combined Higher		WPM Combined Higher		WPM Combined Higher		WPM Combined Higher	
Average Scaled Score R		Average Scaled Score R		Average Scaled Score R		Average Scaled Score R		Average Scaled Score R	
Average Scaled Score M		Average Scaled Score M		Average Scaled Score M		Average Scaled Score M		Average Scaled Score M	
Average Scaled Score GPS		Average Scaled Score GPS		Average Scaled Score GPS		Average Scaled Score GPS		Average Scaled Score GPS	
Progress Measure Reading		Progress Measure Reading		Progress Measure Reading		Progress Measure Reading		Progress Measure Reading	
Progress Measure Writing		Progress Measure Writing		Progress Measure Writing		Progress Measure Writing		Progress Measure Writing	
Progress Measure Maths		Progress Measure Maths		Progress Measure Maths		Progress Measure Maths		Progress Measure Maths	

Outcomes across trust were positive considering the position schools found themselves in at the end of the academic year. KS1 and KS2 outcomes have been assessed via teacher assessment, these have been moderated both in school, across trust and quality assured by the Directors of Teaching and Learning to ensure they are an accurate reflection of the position of schools.

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

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

Provisional Headline Figures 2020



Progress 8	2017	2018	2019	Result
Overall	0.17	0.02	0.08	0.44
English	-0.02	0.15	0.02	0.27
Maths	-0.35	-0.09	-0.10	0.24
Ebacc	0.02	-0.30	-0.09	0.19
Open	0.80	0.33	0.41	0.95
Total Slots Filled	0.17	0.02	0.08	9.88

Attainment 8	2017	2018	2019	2020
Overall	47.1	43.3	45.0	50.7
English	9.8	9.6	9.6	10.5
Maths	8.1	8.1	8.3	9.4
Ebacc	12.4	11.3	12.3	13.8
Open	17.0	14.3	14.9	17.0

Match Up	2017	2018	2019	2020
7+	8%	5%	9%	17%
5+	33%	32%	34%	45%
4+	61%	57%	56%	69%

Ebacc	2017	2018	2019	2020
% Entered	49%	52%	57%	51%
% Achieved 5+	24%	11%	15%	25%
% Achieved 4+	32%	26%	26%	33%

Key Stage 4 outcomes continue to be strong and improving. There was rigorous moderation of Centre Assessed Grades, backed up with evidence from mock examinations. Continued improvements in Maths and Ebacc are of particular significance, reflecting the improvements made in Leadership and staffing within those areas along with improvements in the quality of Teaching and Learning and the appropriateness of the curriculum.

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

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

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

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

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Promoting the success of the academy

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

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

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

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

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

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

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

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HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Key non-financial performance indicators

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

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

As a Multi Academy Trust we have clear strategic aims which are founded in our visions and values. The Strategic Plan 2017-2020 outlines the goals and targets of HCAT over the next 3 years to ensure that as a Trust, the public, parents and all stakeholders have confidence in our approach.

The Strategic Plan:

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

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

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

HCAT will achieve this vision by focusing on four strategic objectives that will be reviewed and measured annually:

Objective 1: Build a strong infrastructure in the Multi Academy Trust to support the drive for outstanding academies and increase the number of academies within our MAT in order to raise the standards of educational attainment across the system and be recognized as a trust that provides robust leadership able to make these improvements at pace. Ensuring that the Trust has business arrangements in place that are efficient and effective and enables it to deliver on its commitments to grow and deliver value for money across the Trust.

Objective 2: Raise attainment and improve progression by ensuring that there is a rigorous and robust programme of Quality Assurance that helps support teachers and leaders, build expertise and capacity and raise standards in our academies to deliver positive outcomes for pupils. Implementing a CPD Programme for our academies to ensure that our staff have the right skills to further raise standards, deliver good teaching and learning and disseminate good practice to ensure rapid improvement.

Objective 3: Supporting excellent standards of Teaching and Learning to ensure that our academies provide the very best teaching in order to promote and provide high quality learning for our children and young people and that there is support in place for teachers to achieve this and make a difference to our pupils.

Objective 4: Ensure strong leadership and governance by having a clear vision and ethos and providing strong strategic direction. The Board of the Trust acts on behalf of the Trust and in accordance with its Articles of Association and having governance arrangements that demonstrate legitimate and visionary leadership, clarity of governing and managerial relationships, effective oversight, adequate support structures for sustainability and to achieve the greatest possible economics.

The COO provides trustees with data for discussion, comparison and review. This information also assists the Board and individual LGBs to compare budgets against a number of non-financial indicators and KPIs.

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Going concern

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

The board considered the impact of the current COVID-19 environment on the Trust for the next 12 months, the viability period and the longer term. Whilst the situation evolves daily, making scenario planning difficult, we have considered a number of impacts.

