

# **The Hoddesdon School Trust**

## **Annual Report and Financial Statements**

31 August 2020

Company Limited by Guarantee  
Registration Number  
07555066 (England and Wales)

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## Reference and administrative information

<b>Members</b>	Mr N R Chaaban Mrs F L Ives Mrs A M Pask Mr M J Sturgeon Mr P Tidmarsh
<b>Trustees</b>	Mr D A Allman (Accounting Officer) Ms J E M Carson (Co-opted) Mr G A Dykes Mrs F L Ives Mr D J Kennedy (Chair) Mr A C Lebaigue Mr R J McCarthy BEM Mrs R E Semark (Co-opted) Mr A Shah-Cundy Mrs M C Sykes
<b>Company Secretary</b>	Mrs F Connolly
<b>Trust Senior Management Team</b>	
Chief Executive Officer	Mr D A Allman BSc, MA, NPQH, FCCT, FRSA
Headteacher – Roselands Primary School	Ms J E M Carson Cert. Ed
Chief Financial Officer	Mrs G A Knights AAT DSBM
Headteacher – The Cranbourne Primary School	Mrs R E Semark BEd, NPQH, FCCT
Headteacher – The John Warner School	Mr J M Scott BA, MA, NPQH, MCCT
<b>Registered address</b>	The Hoddesdon School Trust Stanstead Road Hoddesdon Hertfordshire EN11 0QF
<b>Company registration number</b>	07555066
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds TSB Bank Plc Hitchin Branch PO Box 1000 BX1 1LT

## Reference and administrative information

### **Solicitors**

Stone King LLP  
16 St John's Lane  
London  
EC1M 4BS

### **Chartered surveyors**

Lambert Smith Hampton  
45 Grosvenor Road  
St Albans  
Hertfordshire  
AL1 3AW

## **Trustees' report (including the strategic report) Year to 31 August 2020**

The Trustees of The Hoddesdon School Trust ('the Academy Trust') present their annual report together with the financial statements of the Academy Trust for the year to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

On 16 July 2016 the members of The John Warner School agreed that the name of the Company should be changed to The Hoddesdon School Trust. This followed the Company's successful transition to Multi-Academy Trust status and the agreement of two local primary schools to join the Academy Trust on 1 September 2016.

The financial statements have been prepared in accordance with the accounting policies set out on pages 61 to 66 of the attached financial statements and comply with the Academy Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

In line with the ESFA's Supplementary Bulletin on COVID-19 published in July 2020, the Trustees have described the impact of the COVID-19 pandemic on the academy trust in a number of areas throughout the report and in a specific section at the end of 'achievements and performance'.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Hoddesdon School Trust is an exempt charity and a company limited by guarantee, not having share capital. The Memorandum and Articles of Association are the primary governing document of the Academy Trust. The Trustees of The Hoddesdon School Trust are also the directors of the Academy Trust for the purposes of company law.

#### **History**

The Academy Trust runs three Academies: The John Warner School, The Cranbourne Primary School and Roselands Primary School. All three are co-educational and are in Hoddesdon, Hertfordshire. The John Warner School was a local authority operated school founded in 1953 and converted to Academy Trust status on 1 April 2011. It then became The Hoddesdon School Trust, a Multi-Academy Trust, on 1 September 2016 comprising of The John Warner School and the two primary schools who became Academies themselves on 1 September 2016.

The John Warner School was incorporated on 8 March 2011 and was governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 8 March 2011 and which were subsequently replaced by new Articles of Association on 27 July 2016 as part of the process of conversion to Multi-Academy Trust status.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Members' liability**

The members of the Academy Trust are Mr N R Chaaban, Mrs F L Ives, Mrs A M Pask, Mr M R Sturgeon and Mr P Tidmarsh.

Every member of the Academy Trust undertakes to contribute an amount not exceeding £10 to the assets of the Academy Trust in the event of the Academy Trust being wound up during the year of membership, or within one year thereafter.

### **Trustees' indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. From March 2015, the Academy Trust was part of the Academies Risk Protection Arrangement (RPA). The cost of this insurance is included within the total insurance cost.

### **Principal activities**

The principal activity of the Academy Trust is to run three schools: The John Warner School, The Cranbourne Primary School and Roselands Primary School. All three are co-educational and are in Hoddesdon, Hertfordshire.

In accordance with its charitable objectives, the Academy Trust seeks to advance the education of the children attending the Academies within it. The Academy Trust's primary beneficiaries are therefore the students and their parents. The principal means whereby this activity is carried out is by maintaining a high standard of education for all within the Academy Trust.

In addition, the Academy Trust operates the John Warner School Sports Centre for the benefit of the Academy Trust's pupils and also other primary school pupils in the locality and the wider community.

The Sports Centre is a joint venture with the Borough of Broxbourne governed by a dual-use agreement. This agreement allows the Sports Centre to operate for the benefit of the local community and for the Academy Trust. The Academy Trust provides the Sports Centre with an appropriate amount of funding to support its maintenance and running. In return the Borough of Broxbourne operates the Sports Centre and maintains it for the benefit of both the pupils of the Academy Trust and the local community. It is not possible to quantify the financial benefit of this arrangement but it is undoubtedly the case that both the Academy Trust's population and the local community benefit from the dual-use facility.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Trustees**

The Trustees are directors of the Academy Trust for the purposes of the Companies Act 2006. The following Trustees were in office at 31 August 2020 and served throughout the year.

