

HCAT

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Forrester Boyd
Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

HCAT

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Reference and Administrative Details

Members and Trustees	J Nixson (resigned 29 January 2019) S Ramskill G Wilson A J Richards (appointed 1 October 2018)
Trustees (Directors)	A J Richards, Chair (appointed 20 May 2019) J Nixson (resigned 29 January 2019) S Gallagher W Greenhoff (resigned 20 March 2019) A Kent J C Kilburn (resigned 28 May 2019) D Marsh L P Mann (resigned 2 September 2019) M Priestley (appointed 20 May 2019) M Gostelow (appointed 1 October 2018) A F Fearn (appointed 20 May 2019)
Chief Executive Officer	T Banham
Company Secretary	V A Harrison

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Reference and Administrative Details (continued)

Senior Management Team	T W Banham, Accounting Officer
	V A Harrison, Trust Business Manager
	R Paddock, Director of Teaching and Learning
	J Huckstepp, Director of Teaching and Learning
	N Whitehouse, Director of Teaching and Learning
	W Greenhoff, Director of Finance
	A Clark, Director of Estates and Infrastructure
	S Goodall, Director of Human Resources
	M Binns, Headteacher - WGPS
	H J Croft, Assistant Headteacher - WGPS
	S Honeyman, Assistant Headteacher - WGPS
	L Reekie, School Business Manager
	B Fallon, Headteacher - HCPS
	J Robinson, Assistant Headteacher - HCPS
	C Redfearn, Assistant Headteacher - HCPS
	N Bowen, Executive Principal - Horizon
	C Huddart, Principal
	D Bowden, Associate Principal Teaching and Learning
	A Arezoo, Vice Principal (Progress) - Horizon
	A Saeed, Vice Principal (Raising Standards) - Horizon
	S Harrison, Deputy Head - HCPS
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

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Reference and Administrative Details (continued)

Solicitors	Walker Morris LLP Kings Court 12 King Street Leeds West Yorkshire LS1 2HL
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Trustees' Report for the Year Ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 primary academies and 1 secondary academy in Barnsley for pupils aged 3 to 16. Its academies have a combined pupil capacity of 2,727 and had a roll of 2,753 (422 HCPS, 382 WGPS and 1,949 Horizon) in the school census on May 2019.

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 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 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	Ward Green Primary	Horizon College
Head	1	1	1
Parent	2	3	2
Staff	2	2	2
Community	3	1	6
LA	1	1	1
Foundation	-	-	4
Total	9	8	16

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 2019 (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time

Number of
employees

0%

2

Percentage of pay bill spent on facility time

2019

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

2019

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

535

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

Policies and procedures adopted for the induction and training of Trustees

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

Organisational structure

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 it has been agreed that Link Trustees will be established to be the single point between schools and trust.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

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.

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 L Paddock, a Governor, has a material interest in Lily Pad Web Services. During the year transactions totalling £1,500 (2018: £400) were paid to this party.

S Gallagher & M A Gostelow, trustees, have a material interest in Barnsley Governors' Association. During the year transactions totalling £110 (2018: £190) 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.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives and activities

Objects and aims

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

The HCAT trustees are determined to see a high performing Multi Academy Trust that delivers the very best education for all pupils. The aims of each Academy during the period ended 31 August 2019 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.

Objectives, strategies and activities

Key influences for the Academy's Development Plan for the period under review were to ensure that 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 Reading and Mathematics.

HCAT meets all its statutory obligations as a multi academy trust. The quality of education in all schools in the multi academy trust improves and outcome for pupils continues to improve.

There was also the continued capacity to improve especially with the challenges and opportunities arising from the proposed growth of the Multi Academy 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 2019 (continued)