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

Fundraising

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

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

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

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Streamlined Energy and Carbon Reporting

2020

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kWh)	1,438,243
Scope 1 emissions in metric tonnes CO₂e	
Owned transport - mini-buses	0.61
Gas consumption	224.33
Total scope 1	224.94
Scope 2 emissions in metric tonnes CO₂e	
Purchased electricity	50.73
Scope 3 emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	2.93
Total gross emissions in metric tonnes CO₂e	278.60
Intensity ratio	
Tonnes CO ₂ e per pupil	0.08

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

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

Plans for future periods

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

Financial planning will focus on maintaining the breadth and quality of future work in the context of diminishing budgets. Management has produced forecasts that have also been sensitised to reflect plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy, which have been reviewed by the board of trustees. The major variables are the depth and the duration of COVID-19.

The board considered the impact of the current COVID-19 environment on the Trust for the next 12 months, the viability period and the longer term. Whilst the situation evolves daily, making scenario planning difficult, we have considered a number of impacts.

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Financial review

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

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

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

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

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

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

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

Trustees have adopted a Responsible Officer policy and appointed Forrester Boyd to undertake a programme of internal checks on financial controls and to report to meetings of the Board. This however will be changed in Academic Year 2020 due to the changes in the Academies Handbook.

The in year surplus is £7,005,493 (2019: deficit of £8,237,824) for the year ended 31st August 2020.

Financial and risk management objectives and policies

The Trust's activities expose it primarily to cash flow risk. The Trustees continually monitors cash flows to ensure the Trust has sufficient funds available to meet debts as they fall due. The Trustees maintain significant cash reserves at all times.

The Trustees acknowledge the defined benefit scheme deficit which is set out at Note 23 to the annual report. It considers that the Trust is able to meet its known contribution commitments for the foreseeable future.

Financial Risk -

The Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets.

Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves policy

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

Restricted General Fund - £344,101
Unrestricted Fund - £1,097,949
Restricted Fixed Asset Fund - £13,425,897
Pension deficit - (£10,273,000)

Investment policy

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

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

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

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

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

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

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

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

- Financial

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

- Governance and Management Risk

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

- Health and Safety Risk

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

- Reputational Risk

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract pupils in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of pupils. They are wholly aware of the Recovery Plans for Schools within the Trust and how these are to be implemented and the intended impact of those. All Trust Schools are offering live teaching in the eventuality of further school closures.

Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc.

- Safeguarding and Child Protection Risks

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

- Significant Changes in Staff

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

HCAT

Trustees' Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

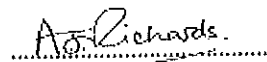
The Trust and its trustees do not act as the custodian trustees of any other charity.

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 7 December 2020 and signed on its behalf by:



A J-Richards, Chair of Trustees

HCAT

Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to T Banham, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between HCAT and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. There have also been additional meetings due to COVID and the sharing of Risk Assessments to allow Trustees to have security that the Trust were adhering to the guidance set out by the Government. These were "extraordinary meetings and as such not included in the detail below. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A F Pearn	2	5
S Gallagher	4	5
M Gostelow	4	5
A Kent	4	5
L P Mann (resigned 2 September 2019)	0	0
D Marsh	5	5
M Priestley	3	5
A J Richards, Chair of Trustees	5	5
C W Webb (appointed 7 October 2019)	2	5

HCAT

Governance Statement (continued)

The Trust Board are aware that the governance and leadership of Multi Academy Trusts both at Trustee level and Local Governing Body is becoming of greater and greater importance. The Board undertook a review of its constitution and scheme of delegation in November 2019 by way of a "Trust Away Day" and also completed a skills audit in December 2019. They are planning to continue this as an annual event.

The role of the HCAT Board is -

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

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

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

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

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

As the multi academy trust grows it is essential that we have clear lines of communication and accountability between the trust and local governing bodies. To ensure there is an appropriate level of challenge at board level it is important that Trustees receive information about schools from a range of different source. With that in mind it, Link Trustees have been established to be the single point between schools and trust. Trustee links are used to support and challenge our Trust Schools and the Trust as a whole to support on-going improvement of all our schools.

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

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

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

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

HCAT

Governance Statement (continued)

Effective oversight of funds

The Full Board of Trustees met five times within the year to discuss financial matters and also strategic matters. Effective oversight of funds were maintained during these meetings as any significant matters were raised during the meetings. The Full Board of Trustees were also contactable via telephone and email for any significant matters.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in HCAT for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Forrester Boyd Chartered Accountants as internal auditor

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

- review of personnel files
- review of salaries controls
- website compliance
- controls surrounding new suppliers
- purchasing controls

On a termly basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities. Due to COVID however during the year there were only 2 reports undertaken. The reports include the operation of the systems and controls, and also annually an annual summary report outlining the areas reviewed, key findings, recommendations and conclusions to help the Board consider actions and assess year on year progress.