#### **Trustee**

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Ms J E M Carson (Co-opted)  
Mr P Cuffaro (resigned 31 August 2020)  
Mr G A Dykes  
Mrs A E Heal (resigned 31 August 2020)  
Ms S A Hurwood (resigned 31 August 2020)  
Mrs F L Ives (Chair)  
Mr D J Kennedy (Accounting Officer)  
Mr A C Lebaigue  
Mr R J McCarthy BEM  
Mrs R E Semark (Co-opted)  
Mr A Shah-Cundy  
Mrs M C Sykes

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Mr D A Allman was appointed as a Trustee on 1 September 2020.

### **Method of recruitment and appointment or election of Trustees**

The Trustees regularly review the mix of skills that should be available to the Board. New Trustees are then sought with these skills, either as additional Trustees or replacements when existing Trustees stand down and it is anticipated that the great majority of new Trustees will be drawn from the local community, being either parents or guardians of pupils at the Academy Trust or others that have shown an interest in the future well-being of the Academy Trust and its pupils. Recruitment is therefore through a combination of approaches to individuals with known skills and by wider communications to those within the Hoddesdon area of Hertfordshire.

In accordance with the Academy Trust's Articles of Association and Terms of Reference, new Trustees are appointed to the Board by the existing Trustees until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of four years. At the end of a four year term, retiring Trustees are eligible for re-election for a further term. Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. A series of briefings for the Board and the senior management team of the Academy Trust as a whole is in place based on areas of potential interest and/or concern.

### **Policies and procedures adopted for the induction and training of Trustees**

New Trustees are provided with an Induction Pack comprising all relevant documentation relating to the recent work of the Trustees, together with the Trust's Articles of Association, the current Trustee Handbook and all policies in operation at the Academy Trust. A regular skills audit is undertaken which, with the current competency matrix, identifies future training needs which are addressed through internal training or that are provided by nationally accredited trainers.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Organisational structure**

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Academy Trust, approving decisions reserved to Trustees and appointing key members of staff.

The retained responsibilities of the Trust Board are set out in its Terms of Reference and its Scheme of Delegation.

The Board of Trustees meets six times each year. All decisions reserved to the Trustees are taken by the Board as a whole, in accordance with its Terms of Reference and its Scheme of Delegation. Board sub-committees meet during the year to consider detailed matters and recommend decisions to the full Board.

During the period for which this report accounts, the Trust Board, in addition to its Local Governing Bodies, operated a Risk and Audit sub-committee, a Finance sub-committee and a Pay sub-committee, each operating under clearly articulated Terms of Reference. In particular, the Risk and Audit sub-committee considers issues relating to the systems and processes of control and risk management that operated throughout The Hoddesdon School Trust, and to make recommendations to the Board.

The Trust Board retained the decision not to convene additional regular sub-committee meetings in order to maximise Trustee first hand engagement with work of the Trust, however a Sports Centre committee and ad hoc groups of Trustees are established, as and when required, to consider specific issues and make recommendations to the Board.

The Chair of the Board of Trustees of The Hoddesdon School Trust, prior to retirement on 31 August 2020, was the Accounting Officer during the accounting period and worked closely with the other Trustees and the senior staff of the Academy Trust. The day-to-day management of the Academy Trust rests with the current Chief Executive Officer and Executive Headteacher, the Chief Financial Officer and the Headteachers of the constituent Academies. This Senior Management Team has the overall responsibility for operations, across the Trust.

### **Arrangements for setting pay and remuneration of key management personnel**

Key management personnel comprise the Trustees and the Senior Management Team listed on page 1.

Pay and remuneration for key management staff are determined in accordance with the Academy Trust's Pay Policy pursuant to the Trust's Terms of Reference and its Schedule of Delegation. The Trustees monitor the outcomes of pay decisions, ensuring the school's continued compliance with equalities legislation.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Trade union facility time**

The Academy Trust had no relevant trade union officials in the year.

### **Connected organisations, including related party relationships**

The Academy Trust has a relationship with the Borough of Broxbourne which involves a dual-use agreement whereby the Borough operate the Academy Trust's Sports Centre. This agreement has a 21 year timespan and was signed on 13 February 2002. There is a Trustee and councillor oversight group that meets twice a year.

### **Engagement with employees (including disabled persons)**

The Hoddesdon School Trust is committed to providing employees with information on matters of concern to them, consulting with employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests, and encouraging the involvement of employees in the Trust's performance working toward achieving a common awareness on the part of all employees of the factors affecting the performance of the Trust.

To do this, the Trust's Senior Leadership Team, composed of the Chief Executive Officer, the Chief Financial Officer and the Headteachers of the three constituent academies, meet on a weekly basis to discuss strategic and operational matters that affect the Trust as a whole, and to give due consideration and to develop a shared approach across the Trust to issues emerging in any one of those academies. Trust leaders routinely collaborate with and provide mutual support for one another, and model this process so that it can be copied by the senior leadership teams in the schools themselves. The culture in all of the schools is one of consultation with staff so that sustainable improvement processes can become embedded.

The Trust welcomes applications for employment from disabled persons, and works with occupational health professionals to support the treatment of employees who become disabled. Appropriate training, career development and promotion is available to all staff, including disabled persons, throughout their employment with us.

### **Engagement with suppliers, customers and others in a business relationship with the Trust**

The Hoddesdon School Trust is enjoined to spend public money well. Its priorities in engagement with suppliers and others with whom the Trust has a business relationship are to ensure that purchasing and procurement processes are economic, efficient, effective and equitable. Relationships with suppliers are documented appropriately and reviewed for best value as a matter of routine. The Trust complies fully with the Department for Education's guidance on buying procedures and procurement law for schools.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

#### **Objects**

The charitable objects of the Academy Trust are set down in the governing document as follows:

- i) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- ii) To promote for the benefit of the inhabitants of Hoddesdon and the surrounding area the provision of facilities, for recreation or other leisure time occupation of individuals who have a need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare, and with the object of improving the condition of life of the said inhabitants.