Strategic Report

Achievements and performance

Academic Achievements

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

		2016			2017			2018				2019			
		National	HCPS	WGFS	National	HCPS	WGFS	National	HCPS	WGFS	MATAVE	National	HCPS	WGFS	MATAVE
Attainment	GLD	69.2%	74%	64%	70.70%	71% ↓	67% ↓	71.5%	76% ↑	71% ↑	74%	71.7%	71% ↓	73% ↑	
	Y1 Phonics	81%	83%	81%	81%	86% ↑	80% ↓	82.6%	83% ↓	84% ↑	84%	82.0%	84% ↑	82% ↔	
	Y2 Phonics		96%	85%	92%	89% ↓	94% ↑	92.0%	93% ↑	94% ↑	94%		90% ↓	96% ↑	
	KS1 National Standard Reading	74%	78%	72%	76%	79% ↓	80% ↑	75.5%	80% ↑	75% ↑	77%	75.0%	83% ↑	71% ↓	
	Greater Depth Reading	23.6%	18%	15%	25.2%	27% ↑	18% ↓	25.7%	33% ↑	22% ↑	28%	25.0%	33% ↔	18% ↓	
	National Standard Writing	65.5%	74%	52%	68.2%	71% ↓	60% ↑	70.0%	76% ↑	71% ↑	73%	69.0%	76% ↔	67% ↓	
	Greater Depth Writing	13.3%	12%	0%	15.6%	15% ↑	4% ↓	15.9%	24% ↑	4% ↓	15%	15.0%	22% ↓	1% ↑	
	National Standard Maths	72.3%	74%	68%	75.1%	79% ↑	64% ↓	76.2%	82% ↑	76% ↑	79%	76.0%	84% ↑	73% ↓	
	Greater Depth Maths	18.0%	12%	6%	20.5%	27% ↑	16% ↑	21.8%	27% ↔	14% ↓	21%	22.0%	25% ↑	1% ↓	
	WRM Combined N/S	60.3%	62%	62%	63.7%	71% ↑	54% ↓	64.0%	71% ↔	67% ↑	69%	66.0%	73% ↑	64% ↓	
	WRM Combined H/S	9.0%	8%	0%	9.00%	10% ↑	4% ↓	11.7%	20% ↑	4% ↓	13%	11.0%	22% ↑	2% ↓	
	KS2 National Standard Reading	66.0%	76%	80%	71.5%	80% ↑	82% ↑	75%	93% ↑	85% ↑	75%	73%	77% ↓	75% ↑	78% ↑
	Higher Score Reading	19.0%	11%	15%	21.5%	22% ↑	23% ↑	26%	30% ↑	17% ↑	24%	27%	30% ↔	27% ↑	25% ↑
	National Standard Writing	74%	91%	80%	76%	90% ↔	84% ↑	78%	89% ↔	83% ↔	86%	78%	96% ↑	84% ↑	90% ↑
	Greater Depth Writing	15.0%	17%	13%	17.7%	24% ↑	28% ↑	20%	30% ↑	23% ↓	26%	20%	40% ↑	31% ↑	34% ↑
	National Standard Maths	70%	96%	75%	75%	94% ↓	77% ↑	76%	94% ↔	75% ↔	85%	79%	94% ↔	86% ↑	90% ↑
	Higher Score Maths	17.0%	50%	10%	22.6%	45% ↓	30% ↑	24%	48% ↑	17% ↓	33%	24%	48% ↔	43% ↑	46% ↑
	National Standard GPS	72%	94%	69%	77%	88% ↓	79% ↑	78%	93% ↑	75% ↓	84%	78%	99% ↑	86% ↑	91% ↑
	Higher Score GPS	22%	35%	25%	30.5%	47% ↑	30% ↑	34%	44% ↓	15% ↓	22%	34%	40% ↑	41% ↑	44% ↑
	WRM Combined Expected	53.0%	74%	49%	61.1%	84% ↑	60% ↑	64%	83% ↔	55% ↓	70%	65%	77% ↓	71% ↑	74% ↑
	WRM Combined Higher	5.0%	6%	8%	8.6%	13% ↑	12% ↑	10%	13% ↑	4% ↓	12%	10%	17% ↑	12% ↑	17% ↑
	Average Scaled Score R	103	102.7	100.7	104.1	106 ↑	103 ↑	108	106 ↔	102 ↔	104.3	104	105 ↓	103 ↑	104.3 ↑
	Average Scaled Score M	103	109.9	100.4	104.2	110 ↔	106 ↑	104	109 ↔	108 ↓	106	105	109 ↔	107 ↑	105.3 ↔
	Average Scaled Score GPS	104		101.1	108	109 ↑	106 ↑	106	109 ↔	107 ↓	106	106	109 ↔	107 ↑	108.6 ↑
	Progress Measure Reading	0	3.22	1.20	0	0.8 ↑	-0.1 ↑	0	0.1 ↓	0.1 ↑	0	0	-0.3 ↓	1.3 ↑	0.5 ↑
	Progress Measure Writing	0	0.43	3.2	0	0.6 ↑	2.7 ↑	0	0.8 ↑	3.8 ↑	2.2	0	3.1 ↑	3.1 ↓	3.4 ↑
	Progress Measure Maths	0	4.57	0.24	0	4.3 ↓	2.3 ↑	0	3.3 ↓	1.7 ↑	2.5	0	3.7 ↔	4.4 ↑	4.1 ↑

The multi academy trust has continued to make progress across both schools, most specifically in KS2 at Ward Green Primary School. However it is clear that the drive of the Trust for Primaries is to further improve outcomes in reading.