Due to the revision of the FRC Ethical Standards for auditors, Forrester Boyd Chartered Accountants stepped down as internal reviewers from 31st August 2020.

There were no material control or other issues reported by the Internal auditor to date.

HCAT

Governance Statement (continued)

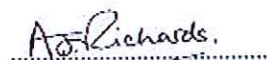
Review of effectiveness

As Accounting Officer, T Banham has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 7 December 2020 and signed on its behalf by:



A J Richards, Chair of Trustees



T Banham
Accounting Officer

HCAT

Statement on Regularity, Propriety and Compliance

As Accounting Officer of HCAT I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



T Banham
Accounting Officer

7 December 2020

HCAT

Statement of Trustees' Responsibilities

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

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

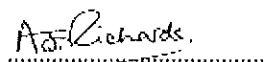
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academics Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

Approved by order of the members of the Board on 7 December 2020 and signed on its behalf by:



A.J. Richards, Chair of Trustees

HCAT

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements 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 financial statements in the UK, including the FRC's Ethical Standard and the Provisions Available for Audits of Small Entities, in the circumstances set out in the accounting policies to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

The valuation of the land and buildings of Worsborough Common Primary School and Mapplewell Primary School transferred in on conversion was provided by the local authority. There are doubts as to the reliability of this figure. A professional valuation will be carried out in the following year and if necessary the valuation of the land and buildings will be adjusted. These doubts have been adequately disclosed in the relevant Accounting Policies note.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

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

We have nothing to report in this regard.

HCAT

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 24], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

HCAT

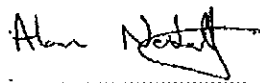
Independent Auditor's Report on the Financial Statements to the Members of HCAT (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy Trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy Trust audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



.....
Alan Nesbitt BA FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

7 December 2020

HCAT

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

In accordance with the terms of our engagement letter dated 10 August 2020 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by HCAT during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:


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

HCAT

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alan Nesbitt BA FCA Reporting Accountant
For and on behalf of Forrester Boyd, Chartered Accountants

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

7 December 2020

HCAT

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	206,990	-	32,949	239,939
Transfer from local authority on conversion		-	(1,351,143)	6,296,307	4,945,164
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	71,515	18,933,831	-	19,005,346
Other trading activities	4	998,572	42,820	-	1,041,392
Investments	5	3,394	-	-	3,394
Total		<u>1,280,471</u>	<u>17,625,508</u>	<u>6,329,256</u>	<u>25,235,235</u>
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>318,972</u>	<u>20,583,748</u>	<u>225,022</u>	<u>21,127,742</u>
Total		<u>318,972</u>	<u>20,583,748</u>	<u>225,022</u>	<u>21,127,742</u>
Net income/(expenditure)		961,499	(2,958,240)	6,104,234	4,107,493
Transfers between funds		(637,014)	614,747	22,267	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>2,898,000</u>	<u>-</u>	<u>2,898,000</u>
Net movement in funds		324,485	554,507	6,126,501	7,005,493
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>773,464</u>	<u>(10,483,406)</u>	<u>7,299,396</u>	<u>(2,410,546)</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>1,097,949</u>	<u>(9,928,899)</u>	<u>13,425,897</u>	<u>4,594,947</u>

HCAT

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

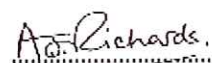
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	110,492	-	47,019	157,511
Transfer from local authority on conversion		319,940	(6,311,706)	46,721	(5,945,045)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	70,189	6,727,828	-	6,798,017
Other trading activities	4	470,862	79,352	-	550,214
Investments	5	1,818	-	-	1,818
Total		973,301	495,474	93,740	1,562,515
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	240,079	7,761,396	191,864	8,193,339
Total		240,079	7,761,396	191,864	8,193,339
Net income/(expenditure)		733,222	(7,265,922)	(98,124)	(6,630,824)
Transfers between funds		(183,774)	176,734	7,040	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(1,607,000)	-	(1,607,000)
Net movement in funds/(deficit)		549,448	(8,696,188)	(91,084)	(8,237,824)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		224,016	(1,787,218)	7,390,480	5,827,278
Total funds/(deficit) carried forward at 31 August 2019		<u>773,464</u>	<u>(10,483,406)</u>	<u>7,299,396</u>	<u>(2,410,546)</u>