#### **Aims**

The Trust's aims are, therefore:

- i) To ensure that the education provided by the Academy Trust within all of its Academies is of the highest possible quality; and
- ii) To ensure that the facilities for recreation leisure time activities that it promotes is as effective as it can be in improving the condition of life of the members of the community it serves.

### **Objectives, strategies and activities**

#### **Objectives**

The Trust's objectives, to achieve its aims, are:

1. To ensure that governance across the Trust is of the highest quality;
2. To ensure that the organisational aspects of the Trust are such that it is maintained well, developed constructively, and managed in such a way as to ensure compliance with all relevant statutory requirements; and
3. To ensure that the curriculum of all its Academies provides to all their pupils is best placed to enable them to take advantage of the opportunities, responsibilities and experiences of later life and that they are equipped with the knowledge and cultural capital to do so.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objectives, strategies and activities** (continued)

#### **Strategies**

The Trust's strategies to fulfil those objectives are:

1. To continue to sustainably improve its governance.
2. To manage the resources at its disposal with a view to securing the best possible value for money in pursuit of its aims.
3. To support the individual Academies in relation to their distinctive features and enrichment activities so as to enhance the cultural capital of the children and young people in their care.

#### **Activities**

The Trust's activities in relation to those strategies are:

1. To provide leadership, and ensure, through their own ongoing self-review, that people with the right knowledge, skills and effective behaviours are in place to discharge the obligations upon them with reference to the Department for Education's Governance Handbook and Competency Framework.
2. To ensure that the Trust's maintenance and development activities and its compliance requirements are fulfilled effectively in relation to (1) finance, health and safety, GDPR, e-safety and the estate; (2) people, their recruitment, retention, rights and responsibilities, and (3) other resources, and integrated curriculum and financial planning.
3. To secure economic, efficient, effective and equitable curriculum design within and across phases so that the distinctive features of each Academy and its enrichment activities contribute to enhance the cultural capital of the children and young people in their care. It is about focussing on approaches to pedagogy and wider educational practice through the continuing professional development of teachers so that educational outcomes of children are the best they can be, and related directly to the vision, mission and shared values of the Trust as a whole, and the unique, distinctive ethos of the constituent Academies.

#### **Public benefit**

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report.

**OBJECTIVES AND ACTIVITIES** (continued)

***Benefits and beneficiaries***

In accordance with its charitable objectives, the Academy Trust strives to advance the education of the attending pupils. The Academy Trust's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the Academy Trust.

***Trustees' assessment of public benefit***

In order to determine whether or not the Academy Trust has fulfilled its charitable objectives for public benefit, the Trustees scrutinise external performance data published nationally by the Department for Education, internal data presented to them through the work of the Local Governing Bodies of the constituent Academies and the Head Teachers thereof, all of whom are accountable directly to the CEO and Executive Headteacher of the Academy Trust. Evidence of this may be seen in the minutes and associated papers for each of the Local Governing Body meetings, and in those of the Trust itself.

## STRATEGIC REPORT

### Achievements and performance

#### Introduction

This is the fourth annual report of The Hoddesdon School Trust as a Multi-Academy Trust which commenced operationally on 1 September 2016 and represents the joining together of three schools who have a long and distinguished history of working together. These are The John Warner School, The Cranbourne Primary School and Roselands Primary School.

All three schools are co-educational, comprehensive schools that are located in north Hoddesdon, Hertfordshire.

The majority of children leaving The Cranbourne Primary School and Roselands Primary School subsequently join The John Warner School for their secondary education, though this is not an automatic right and the admissions processes for all three schools are published clearly on their respective websites.

#### Review of activities

The activities of the Trust have been undertaken in accordance with the strategy set out to achieve the Trust's objectives. These are listed below, with summaries of progress in terms of indicators, milestones and benchmarks thereafter.

#### ***Objective 1: to ensure that governance across the Trust is of the highest quality.***

Trustees' priorities are:

1. To provide strategic leadership that sets and champions vision, ethos and strategy
2. To ensure the board is composed of people with the right skills, experience, qualities and capacity to do so
3. To ensure that the Trust is organised through structures that reinforce clearly defined roles and responsibilities and that secure compliance with statutory and contractual requirements
4. To ensure that accountability arrangements drive up educational standards and financial performance
5. To monitor, evaluate and improve the quality and impact of governance

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

***Objective 2 : to ensure that the organisational aspects of the Trust are such that it is maintained well, developed constructively, and managed in such a way as to ensure compliance with all relevant statutory requirements.***

Trustees' governance priorities focus specifically on the following aspects:

1. Finance, administration, IT, GDPR, health and safety and the estate
2. People, their recruitment, retention, rights and responsibilities
3. Other resources, and integrated curriculum and financial planning

***Objective 3: to ensure that the curricula that all their Academies provide to all their pupils are best placed to enable them to take advantage of the opportunities, responsibilities and experiences of later life and that they are equipped with the knowledge and cultural capital to do so.***

Trustees' priorities are to ensure that its Academies focus on, and are held accountable for, the following aspects of educational practice:

1. Curriculum design within and across phases
2. Distinctive features, enrichment and cultural capital
3. Approaches to pedagogy and wider educational practice
4. Continuing professional development of teachers
5. Educational outcomes

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***Objective 1: to ensure that governance across the Trust is of the highest quality***

***1.1: To provide strategic leadership that sets and champions vision, mission, ethos, shared values and strategy***

Trustees champion the Trust's vision of creating memories and futures together.