The table below highlights the outcomes for all students at our Secondary School - Horizon Community College who joined HCAT in June 2019.

Horizon CC Key Stage 4 Results Summary		
Benchmark	2018	2019
KS2 Average Points	27.4	27.9
Progress 8	0.02	0.07
Attainment 8 (average grade across 8 subjects)	4.34	4.49
Average attainment in English	4.82	4.76
English Grade 5+	56%	58%
English Grade 4+	71%	72%
Average attainment in Maths	4.03	4.13
Maths Grade 5+	39%	39%
Maths Grade 4+	65%	63%
Both English and Maths at Grade 5+	32%	34%
Both English and Maths at Grade 4+	58%	56%
Notes:	Ehacc Reforms	Remaining Reforms (inc. BTEC)

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

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.

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.

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.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

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 economies.

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.

Going concern

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.

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Trustees' Report for the Year Ended 31 August 2019 (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.

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.

Trustees have adopted a Responsible Officer policy and appointed Forrester Boyd as an internal reviewer to undertake a programme of internal checks on financial controls and to report to meetings of the Board.

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.

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 - £286,594
Unrestricted Fund - £773,464
Restricted Fixed Asset Fund - £7,299,396
Pension deficit - (£10,770,000)

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Investment policy

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

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

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

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

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

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

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Trustees' Report for the Year Ended 31 August 2019 (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.

- Growth of the Trust

Increasing the number of schools in the Trust is an imperative in ensuring its longer-term sustainability and preventing it being taken over by a larger Multi Academy Trust.

- Governance and Management Risk

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

- 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.

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.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

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 particular focus is the continued development of independent study skills and leadership.

Financial planning will focus on maintaining the breadth and quality of future work in the context of diminishing budgets.

Specific plans include the following:

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 economies.

HCAT

Trustees' Report for the Year Ended 31 August 2019 (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 2 December 2019 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.

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

Trustee	Meetings attended	Out of a possible
J Nixon	2	4
A F Fearn	1	2
S Gallagher	5	6
M Gostelow	6	6
W Greenhoff	4	4
A Kent	5	6
J C Kilburn	4	5
L P Mann	4	6
D Marsh	5	6
M Priestley	1	2
A J Richards	2	2

Due to changes in their circumstances, J Nixon officially resigned from the Board in January 2019, initially S Gallagher stepped from Vice Chair to Chair and then A Richards expressed an interest and was voted in on the 8th July 2019.

HCAT

Governance Statement (continued)

The decision to not have any committees was also made in the year ending August 2019 due to the MAT only being a 2 school MAT, however plans for the future are to devise a Finance Committee to concentrate on the finances across the Trust, moreover now that Horizon have joined the Trust.

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 completed a skills audit in February. This resulted in additional Board members being appointed to reflect the findings and gaps analysis.

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 has been agreed that Link Trustees will be established to be the single point between schools and trust.

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

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 ESFA 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.
- 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.
- Education Psychology Services

HCAT

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in HCAT for the year ended 31 August 2019 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 2019 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 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations

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.

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:

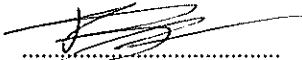
- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 2 December 2019 and signed on its behalf by:



A J Richards
Trustee



T Banham
Accounting Officer
Chief Executive 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 & 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 2018.

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 2018.

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

2 December 2019

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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 2 December 2019 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 2019, 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 2015 and the Academies Accounts Direction 2018 to 2019 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 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.

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 21], 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.