HCAT

(Registration number: 08654591)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	1,084
Tangible assets	13	<u>13,283,463</u>	<u>7,237,031</u>
		<u>13,283,463</u>	<u>7,238,115</u>
Current assets			
Debtors	14	768,672	428,188
Cash at bank and in hand		<u>1,724,007</u>	<u>1,815,862</u>
		2,492,679	2,244,050
Creditors: Amounts falling due within one year	16	<u>(908,195)</u>	<u>(1,122,711)</u>
Net current assets		<u>1,584,484</u>	<u>1,121,339</u>
Total assets less current liabilities		<u>14,867,947</u>	<u>8,359,454</u>
Net assets excluding pension liability		14,867,947	8,359,454
Pension scheme liability	23	<u>(10,273,000)</u>	<u>(10,770,000)</u>
Net assets/(liabilities) including pension liability		<u>4,594,947</u>	<u>(2,410,546)</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		344,101	286,594
Restricted fixed asset fund		13,425,897	7,299,396
Restricted pension fund		<u>(10,273,000)</u>	<u>(10,770,000)</u>
		3,496,998	(3,184,010)
Unrestricted funds			
Unrestricted general fund		<u>1,097,949</u>	<u>773,464</u>
Total funds		<u>4,594,947</u>	<u>(2,410,546)</u>

The financial statements on pages 30 to 59 were approved by the Trustees, and authorised for issue on 7 December 2020 and signed on their behalf by:


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

HCAT

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Net cash (outflow)/inflow from operating activities	20	(296,717)	647,419
Cash transferred on conversion to an academy trust		196,889	617,955
Cash flows from financing activities		-	-
Cash flows from investing activities	21	<u>7,973</u>	<u>20,079</u>
(Decrease)/increase in cash in the year	15	<u>(91,855)</u>	<u>1,285,453</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

General information

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

The address of its registered office is:

Unit 4
Dodworth Business Park
Dodworth
Barnsley
England
S75 3SP

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

These financial statements cover the individual entity, HCAT.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

Conversion to an academy trust

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

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Going concern

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

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

Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Transfer on conversion

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Donated fixed assets

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

Expenditure

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

All resources are exclusive of VAT except where irrecoverable.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Computer Software	Straight line over 3 and 4 years

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

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

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

The land and buildings at Worsborough Common and Mapplewell have been transferred into the Trust at the net book value at the conversion date in BMBC's audited accounts. The Trust requested a valuation of the land and buildings from the Education and Skills Funding Agency (ESFA), however this was not completed before the deadline for submission. If necessary any adjustments will be made in the following year.

Horizon College occupies the land and buildings under a Private Finance Initiative (PFI) agreement which passed from BMBC on a 25 year lease on conversion to an academy trust.

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

Cash and cash equivalents

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

Liabilities

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Leased assets

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

Taxation

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

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

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	Total 2019 £
Transfer on conversion	-	(1,351,143)	6,296,307	4,945,164	(5,945,045)
Other voluntary income					
Educational trips and visits	190,481	-	-	190,481	77,247
Capital grants	-	-	32,949	32,949	47,019
Other donations	16,509	-	-	16,509	33,245
	<u>206,990</u>	<u>-</u>	<u>32,949</u>	<u>239,939</u>	<u>157,511</u>
Total voluntary income	<u>206,990</u>	<u>(1,351,143)</u>	<u>6,329,256</u>	<u>5,185,103</u>	<u>(5,787,534)</u>

The income from donations and capital grants was £239,939 (2019: £157,511) of which £206,990 was unrestricted (2019: £110,492), £Nil restricted (2019: £Nil) and £32,949 restricted fixed assets (2019: £47,019).

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE/EFA revenue grants				
General Annual Grant	-	15,311,693	15,311,693	5,491,405
Pupil Premium	-	994,943	994,943	377,565
PE and Sports Grant	-	57,013	57,013	38,150
Universal Free School Meals	-	205,598	205,598	97,106
Rates Relief	-	165,192	165,192	35,775
Start Up Grant	-	25,000	25,000	55,264
MDIF Grant	-	-	-	40,300
Teacher's Pay Grant	-	200,773	200,773	24,412
Other DfE Income	-	79,411	79,411	5,000
Teacher's Pension Grant	-	582,064	582,064	-
	<u>-</u>	<u>17,621,687</u>	<u>17,621,687</u>	<u>6,164,977</u>
Other government grants				
Early Intervention Grant (EIG)	-	332,823	332,823	207,117
Other LA Grants	-	505,431	505,431	177,795
High Needs Funding	-	301,361	301,361	146,201
Bikeability Funding Grant	-	-	-	24,688
	<u>-</u>	<u>1,139,615</u>	<u>1,139,615</u>	<u>555,801</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Non-government grants and other income				
Sheffield Hallam University Student Income	-	6,675	6,675	6,550
Other income	71,515	51,002	122,517	70,189
Big Lottery Grant	-	-	-	500
Erasmus Project	-	25,736	25,736	-
Higher Education Progression Partnership - South Yorkshire Income	-	15,500	15,500	-
	<u>71,515</u>	<u>98,913</u>	<u>170,428</u>	<u>77,239</u>
Exceptional government funding				
Coronavirus exceptional support	-	73,616	73,616	-
Total grants	<u>71,515</u>	<u>18,933,831</u>	<u>19,005,346</u>	<u>6,798,017</u>

The funding for educational operations was £19,005,346 (2019: £6,798,017) of which £71,515 was unrestricted (2019: £70,189), £18,933,831 restricted (2019: £6,727,828) and £Nil restricted fixed assets (2019: £Nil).