Their mission is to build a strong and secure platform for the lifelong learning of all the Trust's children, staff and the community it serves by offering a broad, balanced and well-rounded education for all, in the belief that through shared values and high aspirations its Academies are stronger together. Trustees are committed to helping children and young people to discover, grow and develop their own potential for success today, and throughout their lives.

The ethos of The Hoddesdon School Trust and the values shared across it are aspiration, creativity, participation, respect, and endeavour. These mean that all stakeholders:

1. aim high in all that they do, prepare to succeed in school and in life, and aim to create memories and futures together;
2. believe that they are all creative, that they love learning and thinking deeply and they acknowledge the importance of education for education's sake;
3. learn from each other to make a positive impact on our school, families and world, broaden their skills beyond the classroom and promote community links through charity work;
4. create a mutually respectful atmosphere, have respect for themselves and form positive relationships in an environment that is free from prejudice, bullying and harassment;
5. believe that hard work leads to success, believe in the importance of service to achieve targets, goals and ambitions, and believe in the need to develop resilience to thrive in an ever-changing world.

The overarching framework and operational objectives for fulfilling the Trust's mission and achieving its vision through these values and shared ethos are set out in the Trust's Strategic Plan, and progress to date together with current and future priorities are set out in its Annual Report and Financial Statements.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

#### **Progress in the year to 31 August 2020**

The Covid-19 pandemic brought about a closing down of schools for all but the most vulnerable children and the children of essential workers from 23 March 2020, and an eventual 'wider re-opening' from 1 June 2020.

On 19 March 2020, at a scheduled meeting of the Trust Board, Trustees made their decisions in relation to the appointment of a new Chief Executive Officer, a new Chief Financial Officer and a new Company Secretary to take effect on 1 September 2020 as part of a detailed succession plan in relation to the retirement of the current Chief Executive Officer on 31 August 2020.

The vision, mission, ethos, shared values and strategy remain the same.

#### **Priorities for the year to 31 August 2021**

Priorities for the year to 31 August 2021 are:

1. To cement the linkage between risk register, strategic plan, and reporting requirements
2. To build the public profile of the Board

#### ***1.2: To ensure the board is composed of people with the right skills, experience, qualities and capacity to do so***

In line with the Academies Financial Handbook, Trustees undertake an annual assessment of the Trust Board's skills and experience and review of the board's composition in terms of skills, effectiveness, leadership and impact.

#### **Progress in the year to 31 August 2020**

A comprehensive annual assessment of the Trust Board's skills and experience and review of the board's composition in terms of skills, effectiveness, leadership and impact was undertaken in the period from its inception in September 2019 to the final report back to the Trust Board on 19 March 2020.

Almost all Trustees and members of Local Governing Bodies whose Terms of Office expired on 31 August 2020 indicated their willingness to serve for a further Term, with those unable to do so citing work related commitments as the decisive factor.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

The annual assessment, which was informed by all participants completing a questionnaire drawn directly from the Department For Education's Governor Competency Framework, identified areas to prioritise for governance training, and arrangement have been put in place to ensure that this training is both of high quality and readily accessible to Trustees and members of Local Governing Bodies.

#### **Priorities for the year to 31 August 2021**

For the year to 31 August 2021 the priorities are:

1. To reduce the administrative burden associated with membership of the Trust Board and its Committees
2. To review the composition and effectiveness of the Trust Board and its Committees
3. To ensure that arrangements for recruiting, inducting and training of members of the Trust Board and its Committees is fit for purpose

#### ***1.3: To ensure that the Trust is organised through structures that reinforce clearly defined roles and responsibilities and that secure compliance with statutory and contractual requirements***

The Terms of Reference and Scheme of Delegation are subject to annual review, as are its policies.

#### **Progress in the year to 31 August 2020**

Throughout the year the Trust's Terms of Reference and Scheme of Delegation were reviewed as were its policies, with decisions about amendment documented accordingly. These include:

1. An updated section on Executive Leadership Roles
2. Updated Terms of Reference for the Risk and Audit Committee – Composition
3. Change of name of Committee – Risk and Audit became Audit and Risk Assurance in line with HM Treasury guidance.
4. Updated Terms of Reference for the Finance Committee - Composition
5. Inclusion of the Terms of Reference of the Pay Committee and amendment to include oversight of personnel functions
6. Change of name of Committee – Pay becomes Personnel and Pay to reflect enhanced responsibilities.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

7. Addition of a new Committee – Education Committee
8. Inclusion of the Terms of Reference of the Education Committee
9. Updated Job Descriptions for the CEO and Executive Headteacher, the Chief Financial Officer and the Company Secretary
10. Addition of the Job Description for the Clerk to the Board of Trustees and its Committees.

**Priorities for the year to 31 August 2021**

For the year to 31 August 2021 the priority is:

1. To continue to review and update documentation to reflect the will of the Trust Board

***1.4: To ensure that accountability arrangements drive up educational standards and financial performance***

The committees of the Trust Board, including the Local Governing Bodies, operate effectively and efficiently, and the Trust's policies in relation to pay, appraisal and capability as well as internal managerial arrangements are focused on driving up educational standards and financial performance.

**Progress in the year to 31 August 2020**

The Trust determined, in the period to 31 August 2020, that in addition to the existing Committees, and their revised terms of Reference and Scheme of Delegation, that an Education Committee should be convened to exercise strategic oversight of the quality of education provided by the Trust as a whole, taking into account factors internal and external to its operations.