HCAT

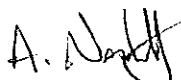
Independent Auditor's Report on the Financial Statements to the Members of HCAT (continued)

- 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.
- 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

2 December 2019

HCAT

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

In accordance with the terms of our engagement letter dated 3 July 2018 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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:

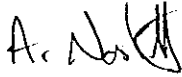
- evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming that the activities of the academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representations from the accounting officer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

HCAT

Independent Reporting Accountant's Report on Regularity to HCAT and the Education & 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 2018 to 31 August 2019 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

2 December 2019

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 £	2018/19 Total £
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
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		773,464	(10,483,406)	7,299,396	(2,410,546)

HCAT

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total (As restated) 2018 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	53,314	-	16,559	69,873
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	51,056	3,594,771	-	3,645,827
Other trading activities	4	132,328	55,416	-	187,744
Investments	5	619	-	-	619
Total		237,317	3,650,187	16,559	3,904,063
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	144,147	3,748,994	182,102	4,075,243
Net income/(expenditure)		93,170	(98,807)	(165,543)	(171,180)
Transfers between funds		(75,125)	75,125	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	312,000	-	312,000
Net movement in funds/(deficit)		18,045	288,318	(165,543)	140,820
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		205,971	(2,075,536)	7,556,023	5,686,458
Total funds/(deficit) carried forward at 31 August 2018		224,016	(1,787,218)	7,390,480	5,827,278

HCAT

(Registration number: 08654591)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	1,084	3,875
Tangible assets	13	<u>7,237,031</u>	<u>7,372,045</u>
		<u>7,238,115</u>	<u>7,375,920</u>
Current assets			
Debtors	14	428,188	100,464
Cash at bank and in hand		<u>1,815,862</u>	<u>530,409</u>
		2,244,050	630,873
Creditors: Amounts falling due within one year	15	<u>(1,122,711)</u>	<u>(134,515)</u>
Net current assets		<u>1,121,339</u>	<u>496,358</u>
Total assets less current liabilities		<u>8,359,454</u>	<u>7,872,278</u>
Net assets excluding pension liability		8,359,454	7,872,278
Pension scheme liability	23	<u>(10,770,000)</u>	<u>(2,045,000)</u>
Net (liabilities)/assets including pension liability		<u>(2,410,546)</u>	<u>5,827,278</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		286,594	257,782
Restricted fixed asset fund		7,299,396	7,390,480
Restricted pension fund		<u>(10,770,000)</u>	<u>(2,045,000)</u>
		(3,184,010)	5,603,262
Unrestricted funds			
Unrestricted general fund		<u>773,464</u>	<u>224,016</u>
Total funds		<u>(2,410,546)</u>	<u>5,827,278</u>

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue on 2 December 2019 and signed on their behalf by:



A J Richards
Chair of Trustees

HCAT

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Net cash inflow from operating activities	19	647,419	121,843
Cash transferred on conversion to an academy trust		617,955	-
Cash flows from financing activities		-	-
Cash flows from investing activities	20	<u>20,079</u>	<u>2,842</u>
Increase in cash in the year	21	<u><u>1,285,453</u></u>	<u><u>124,685</u></u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019

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 2018 to 2019 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.

In common with many other businesses of our size and nature, we use our auditor to assist with the preparation of the financial statements under the FRC's Ethical Standard - Provisions Available for Audits of Small Entities.

Conversion to an academy trust

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

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.

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

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.

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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

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). 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 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.

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

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

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 so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2019. 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.

Investments in joint ventures

Jointly controlled assets or operations are accounted for at cost less impairment (the cost model).

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2019 £	Total 2018 £
Transfer on conversion	319,940	(6,311,706)	46,721	(5,945,045)	-
Other voluntary income					
Educational trips and visits	77,247	-	-	77,247	50,289
Capital grants	-	-	47,019	47,019	16,559
Other donations	33,245	-	-	33,245	3,025
	<u>110,492</u>	<u>-</u>	<u>47,019</u>	<u>157,511</u>	<u>69,873</u>
Total voluntary income	<u>430,432</u>	<u>(6,311,706)</u>	<u>93,740</u>	<u>(5,787,534)</u>	<u>69,873</u>