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	8,573	-	8,573	10,152
Catering income	471,176	-	471,176	166,911
School shop sales	-	-	-	165
Other sales	<u>518,823</u>	<u>42,820</u>	<u>561,643</u>	<u>372,986</u>
	<u>998,572</u>	<u>42,820</u>	<u>1,041,392</u>	<u>550,214</u>

The income from other trading activities was £1,041,392 (2019: £550,214) of which £998,572 was unrestricted (2019: £470,862), £42,820 restricted (2019: £79,352) and £Nil restricted fixed assets (2019: £Nil).

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Investment income

	Unrestricted funds £	Total 2020 £	Total 2019 £
Short term deposits	<u>3,394</u>	<u>3,394</u>	<u>1,818</u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2020 £	Total 2019 £
Academy's educational operations					
Direct costs	11,857,177	199,592	1,114,972	13,171,741	4,873,754
Allocated support costs	<u>4,133,787</u>	<u>2,607,525</u>	<u>1,214,689</u>	<u>7,956,001</u>	<u>3,319,585</u>
	<u>15,990,964</u>	<u>2,807,117</u>	<u>2,329,661</u>	<u>21,127,742</u>	<u>8,193,339</u>
	<u>15,990,964</u>	<u>2,807,117</u>	<u>2,329,661</u>	<u>21,127,742</u>	<u>8,193,339</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating leases - plant and machinery	40,927	30,075
Operating leases - other leases	2,021,682	551,509
Amortisation of intangible fixed assets	1,084	2,791
Depreciation	223,938	163,670
Fees payable to auditor - audit	15,000	10,000
- other audit services	<u>4,810</u>	<u>3,600</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities

	Total 2020 £	Total 2019 £
Direct costs - educational operations		
Teaching and educational support staff costs	11,857,177	4,332,699
Depreciation	199,592	149,656
Technology costs	110,440	66,446
Educational supplies	384,415	193,650
Examination fees	167,141	2,741
Staff development	73,027	14,437
Other direct costs	379,949	114,125
	<u>13,171,741</u>	<u>4,873,754</u>
Support costs - educational operations		
Support staff costs	3,464,787	1,282,346
LGPS Service cost adjustment	669,000	455,000
Depreciation	25,430	16,907
Technology costs	205,327	79,667
Maintenance of premises and equipment	214,059	87,244
Cleaning	99,169	47,426
Rent, rates and utilities	231,544	84,827
Insurance	21,753	15,881
Recruitment and support	21,945	6,707
Security and transport	2,476	2,596
Catering	450,465	215,845
Bank interest and charges	6,169	2,941
Interest on defined benefit pension scheme	207,000	94,000
LGPS Administration expense	19,000	6,000
Professional fees	157,482	116,315
Other support costs	104,671	32,818
PFI charges	2,015,570	744,898
Governance costs	40,154	28,167
	<u>7,956,001</u>	<u>3,319,585</u>
Total direct and support costs	<u>21,127,742</u>	<u>8,193,339</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff

Staff costs

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	11,644,929	4,348,370
Social security costs	995,109	385,637
Pension costs	3,231,149	1,251,732
	<u>15,871,187</u>	<u>5,985,739</u>
Supply teacher costs	68,565	43,033
Staff restructuring costs	51,212	41,273
	<u>15,990,964</u>	<u>6,070,045</u>
	2020 £	2019 £
Staff restructuring costs comprise:		
Redundancy payments	30,698	-
Severance payments	20,514	41,273
	<u>51,212</u>	<u>41,273</u>

Staff numbers

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

	2020 No	2019 No
Charitable Activities		
Teachers	176	179
Administration and support	341	279
Management	29	21
	<u>546</u>	<u>479</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£130,001 - £140,000	1	-

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) received by key management personnel for their services to the Academy Trust was £1,066,132 (2019: £495,828).

9 Central services

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

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

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

- Flat percentage of income (5% of GAG)

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Hoyland Common Primary School	68,760	66,594
Ward Green Primary School	69,810	68,022
Horizon Community College	88,632	22,158
Worsborough Common Primary School	59,472	-
Mapplewell Primary School	40,075	-
	<u>326,749</u>	<u>156,774</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Related party transactions - trustees' remuneration and expenses

There were no trustees who were paid remuneration or received other benefits from employment with the Academy Trust.

During the year ended 31 August 2020, travel and subsistence expenses totalling £178 (2019 - £190) were reimbursed or paid directly to 1 trustees (2019 - 2).