**Priorities for the year to 31 August 2021**

For the year to 31 August 2021 the priorities are:

1. To review and adapt meeting arrangements to meet the needs of the Trust Board and its Committees
2. To revise the annual schedule of works so that meetings are effective and efficient in fulfilling their purpose
3. To secure external audit and internal assurance.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***1.5: To monitor, evaluate and improve the quality and impact of governance***

Trustees' review and evaluate their collective capacity for effective, impactful governance through consideration of:

- Leadership and people and so vision, values, ethos, planning, monitoring and reviewing, listening, leading, managing risk and making decisions.
- Structures and compliance with regard to oversight, separation, communication, terms of reference and schemes of delegation, complementarity and avoidance of duplication, awareness, adherence and the effective undertaking of duties and responsibilities.
- Accountability and improvement, in relation to analysis, oversight, monitoring and challenge, transparency, performance management and processes for business and financial planning, effective controls for managing within available resources and ensuring regularity, propriety and value for money, independent checking, skills audit, planned recruitment, induction and CPD, self-evaluation and review of contribution, external review and independent assessment, documentation compliant with legal requirements for retention

**Progress in the year to 31 August 2020**

The Trust's obligation to monitor, evaluate and improve the quality and impact of governance through rigorous self-evaluation, capacity building, a focus on the accessibility of relevant resources, the management of risk and the operation of an active reserves policy in pursuit of its strategic aims have been debated, discussed and fully decided upon, and agreed actions and their impacts will be reported on in the Annual Report and Financial Statements to 31 August 2021.

**Priorities for the year to 31 August 2021**

For the year to 31 August 2021 the priorities are:

1. To ensure self-evaluation informs planning, monitoring and evaluation of improvement
2. To build capacity through the leadership of governance
3. To ensure ease of accessibility to resources
4. To operate an active Risk Register that informs the Strategic Plan
5. To actively manage the Trust's Reserves in pursuit of the Trust's strategic aims.

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

#### Indicators, milestones and benchmarks (continued)

***Objective 2: to ensure that the organisational aspects of the Trust are such that it is maintained well, developed constructively, and managed in such a way as to ensure compliance with all relevant statutory requirements***

#### ***2.1: Finance, administration, IT, GDPR, health and safety and the estate***

This objective is about how well 'the machine' functions, and making it function more effectively. It is the aim of any organisation, and is the linchpin of success. The Annual Report and Financial Statement to 31 August 2019 set out where we were and the text below is an update and is an accurate representation of the state of affairs as at 17 November 2020.

#### ***Finance***

Trustees have received, at the Finance Committee meeting of 23 November 2020, benchmarking data available through 'View my Financial Insights' provided by the Education and Skills Funding Agency and as such are aware of and alert to any potential issues.

At the time of writing of this report, the Education and Skills Funding Agency's School Resource Management Self-Assessment Tool is not available and the return is not required until March 2021 for the period to August 31 2020.

For transparency if nothing else in this regard, completion of the Education and Skills Funding Agency's School Resource Management Self-Assessment Tool in November 2019 involved benchmarking exercises for each of the three constituent Academies using accurate 2019 comparator data.

Benchmarking was in relation to the following key performance indicators:

- Spend on teaching staff, supply staff, education support staff, administrative and clerical staff and other staff costs, each as a percentage of total expenditure
- Senior leaders as a percentage of workforce, and pupil to teacher and pupil to adult ratios
- Teacher contact ratio (less than 1.0) and average teacher cost (£)
- Spend on teaching resources, on premises (including staff costs), and on energy, each as a percentage of total expenditure
- In-year balance and revenue reserve, each as a percentage of total income

Data for the period to 31 August 2020 is not available and the exercise itself is not required for submission until March 2021. As such the most up to date benchmarking data has been considered.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

In addition to questions about governance itself, the review involved self-assessment in relation to Trustees' financial strategy, the way they set the Trust's annual budget, staffing, how Trustees achieve value for money, and the ways in which they protect public money.

The Trust adopts the Department for Education's Integrated Curriculum and Financial Planning model so that its financial strategy is integrated with its strategy for raising standards and attainment.

Assumptions behind the 3-year forecast, including pupil number projections, are documented, and a cumulative deficit has not been forecast within it. Pupil number projections are realistic, and the Trust's budget planning software enables scenario planning and budget re-profiling linked directly to pupil number projections so that adjustments in the light of any variation between the current reality and related planning hypotheses can be and are made in a timely manner.

The end-year outturn, largely due to the Covid-19 pandemic, yielded a surplus for all three schools. Non-curriculum related activities and their related costs were broadly in line with budget projections, with variations in individual Academies reflecting in-year changes to planned and/ or unforeseeable variations to income and expenditure. The cancellation of all trips meant that, because educational activity in this area decreased, so did costs. To counterbalance this to an extent, but to a lesser degree, the costs associated with catering remained but catering income was vastly reduced.

The Trust Board reconsidered and approved its Reserves Policy at its meeting on 15 October 2020. The policy adopts ESFA best practice and links directly to the Trust's Strategic Plan. The Reserves Policy is published online.

The Trust maintains and regularly reviews its Risk Register, the structure and approach to which is informed by HM Treasury's Orange Book and by the ESFA's guidance on Academy Trust Risk Management, and the Trust is a member of the Academies Risk Protection Arrangement and maintains appropriate commercial insurance in relation to risks not covered by the Risk Protection Arrangement.

Trustees gave consideration to the benchmarking data provided to them by Buzzacott LLP in the Post-Audit Management Report for the period to 31 August 2019 at their meeting 5 December 2019.