3 Funding for the Academy Trust's educational operations

	School	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE/EFA revenue grants					
General Annual Grant	Hoyland Common Primary School	-	1,526,369	1,526,369	1,469,565
Pupil Premium	Hoyland Common Primary School	-	99,200	99,200	101,260
PE and Sports Grant	Hoyland Common Primary School	-	19,160	19,160	18,990
High Needs Funding	Hoyland Common Primary School	-	85,588	85,588	54,380
Universal Free School Meals	Hoyland Common Primary School	-	46,650	46,650	52,295
General Annual Grant	Ward Green Primary School	-	1,360,438	1,360,438	1,369,748
Rates Relief	Hoyland Common Primary School	-	9,273	9,273	9,072
Rates Relief	Ward Green Primary School	-	6,753	6,753	6,606
PE and Sports Grant	Ward Green Primary School	-	18,990	18,990	19,000
High Needs Funding	Ward Green Primary School	-	32,437	32,437	20,271
Pupil Premium	Ward Green Primary School	-	138,110	138,110	141,960

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

		Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
	School				
Universal Free School Meals	Ward Green Primary School	-	50,456	50,456	52,367
Start Up Grant	HCAT	-	55,264	55,264	25,000
MDIF Grant	HCAT	-	40,300	40,300	34,176
General Annual Grant	Horizon Community College	-	2,604,598	2,604,598	-
Rates Relief	Horizon Community College	-	19,749	19,749	-
High Needs Funding	Horizon Community College	-	28,176	28,176	-
Teacher's Pay Grant	Hoyland Common Primary School	-	12,583	12,583	-
Teacher's Pay Grant	Ward Green Primary School	-	11,829	11,829	-
Pupil Premium	Horizon Community College	-	140,255	140,255	-
Other DfE income	Ward Green Primary School	-	5,000	5,000	-
		-	6,311,178	6,311,178	3,374,690
Other government grants					
Early Intervention Grant (EIG)	Hoyland Common Primary School	-	112,223	112,223	90,291
Other LA Grants	Hoyland Common Primary School	-	1,100	1,100	1,500
Early Intervention Grant (EIG)	Ward Green Primary School	-	94,894	94,894	107,040
Other LA Grants	Ward Green Primary School	-	13,250	13,250	5,000
Other LA Grants	Horizon Community College	-	74,897	74,897	-
Other LA Grants	Horizon Enterprise	-	88,548	88,548	-
Bikeability Funding Grant	Horizon Community College	-	24,688	24,688	-
		-	409,600	409,600	203,831

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

	School	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Non-government grants and other income					
Sheffield Hallam University Student Income	Hoyland Common Primary School	-	3,550	3,550	5,000
Other income	Hoyland Common Primary School	12,280	-	12,280	11,720
Other income	Ward Green Primary School	57,909	-	57,909	39,336
Sheffield Hallam University Student Income	Ward Green Primary School	-	3,000	3,000	1,250
Big Lottery Grant	Ward Green Primary School	-	-	-	10,000
Big Lottery Grant	Hoyland Common Primary School	-	500	500	-
		<u>70,189</u>	<u>7,050</u>	<u>77,239</u>	<u>67,306</u>
Total grants		<u>70,189</u>	<u>6,727,828</u>	<u>6,798,017</u>	<u>3,645,827</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	10,152	-	10,152	5,707
Catering income	166,911	-	166,911	52,664
School shop sales	165	-	165	-
Other sales	293,634	79,352	372,986	129,373
	<u>470,862</u>	<u>79,352</u>	<u>550,214</u>	<u>187,744</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Investment income

	Unrestricted funds £	Total 2019 £	Total 2018 £
Short term deposits	<u>1,818</u>	<u>1,818</u>	<u>619</u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2019 £	Total 2018 £
Academy's educational operations					
Direct costs	4,332,699	149,656	391,399	4,873,754	2,628,643
Allocated support costs	<u>1,737,346</u>	<u>997,183</u>	<u>585,056</u>	<u>3,319,585</u>	<u>1,446,600</u>
	<u>6,070,045</u>	<u>1,146,839</u>	<u>976,455</u>	<u>8,193,339</u>	<u>4,075,243</u>
	<u>6,070,045</u>	<u>1,146,839</u>	<u>976,455</u>	<u>8,193,339</u>	<u>4,075,243</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating leases - plant and machinery	30,075	19,412
Operating leases - other leases	551,509	300,245
Amortisation of intangible fixed assets	2,791	3,623
Depreciation	163,670	173,091
Fees payable to auditor - audit	10,000	7,500
- other audit services	<u>500</u>	<u>560</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities

	Total 2019 £	Total 2018 £
Direct costs - educational operations		
Teaching and educational support staff costs	4,332,699	2,247,352
Depreciation	149,656	149,656
Technology costs	66,446	50,779
Educational supplies	193,650	47,789
Examination fees	2,741	9
Staff development	14,437	15,968
Other direct costs	114,125	117,090
	<u>4,873,754</u>	<u>2,628,643</u>
Support costs - educational operations		
Support staff costs	1,282,346	564,681
LGPS Service cost adjustment	455,000	72,000
Depreciation	16,907	27,058
Technology costs	79,667	54,113
Maintenance of premises and equipment	87,244	37,275
Cleaning	47,426	47,353
Rent, rates and utilities	84,827	48,072
Insurance	15,881	14,592
Recruitment and support	6,707	2,055
Security and transport	2,596	3,492
Catering	215,845	122,797
Bank interest and charges	2,941	1,203
Interest on defined benefit pension scheme	94,000	53,000
LGPS Administration expense	6,000	3,000
Professional fees	116,315	47,262
Other support costs	32,818	21,363
PFI charges	744,898	314,836
Governance costs	28,167	12,448
	<u>3,319,585</u>	<u>1,446,600</u>
Total direct and support costs	<u>8,193,339</u>	<u>4,075,243</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	4,348,370	2,206,145
Social security costs	385,637	181,099
Pension costs	1,251,732	477,425
	<u>5,985,739</u>	<u>2,864,669</u>
Supply teacher costs	43,033	16,859
Staff restructuring costs	41,273	2,505
	<u>6,070,045</u>	<u>2,884,033</u>
	2019 £	2018 £
Staff restructuring costs comprise:		
Severance payments	<u>41,273</u>	<u>2,505</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £41,273 (2018: £2,505). Individually, the payments were:

Non-statutory payments £8,658

Non-statutory payments £6,148

Non-statutory payments £26,467

Staff numbers

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

	2019 No	2018 No
Charitable Activities		
Teachers	70	31
Administration and support	135	88
Management	15	9
	<u>220</u>	<u>128</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	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 £980,191 (2018: £626,822).

9 Central services

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

- Teaching staff
- Support staff
- Governance

The academy trust charges for these services on the following basis:

- pupil numbers per academy

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Hoyland Common Primary School	66,594	-
Ward Green Primary School	68,022	-
Horizon Community College	22,158	-
	<u>156,774</u>	<u>-</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (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 2019, travel and subsistence expenses totalling £190 (2018 - £58) were reimbursed or paid directly to 2 trustees (2018 - 1).

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

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Hoyland Common Primary School, Ward Green Primary School and Horizon Community College 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 2019 (continued)

12 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2018	12,495	12,495
At 31 August 2019	12,495	12,495
Amortisation		
At 1 September 2018	8,620	8,620
Charge for the year	2,791	2,791
At 31 August 2019	11,411	11,411
Net book value		
At 31 August 2019	1,084	1,084
At 31 August 2018	3,875	3,875

13 Tangible fixed assets

	Long Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2018	7,787,000	49,578	9,000	123,651	7,969,229
Additions	-	3,100	-	25,658	28,758
At 31 August 2019	7,787,000	52,678	9,000	149,309	7,997,987
Depreciation					
At 1 September 2018	437,014	43,097	8,850	108,223	597,184
Charge for the year	149,656	3,444	150	10,522	163,772
At 31 August 2019	586,670	46,541	9,000	118,745	760,956
Net book value					
At 31 August 2019	7,200,330	6,137	-	30,564	7,237,031
At 31 August 2018	7,349,986	6,481	150	15,428	7,372,045

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Debtors

	2019 £	2018 £
Trade debtors	56,119	1,475
Prepayments	188,888	48,649
Accrued grant and other income	89,196	36,954
VAT recoverable	92,914	13,087
Other debtors	1,071	299
	<u>428,188</u>	<u>100,464</u>

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	552,279	864
Other taxation and social security	237,419	47,789
Other creditors	25,164	470
Pension scheme creditor	201,476	48,124
Accruals	106,373	37,268
	<u>1,122,711</u>	<u>134,515</u>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds

	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	3,874	-	(2,791)	-	1,083
	<u>7,390,480</u>	<u>93,740</u>	<u>(191,864)</u>	<u>7,040</u>	<u>7,299,396</u>
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>