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

11 Trustees' and officers' insurance

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

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

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2019	12,495	12,495
At 31 August 2020	12,495	12,495
Amortisation		
At 1 September 2019	11,411	11,411
Charge for the year	1,084	1,084
At 31 August 2020	12,495	12,495
Net book value		
At 31 August 2020	-	-
At 31 August 2019	1,084	1,084

13 Tangible fixed assets

	Long Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2019	7,787,000	52,678	9,000	149,309	7,997,987
Additions	-	-	-	28,370	28,370
Inherited assets	6,242,000	-	-	-	6,242,000
At 31 August 2020	14,029,000	52,678	9,000	177,679	14,268,357
Depreciation					
At 1 September 2019	586,670	46,541	9,000	118,745	760,956
Charge for the year	199,592	2,295	-	22,051	223,938
At 31 August 2020	786,262	48,836	9,000	140,796	984,894
Net book value					
At 31 August 2020	13,242,738	3,842	-	36,883	13,283,463
At 31 August 2019	7,200,330	6,137	-	30,564	7,237,031

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Debtors

	2020	2019
	£	£
Trade debtors	159,081	56,119
Prepayments	193,613	188,888
Accrued grant and other income	284,086	89,196
VAT recoverable	131,492	92,914
Other debtors	400	1,071
	<u>768,672</u>	<u>428,188</u>

15 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>1,724,007</u>	<u>1,815,862</u>
Total cash and cash equivalents	<u>1,724,007</u>	<u>1,815,862</u>

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	5,491	552,279
Other taxation and social security	273,904	237,419
Other creditors	15,056	25,164
Pension scheme creditor	288,853	201,476
Accruals	<u>324,891</u>	<u>106,373</u>
	<u>908,195</u>	<u>1,122,711</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	146,842	15,311,693	(16,056,064)	614,747	17,218
Other DfE grants	-	1,084,453	(1,084,453)	-	-
Other government grants	-	1,139,615	(1,139,615)	-	-
Pupil Premium	27,790	994,943	(829,162)	-	193,571
Universal Free School Meals Income	56,698	205,598	(153,984)	-	108,312
Multi-Academy Trust Start-up grant	55,264	25,000	(55,264)	-	25,000
Money transferred in on conversion	-	154,857	(154,857)	-	-
Other income	-	141,733	(141,733)	-	-
Coronavirus exceptional support	-	73,616	(73,616)	-	-
	<u>286,594</u>	<u>19,131,508</u>	<u>(19,688,748)</u>	<u>614,747</u>	<u>344,101</u>
Restricted fixed asset funds					
Assets transferred on conversion	7,247,050	6,296,307	(199,591)	-	13,343,766
DfE Capital Grants	41,582	32,949	(15,195)	-	59,336
Capital Donations	3,228	-	-	-	3,228
Fixed Assets purchased from GAG	6,453	-	(9,153)	22,267	19,567
BMBC - Iris Connect grant	1,083	-	(1,083)	-	-
	<u>7,299,396</u>	<u>6,329,256</u>	<u>(225,022)</u>	<u>22,267</u>	<u>13,425,897</u>
Restricted pension funds					
Pension reserve	(10,770,000)	(1,506,000)	(895,000)	2,898,000	(10,273,000)
Total restricted funds	(3,184,010)	23,954,764	(20,808,770)	3,535,014	3,496,998
Unrestricted funds					
Unrestricted general funds	773,464	1,280,471	(318,972)	(637,014)	1,097,949
Total funds	<u>(2,410,546)</u>	<u>25,235,235</u>	<u>(21,127,742)</u>	<u>2,898,000</u>	<u>4,594,947</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	130,700	5,491,405	(5,651,997)	176,734	146,842
Other DfE grants	5,757	289,838	(295,595)	-	-
Other government grants	-	409,600	(409,600)	-	-
Pupil Premium	29,440	377,565	(379,215)	-	27,790
Universal Free School Meals Income	61,052	97,106	(101,460)	-	56,698
Big Lottery Fund	5,833	500	(6,333)	-	-
Multi-Academy Trust Start-up grant	25,000	55,264	(25,000)	-	55,264
Money transferred in on conversion	-	251,294	(251,294)	-	-
Other income	-	85,902	(85,902)	-	-
	<u>257,782</u>	<u>7,058,474</u>	<u>(7,206,396)</u>	<u>176,734</u>	<u>286,594</u>
Restricted fixed asset funds					
Assets transferred on conversion	7,350,753	46,721	(150,424)	-	7,247,050
DfE Capital Grants	31,031	47,019	(36,468)	-	41,582
Capital Donations	3,228	-	-	-	3,228
Fixed Assets purchased from GAG	1,594	-	(2,181)	7,040	6,453
BMBC - Iris Connect grant	<u>3,874</u>	<u>-</u>	<u>(2,791)</u>	<u>-</u>	<u>1,083</u>
	7,390,480	93,740	(191,864)	7,040	7,299,396
Restricted pension funds					
Pension reserve	<u>(2,045,000)</u>	<u>(6,563,000)</u>	<u>(555,000)</u>	<u>(1,607,000)</u>	<u>(10,770,000)</u>
Total restricted funds	5,603,262	589,214	(7,953,260)	(1,423,226)	(3,184,010)
Unrestricted funds					
Unrestricted general funds	<u>224,016</u>	<u>973,301</u>	<u>(240,079)</u>	<u>(183,774)</u>	<u>773,464</u>
Total funds	<u>5,827,278</u>	<u>1,562,515</u>	<u>(8,193,339)</u>	<u>(1,607,000)</u>	<u>(2,410,546)</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