The ratios presented are compared to sector averages drawn from data on approximately 100 academies based in the South East of England and Greater London, noting that, whilst they may provide a guide as to how the Trust compares to the sector, there is a substantial amount of diversity across the sector depending on the individual circumstances of each academy.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

The ratios provided within the Post Audit Management Report were:

- Operational margin
- Payroll as a percentage of operational income
- Reserves
- LGPS liability as a percentage of GAG income

#### ***Administration***

Each Academy operates its own administrative functions, with the Trust's Central Services Team providing support where required in relation, principally, to finance and human resource matters.

#### ***IT***

IT is managed locally by The John Warner School and outsourced to a partner organisation by The Cranbourne Primary School and Roselands Primary School. It is an area in which the Trust is proactive in driving down costs whilst improving provision and will continue to do so.

#### ***GDPR***

The Trust employs its own Data Protection Officer who oversees compliance with the Data Principles in accordance with the arrangements set out in its Privacy Policy.

#### ***Health and safety***

The Trust has a Health and Safety Officer who oversees Health and Safety related matters across the Trust in accordance with its Terms of Reference and Scheme of Delegation. The Trust Site Team meet regularly to review progress and share best practice in terms of planned preventative maintenance and other aspects of Health and Safety across the three sites.

#### ***The estate***

The Trust's Estate Management Plan sets out its arrangements for managing the estate.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***Progress in the year to 31 August 2020***

In this period, 'the machine' has been significantly stress-tested.

The core functions rapidly adapted to the constraints associated with the pandemic.

Some concerns about the extent to which some staff adapted to the expectation for 'home working' in a manner that benefited the employer or at the least were to the mutual convenience to the employer and its employees have been expressed.

Health, safety and welfare will be for any reader of this document understood to be of paramount importance in all actors' eyes in a manner perhaps never seen before.

All staff involved in adapting, in the period to 31 August 2020, to the unprecedented personal and professional demands, are to be commended for their effort and achievements in ensuring that 'the machine' continued to function.

***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priorities are:

1. To ensure that economy, efficiency, effectiveness and equity underpin decisions about school resource management
2. To ensure that the systems and staffing in relation to finance and administration facilitate routines, robustness, resilience and innovation
3. To ensure that the systems, staffing and infrastructure in relation to ICT and GDPR facilitate routines, robustness, resilience and innovation
4. To ensure that the systems and staffing in relation to health and safety facilitate routines, robustness, resilience and innovation
5. To maintain and develop the estate in a sustainable, compliant and economic manner

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***2.2: People, their recruitment, retention, rights and responsibilities***

The Trust is located in the London Fringe area. This means that teaching staff can attract salaries that are around 8% more than those paid by the London Fringe scale by working 8 miles south, in Outer London.

This is a challenge in terms of recruitment and retention, as is the cost of housing, particularly for teaching staff.

A benefit of Multi-Academy Trust status is that, from time to time, staff can be retained and promoted within the organisation and can move between Academies, thereby retaining their talent.

***Progress in the year to 31 August 2020***

All three schools remained fully staffed throughout the period, and all core functions were carried out, though a consequence of the requirement for the majority of staff to work remotely was that relatively little development activity was completed.

Support staff restructuring at The John Warner School, for example, had passed the planning stage and was in the early stages of consultation.

The priority of managerial effort from 23 March 2020 had then to switch to ensuring continuity of service in line with the Department for Education's changing requirements, advice and guidance as the pandemic progressed.

***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priorities are:

1. To have the right people in the right places performing in the right ways
2. To ensure that staffing is fit for purpose by defining that purpose
3. To improve connectivity between schools and Trust Central Services to enhance efficiency

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

##### **2.3: Other resources, and integrated curriculum and financial planning**

'Other resources' relates primarily but not exclusively to resources linked directly to teaching, their acquisition and allocation. In the primary schools this is on a class by class basis, and in the secondary school is directly related to curriculum share which means the proportion of pupil periods each curriculum area occupies in relation to the curriculum as a whole, plus any other non-timetables curriculum activities. The mechanism is transparent and the quantum for the total of these resources has increased significantly since the Trust's formation in 2016.

Integrated curriculum and financial planning sits in two camps, by its very nature.

Organisationally the imperative is to ensure that economy, efficiency, effectiveness and equity underpin decisions about school resource management.

Educationally there an ongoing balance to be struck between available resource, for the most part teaching staff, determining curriculum offer, and the opposite, school leaders deciding what the desired curriculum is and then ensuring that what is eventually offered is affordable.

One of the advantages of being part of a Multi-Academy Trust is that staff can be shared across sites so that where any individual school might not wish or be able to afford a whole member of staff for a particular role, Trust wide working makes that recruitment cost effective when shared across all three.

##### **Progress in the year to 31 August 2020**

From 23 March 2020, education for most pupils became remote. Trips were cancelled. Online teaching and support for pupils used new and existing technologies including Google Classroom, Microsoft Teams and Oak National Academy.

Despite additional costs from cleaning, for example, the net effect was that fewer physical resources were used than would be the case in normal curriculum operation.

A fundamental change of curriculum shape at The John Warner School was planned for and implemented on 1 September 2020. This will be reviewed and refined in an iterative manner year on year to secure value for money, primarily in relation to staffing, so that it the curriculum is economic, efficient, effective and equitable.