HCAT

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	39,618	2,839,313	(2,823,356)	75,125	130,700
Other DfE grants	13,400	113,210	(120,853)	-	5,757
Other government grants	-	314,782	(314,782)	-	-
Pupil Premium	34,070	243,220	(247,850)	-	29,440
Universal Free School Meals Income	62,710	104,662	(106,320)	-	61,052
Big Lottery Fund	3,666	10,000	(7,833)	-	5,833
Multi-Academy Trust Start-up grant	-	25,000	-	-	25,000
	<u>153,464</u>	<u>3,650,187</u>	<u>(3,620,994)</u>	<u>75,125</u>	<u>257,782</u>
Restricted fixed asset funds					
Assets transferred on conversion	7,525,358	-	(174,605)	-	7,350,753
DfE Capital Grants	18,824	16,559	(4,352)	-	31,031
Capital Donations	3,228	-	-	-	3,228
Fixed Assets purchased from GAG	2,571	-	(977)	-	1,594
BMBC - Iris Connect grant	6,042	-	(2,168)	-	3,874
	<u>7,556,023</u>	<u>16,559</u>	<u>(182,102)</u>	<u>-</u>	<u>7,390,480</u>
Restricted pension funds					
Pension reserve	<u>(2,229,000)</u>	<u>-</u>	<u>(128,000)</u>	<u>312,000</u>	<u>(2,045,000)</u>
Total restricted funds	5,480,487	3,666,746	(3,931,096)	387,125	5,603,262
Unrestricted funds					
Unrestricted general funds	<u>205,971</u>	<u>237,317</u>	<u>(144,147)</u>	<u>(75,125)</u>	<u>224,016</u>
Total funds	<u>5,686,458</u>	<u>3,904,063</u>	<u>(4,075,243)</u>	<u>312,000</u>	<u>5,827,278</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 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 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 a MAT Development and Improvement Fund (MDIF) grant to provide additional support in order to improve the academies and increase social mobility.

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 £176,734 was made from unrestricted funds to restricted general 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 GAG funds.

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	Total £
Hoyland Common Primary School	171,061
Ward Green Primary School	280,949
Horizon Community College	145,629
Horizon Enterprise	359,926
Central services	102,493
	<hr/>
Total before fixed assets and pension reserve	1,060,058
Restricted Fixed Asset Funds	7,299,396
Pension reserve	(10,770,000)
	<hr/>
Total	(2,410,546)

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 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 2019 £	Total 2018 £
Hoyland Common Primary School	1,106,475	402,250	18,638	609,921	2,137,284	2,051,638
Ward Green Primary School	1,021,723	423,132	30,380	393,208	1,868,443	1,726,164
Horizon Community College	1,860,002	868,827	44,276	667,366	3,440,471	-
Horizon Enterprise	-	107,545	98,894	22,757	229,196	-
Central services	219,786	60,301	1,461	69,834	351,382	120,727
Academy Trust	<u>4,207,986</u>	<u>1,862,055</u>	<u>193,649</u>	<u>1,763,086</u>	<u>8,026,776</u>	<u>3,898,529</u>

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	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>

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	-	-	3,875	3,875
Tangible fixed assets	-	-	7,372,045	7,372,045
Current assets	224,016	392,297	14,560	630,873
Current liabilities	-	(134,515)	-	(134,515)
Pension scheme liability	-	(2,045,000)	-	(2,045,000)
Total net assets	<u>224,016</u>	<u>(1,787,218)</u>	<u>7,390,480</u>	<u>5,827,278</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	2,060,255	347,716
Amounts due between one and five years	8,875,921	1,316,293
Amounts due after five years	33,980,432	2,905,731
	<u>44,916,608</u>	<u>4,569,740</u>

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

	2019 £	2018 £
Net expenditure	(6,630,824)	(171,180)
Amortisation	2,791	3,623
Depreciation	163,772	173,091
Funds transferred on conversion	(617,955)	-
Donated capital and capital grants	(47,019)	(16,559)
Interest receivable	(1,818)	(619)
LGPS interest on defined benefit pension scheme	94,000	53,000
LGPS service cost adjustment	123,000	72,000
LGPS past service cost	332,000	-
LGPS administration cost	6,000	3,000
Increase in debtors	(327,724)	(12,007)
Increase in creditors	988,196	17,494
LGPS deficit transferred on conversion	6,563,000	-
Net cash inflow from operating activities	<u>647,419</u>	<u>121,843</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(28,758)	(14,336)
Capital grants from DfE	47,019	16,559
Interest receivable	1,818	619
Net cash inflow from investing activities	<u>20,079</u>	<u>2,842</u>