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

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

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

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

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

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

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

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

During the year a transfer of £637,014 was made from unrestricted funds to restricted general funds. There was also a transfer of £22,267 made from restricted general funds to the restricted fixed asset funds which represents fixed asset additions purchased from GAG funds. The Trust continue to generate large amounts of unrestricted income, some of which have been transferred to support the restricted income funds.

A transfer of £7,040 was made from unrestricted funds to the restricted fixed asset fund. The Trust purchased a capital item using unrestricted funds.

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total £
Hoyland Common Primary School	173,821
Ward Green Primary School	269,594
Horizon Community College	132,611
Horizon Enterprise	337,254
Worsborough Common Primary School	277,439
Mapplewell Primary School	228,658
Central services	22,673
Total before fixed assets and pension reserve	1,442,050
Restricted Fixed Asset Funds	13,425,897
Pension reserve	(10,273,000)
Total	<u>4,594,947</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Hoyland Common Primary School	1,218,492	289,982	19,999	511,919	2,040,393	2,137,284
Ward Green Primary School	1,287,251	313,751	28,975	290,949	1,920,926	1,868,443
Horizon Community College	7,343,727	2,276,286	253,846	2,638,167	12,512,027	3,440,471
Horizon Enterprise	-	373,761	44,515	146,333	564,609	229,196
Worsborough Common Primary School	1,223,905	155,718	24,586	274,829	1,679,037	-
Mapplewell Primary School	489,557	100,019	10,854	132,779	733,210	-
Central services	302,301	1,015,290	515	134,412	1,452,518	351,382
Academy Trust	<u>11,865,233</u>	<u>4,524,807</u>	<u>383,290</u>	<u>4,129,388</u>	<u>20,902,720</u>	<u>8,026,776</u>

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	13,283,480	13,283,480
Current assets	1,097,949	1,252,313	142,417	2,492,679
Current liabilities	-	(908,212)	-	(908,212)
Pension scheme liability	-	(10,273,000)	-	(10,273,000)
Total net assets	<u>1,097,949</u>	<u>(9,928,899)</u>	<u>13,425,897</u>	<u>4,594,947</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	1,084	1,084
Tangible fixed assets	-	-	7,237,031	7,237,031
Current assets	773,464	1,409,305	61,281	2,244,050
Current liabilities	-	(1,122,711)	-	(1,122,711)
Pension scheme liability	-	(10,770,000)	-	(10,770,000)
Total net assets	<u>773,464</u>	<u>(10,483,406)</u>	<u>7,299,396</u>	<u>(2,410,546)</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	2,119,022	2,062,609
Amounts due between one and five years	8,287,176	8,875,921
Amounts due after five years	24,270,297	33,980,432
	<u>34,676,495</u>	<u>44,918,962</u>

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

	2020 £	2019 £
Net income/(expenditure)	4,107,493	(6,630,824)
Amortisation	1,084	2,791
Depreciation	223,938	163,772
Funds transferred on conversion	(196,889)	(617,955)
Donated capital and capital grants	(32,949)	(47,019)
Interest receivable	(3,394)	(1,818)
LGPS interest on defined benefit pension scheme	207,000	94,000
LGPS service cost adjustment	669,000	123,000
LGPS past service cost	-	332,000
LGPS administration cost	19,000	6,000
Increase in debtors	(340,484)	(327,724)
(Decrease)/increase in creditors	(214,516)	988,196
Transfer of fixed assets on conversion	(6,242,000)	-
LGPS deficit transferred on conversion	<u>1,506,000</u>	<u>6,563,000</u>
Net cash (outflow)/inflow from operating activities	<u>(296,717)</u>	<u>647,419</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(28,370)	(28,758)
Capital grants from DfE	32,949	47,019
Interest receivable	3,394	1,818
Net cash inflow from investing activities	<u>7,973</u>	<u>20,079</u>

22 Members' liability

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

23 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £(288,853) (2019 - £(201,476)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £1,505,633 (2019: £332,708).