##### **Priorities for the year to 31 August 2021**

For the year to 31 August 2021 the priority is:

1. To have the desired curriculum, costed and affordable, determine resource allocation

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

#### Indicators, milestones and benchmarks (continued)

***Objective 3: to ensure that the curricula that all their Academies provide to all their pupils are best placed to enable them to take advantage of the opportunities, responsibilities and experiences of later life and that they are equipped with the knowledge and cultural capital to do so.***

#### **3.1: Curriculum design within and across phases**

Each school has its own distinct curriculum. Staff across the Trust work together on shared projects and priorities to support and learn from one another with a view to enhancing quality and reducing unnecessary duplication of effort where possible.

As The John Warner School is the destination for the vast majority of the pupils at Roselands Primary School and The Cranbourne Primary School, an ongoing priority is to develop a coherent, integrated curriculum across years 5-8.

Initiatives to integrate the year 5-8 are focused on history and geography, building on earlier work in English, mathematics, science, modern foreign languages, music and physical education.

The Trust's physical location and the emphasis it places on collaborative working is such that the intention is to share this curriculum with other local primary schools to further enhance primary-secondary transition.

For those schools in the Trust, an added benefit is that any spare resources in terms of teaching time arising out of the secondary school timetable can be used to provide specialist teaching in the primary schools, some of which can also offset the costs associated with planning, preparation and assessment time in the primary schools, thereby achieving enhanced value for money across the Trust as a whole.

#### ***Progress in the year to 31 August 2020***

Covid-19 had a devastating effect on much of the Trust's efforts to continue to innovate.

In the period to 23 March 2020 the description of what we mean by 'curriculum design within and across phases' described earlier was the reality.

Thereafter, whilst the Trust's Senior Leadership Team continued to meet regularly and frequently, this was to support one another and devise site appropriate responses to the emerging challenges.

Teaching staff in each site, or remote version thereof, were focused on the maintenance of remote learning based on their own school's determined response.

The hatches were battened down, though plans continued to be developed so that Trust would be able to bounce back with enthusiasm and vigour from 1 September 2020.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

### **Indicators, milestones and benchmarks** (continued)

#### ***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priority is:

1. To ensure that curriculum design within and across phases of the Trust's operations is economic, efficient, effective and equitable.

#### ***3.2: Distinctive features, enrichment and cultural capital***

Each Academy is valued for its own unique and distinctive features. These are diverse, often shared, and provide enrichment opportunities in an individual Academy and across the Trust. All are intended to help develop children and young people's cultural capital and some, including German, robotics and the Model United Nations span the primary and secondary sectors.

#### ***Progress in the year to 31 August 2020***

In the period to 23 March 2020 significant progress was being made in all three schools. Sadly for the remainder of the period all three schools did the best they could for the children in their care, ensuring that the most vulnerable were not forgotten and that wherever possible relationships remained strong and support was provided for those children unable to attend their schools and be with their teachers face to face.

#### ***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priorities are:

1. To ensure that the unique, distinctive ethos and features of the Academies within the Trust are maintained and that the Trust's shared vision and values are likewise sustained.
2. To ensure that enrichment activities across the Trust continue to enhance the cultural capital of the children and young people in its care

#### ***3.3: Approaches to pedagogy and wider educational practice***

Approaches to pedagogy across the Trust are informed by a combination of 'non-negotiables' in terms of classroom management, Barak Rosenshine's 'Principles of Instruction', and subject specific approaches related to each aspect of curriculum. The Trust is committed to evidence informed policy and practice, and is proactive in engaging with the Chartered College of Teaching, and research at local, national and international levels.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

##### ***Progress in the year to 31 August 2020***

Covid-19 security has had a profound impact on classroom practice.

In the period to 23 March 2020 strong progress was being made across the Trust in terms of the embedding of coherent and consistent pedagogical approaches.

Thereafter, for many, there were no classrooms.

Approaches to remote learning are site-specific, with regular, frequent discussion between the Trust's Senior Leadership Team to share best practice.

Teachers are by their very nature highly adaptable, however, and the signs for the period from 1 September 2020 are encouraging.

##### ***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priority is:

1. To ensure that pedagogic practice is fit for purpose, reviewed regularly, and updated in response to emerging need

#### ***3.4: Continuing professional development of teachers***

The Trust is committed to the continuing professional development of teachers and has developed its own in-house programme of continuing professional development for teachers, from those new to teaching to those aspiring to headship. In addition each Academy is proactive in sourcing support and partnership with organisations and programmes including those of Herts for Learning, Achieve Excellence and The Prince's Teaching Institute.

##### ***Progress in the year to 31 August 2020***

In the period to 23 March 2020 the in-house programme of continuing professional development for teachers was both school specific and Trust-wide. Thereafter, the in-house programme was suspended so that leaders, most likely those who would have prepared and delivered the courses, could concentrate on core functions associated with curriculum delivery for children and young people.

In common with most other sectors, online continuing professional development remained available and was in many cases instrumental in the Trust's ongoing adaptive response to the pandemic.

This remains the case in the period from 1 September 2020.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

### **Indicators, milestones and benchmarks** (continued)

#### ***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priority is:

1. To ensure that appropriate continuing professional development of teaching staff is undertaken

#### ***3.5: Educational outcomes***

'Outcomes' are about consequences, and so educational outcomes are the consequences, i.e. the results or effects of the education the Trust provides.

A reasonable definition, therefore, is that educational outcomes are qualitative measures of the extent to which stakeholders are satisfied with the quality of educational programs provided by the Trust, the transformative experiences that association with the Trust have facilitated and any notable or distinctive experiences, the readiness of children and people to embark on the next steps in their education and/ or career, and their subsequent success therein.

The definition is relatively easy, but metrics are exceptionally hard to define and then measure beyond what would otherwise be defined as an 'output', typically a ranking or grading, neither of which can capture nor communicate the significance without diving deeper into underlying assumptions which are often contentious.