21 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,815,862</u>	<u>530,409</u>
Total cash and cash equivalents	<u>1,815,862</u>	<u>530,409</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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £(201,476) (2018 - £(48,124)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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 assumed real rate of return is 2.8% 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 is 4.45%

The employer's pension costs paid to TPS in the period amounted to £332,708 (2018: £223,242).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2019 was £417,286 (2018 - £154,208), of which employer's contributions totalled £331,285 (2018 - £108,208) and employees' contributions totalled £86,001 (2018 - £46,000). The agreed contribution rates for future years are 12.1% per cent for employers and 5.5 - 8.5% 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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.30	3.50
Rate of increase for pensions in payment/inflation	2.10	2.30
Discount rate for scheme liabilities	1.80	2.90
Inflation assumptions (CPI)	<u>2.00</u>	<u>2.20</u>

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

	2019	2018
Retiring today		
Males retiring today	23.10	23.00
Females retiring today	25.90	25.80
Retiring in 20 years		
Males retiring in 20 years	25.30	25.20
Females retiring in 20 years	<u>28.30</u>	<u>28.10</u>

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	-	-	335,000
Projected service cost	-	-	37,000
	<u>+ 0.1%</u>	<u>0.0%</u>	<u>- 0.1%</u>
Adjustment to rate of inflation			
Present value of total obligation	345,000	-	-
Projected service cost	39,000	-	-
	<u>+ 0.1%</u>	<u>0.0%</u>	<u>- 0.1%</u>
Adjustment to rate of salary growth			
Present value of total obligation	84,000	-	-
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
Adjustment to mortality age rating assumption			
Present value of total obligation	247,000	-	-
Projected service cost	25,000	-	-

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

	2019 £	2018 £
Equities	1,712,000	581,000
Government bonds	468,000	157,000
Other bonds	238,000	80,000
Property	285,000	106,000
Cash and other liquid assets	105,000	50,000
Other	<u>464,000</u>	<u>119,000</u>
Total market value of assets	<u>3,272,000</u>	<u>1,093,000</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

The actual return on scheme assets was £171,000 (2018 - £45,000).

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Current service cost	(454,000)	(257,000)
Interest income	44,000	24,000
Interest cost	(138,000)	(77,000)
Admin expenses	(6,000)	(3,000)
Past service cost	(332,000)	-
Total amount recognized in the SOFA	<u>(886,000)</u>	<u>(313,000)</u>

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

	2019 £	2018 £
At start of period	3,138,000	3,059,000
Conversion of academy trusts	8,225,000	-
Current service cost	454,000	257,000
Interest cost	138,000	77,000
Employee contributions	85,000	46,000
Actuarial (gain)/loss	1,734,000	(291,000)
Benefits paid	(64,000)	(10,000)
Past service cost	332,000	-
At 31 August	<u>14,042,000</u>	<u>3,138,000</u>

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

	2019 £	2018 £
At start of period	1,093,000	830,000
Conversion of academy trusts	1,662,000	-
Interest income	38,000	24,000
Actuarial gain/(loss)	127,000	21,000
Employer contributions	331,000	185,000
Employee contributions	85,000	46,000
Benefits paid	(64,000)	(13,000)
At 31 August	<u>3,272,000</u>	<u>1,093,000</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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.

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 £1,500 (2018: £400) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Lily Pad Web Services was £Nil (2018 - £Nil).

Barnsley Governors Association Limited

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

Purchase invoices totalling £110 (2018: £190) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Barnsley Governors Association Limited was £Nil (2018 - £Nil).

Tykes Teaching School Alliance Limited

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

Purchase invoices totalling £8,148 (2018: £2,890) were charged to the trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

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/(to) Tykes Teaching School Alliance Limited was £300 (2018 - £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 £63,267 (2018: £73,510) were charged from the trust to Tykes Teaching School Alliance Limited.

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Conversion to an academy trust

On 1 June 2019 the Horizon Community College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to HCAT from the Barnsley Metropolitan Borough Council Local Authority for £Nil consideration.

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

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Budget surplus on LA funds	319,940	251,293	46,722	617,955
LGPS pension deficit	-	(6,563,000)	-	(6,563,000)
Net assets/(liabilities)	<u>319,940</u>	<u>(6,311,707)</u>	<u>46,722</u>	<u>(5,945,045)</u>

The above net liabilities include £617,955 that were transferred as cash.