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

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

Scheme changes

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

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,047,762 (2019 - £417,286), of which employer's contributions totalled £815,957 (2019 - £331,285) and employees' contributions totalled £231,805 (2019 - £86,001). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.00</u>

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

	2020	2019
Retiring today		
Males retiring today	22.40	23.10
Females retiring today	25.20	25.90
Retiring in 20 years		
Males retiring in 20 years	23.90	25.30
Females retiring in 20 years	<u>27.10</u>	<u>28.30</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis

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

	+ 0.1 %	0.0%	- 0.1 %
	£	£	£
Adjustment to discount rate			
Present value of total obligation	-	-	478,000
Projected service cost	-	-	45,000
	<u>+ 0.1 %</u>	<u>0.0%</u>	<u>- 0.1 %</u>
	£	£	£
Adjustment to rate of inflation			
Present value of total obligation	489,000	-	-
Projected service cost	46,000	-	-
	<u>+ 0.1 %</u>	<u>0.0%</u>	<u>- 0.1 %</u>
	£	£	£
Adjustment to rate of salary growth			
Present value of total obligation	121,000	-	-
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
	£	£	£
Adjustment to mortality age rating assumption			
Present value of total obligation	560,000	-	-
Projected service cost	49,000	-	-

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

	2020	2019
	£	£
Equities	4,616,000	1,712,000
Government bonds	1,431,000	468,000
Other bonds	857,000	238,000
Property	818,000	285,000
Cash and other liquid assets	351,000	105,000
Other	1,665,000	464,000
Total market value of assets	<u>9,738,000</u>	<u>3,272,000</u>

The actual return on scheme assets was £24,000 (2019 - £171,000).

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost	(1,485,000)	(786,000)
Interest income	97,000	44,000
Interest cost	(304,000)	(138,000)
Admin expenses	(19,000)	(6,000)
Past service cost	-	(332,000)
Total amount recognized in the SOFA	<u>(1,711,000)</u>	<u>(1,218,000)</u>

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

	2020 £	2019 £
At start of period	14,042,000	3,138,000
Conversion of academy trusts	3,822,000	8,225,000
Current service cost	1,485,000	454,000
Interest cost	304,000	138,000
Employee contributions	232,000	85,000
Actuarial (gain)/loss	188,000	1,734,000
Benefits paid	(62,000)	(64,000)
Past service cost	-	332,000
At 31 August	<u>20,011,000</u>	<u>14,042,000</u>

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

	2020 £	2019 £
At start of period	3,272,000	1,093,000
Conversion of academy trusts	2,316,000	1,662,000
Interest income	78,000	38,000
Actuarial gain/(loss)	3,086,000	127,000
Employer contributions	816,000	331,000
Employee contributions	232,000	85,000
Benefits paid	(62,000)	(64,000)
At 31 August	<u>9,738,000</u>	<u>3,272,000</u>

24 Related party transactions

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length where the value of the transactions is below the ESFA's de minimis limit. Any transactions above this limit will be reviewed to ensure that they are conducted on a non-profit basis. In either case, the transactions will be conducted in accordance with the Trust's financial regulations and normal procurement procedures.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Related party transactions (continued)

Expenditure related party transactions

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

Lily Pad Web Services

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

Purchase invoices totalling £150 (2019: £1,500) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Lily Pad Web Services was £Nil (2019 - £Nil).

Barnsley Governors Association Limited

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

Purchase invoices totalling £nil (2019: £110) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Barnsley Governors Association Limited was £Nil (2019 - £Nil).

Tykes Teaching School Alliance Limited

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

Purchase invoices totalling £8,725 (2019: £8,148) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

The element above £2,500 has been provided 'at no more than cost' and Tykes Teaching School Alliance Limited has provided a statement of assurance confirming this.

At the balance sheet date the amount due from Tykes Teaching School Alliance Limited was £2,989 (2019 - £300).

Leaner's First Schools Partnership Limited

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

Purchase invoices totalling £130 (2019: £nil) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Leaner's First Schools Partnership Limited was £2,000 (2019 - £Nil).

Income related party transactions

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

Tykes Teaching School Alliance Limited

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

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

Barnsley Governors Association Limited

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

Sales invoices totalling £11 (2019: £nil) were charged from the trust to Barnsley Governors Association Limited.

Learner's First Schools Partnership Limited

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

Sales invoices totalling £2,387.94 (2019: £nil) were charged from the trust to Learner's First Schools Partnership Limited.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Conversion to an academy trust

On the 1st December 2019, Worsborough Common Primary converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to HCAT from Barnsley Metropolitan Borough Council for £Nil consideration.

On the 1st February 2020, Mapplewell Primary also converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to HCAT from Barnsley Metropolitan Borough Council for £Nil consideration.

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

The budget surplus on LA funds includes £12,275 received in excess of the budget surplus of funds transferred in 2019.

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

	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets			
Leasehold land and buildings	-	6,242,000	6,242,000
Budget surplus on LA funds	154,857	54,307	209,164
LGPS pension deficit	<u>(1,506,000)</u>	<u>-</u>	<u>(1,506,000)</u>
Net (liabilities)/assets	<u>(1,351,143)</u>	<u>6,296,307</u>	<u>4,945,164</u>

The above net assets include £209,164 that were transferred as cash.