#### ***Progress in the year to 31 August 2020***

##### ***The quality of educational programmes provided by the Trust***

In the period to 31 August 2019, as set out in the Annual Report and Financial Statements for that period, all three schools were inspected by Ofsted. The Cranbourne Primary School and Roselands Primary School inspections were short inspections in June and July 2019 respectively, and both were judged to remain 'good'. The John Warner School's short inspection in January 2018 was followed by a full inspection in February 2019 in which the school was judged to 'require improvement'.

In February 2020 The Cranbourne Primary School, on the recommendation of the Ofsted Inspector who conducted the inspection in June 2019, was subject to a full inspection.

This inspection was under a new inspection framework, and one that is radically different to the inspections for the three schools in the period to 31 August 2019.

The February 2020 judgement was that whilst the school remains 'good' overall, pupils' behaviour and attitudes, their personal development and provision in the early years is 'outstanding'.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

In the opening section, under what is it like to attend this school, inspectors report:

Pupils love their school. They demonstrated this in classrooms, assembly, during playtime and in conversation with us. Pupils enjoy learning and take pride in their achievements. Leaders set very high expectations for pupils. Pupils also have high expectations of each other. They work exceptionally well together and ensure that they all live up to the school aims of being 'ready, respectful, safe'. From the youngest ages, pupils support each other in lessons and on the playground. Pupils concentrate on their learning and work hard to do well in school.

Leaders and staff are committed to teaching pupils how to be well-prepared citizens. Pupils learn how to be responsible for themselves and others. They speak enthusiastically about how they can make positive changes to the world. Pupils take part in many acts of service for people locally, nationally and internationally.

Parents appreciate the school as much as pupils do. All parents who responded to Parent View, Ofsted's online questionnaire, said that they would recommend the school to other parents. They all also reported that their children are happy at the school. Parents and pupils agree that on the very rare occasions when bullying occurs, staff deal with it effectively and it does not continue.

No further Ofsted inspections were undertaken in the period to 31 August 2020, and no performance data for the same period will be used by regulators to inform judgements.

Nationally the emphasis is on the quality of education, which is judged in terms of curriculum intent, how it is implemented, and what its impact is and/ or has been. Judgements about children and young people's behaviour and attitudes and their personal development are made, all of which impact on judgements about the quality of an individual school's leadership and management.

It is reasonable to assume that an aggregation of the judgements about individual schools is an appropriate judgement about the quality of educational programmes provided by the Trust, albeit one which cannot reflect the efforts made internally in a Trust of the size and scope of The Hoddesdon School Trust to bring about improvements. The Trust is unlikely, due to its size and scope, to be subject to a Summary Evaluation by Ofsted, and so this report is intended to fulfil that purpose in terms of public accountability.

The educational programmes provided by the Trust, through its curricula in the individual academies, is subject to regular and ongoing review to ensure fitness for purpose and to meet the needs and aspirations of its children and young people.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

In this reporting period all three schools have undertaken very considerable curriculum development work and are able to demonstrate this through their online presences and we expect that when The John Warner School is next inspected the changes to curriculum arrangements will have become embedded to that clearly articulated intent, through effective implementation, has high quality impact.

In the period from 23 March 2020 all three schools built or enhanced their capacities for remote learning and are able to fulfil the Department for Education's Coronavirus Act 2020 Provision of Remote Education (England) Temporary Continuity Direction issued on 1 October 2020 by:

- setting assignments so that pupils have meaningful and ambitious work each day in a number of different subjects
- teaching a planned and well-sequenced curriculum so that knowledge and skills are built incrementally, with a good level of clarity about what is intended to be taught and practised in each subject
- providing frequent, clear explanations of new content, delivered by a teacher in the school or through high-quality curriculum resources or videos
- gauging how well pupils are progressing through the curriculum, using questions and other suitable tasks and setting a clear expectation on how regularly teachers will check work
- enabling teachers to adjust the pace or difficulty of what is being taught in response to questions or assessments, including, where necessary, revising material or simplifying explanations to ensure pupils' understanding
- planning a programme that is of equivalent length to the core teaching pupils would receive in school, ideally including daily contact with teachers

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***The transformative experiences that association with the Trust have facilitated and any notable or distinctive experiences***

The Trust's vision is to be an institution that creates, with others, long lasting, positive and life changing experiences for all stakeholders so that their memories of association with the Trust are ones they would want others to want to feel part of. Children and young people are at the heart of this aspiration, and however this extends to their parents and carers, the Trust's teaching and support staff, its Trustees and the members of its Local Governing Bodies, and the wider community it serves. Specific examples will be provided in this section of the Annual Report and Financial Statements to 31 August 2021.

***The readiness of children and people to embark on the next steps in their education and/ or career, and their subsequent success therein.***

The Trust's vision is also to be an institution that creates futures together, with the same wide set of stakeholders in mind.

Careers education and guidance is a high priority at each stage of children and young people's education, as is working with local, regional and national employers to ensure that the educational offer and experiences align with current and future employer needs.

Areas of priority identified in partnership with Hertfordshire's Chamber of Commerce include but are not limited to advanced engineering and manufacture, information technology and artificial intelligence, life sciences, work in the creative sector, property and construction, professional services and health and social care.

***Priorities for the year to 31 August 2021***

For the year to 31 August 2021 the priority is:

1. To ensure that the education provided encourages children and young people to take advantage of all available opportunities, responsibilities and experiences both in school and in their later lives

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***The impact on the financial statements as a result of the changing activities of the charity itself***

This section responds directly to the Academies Accounts Direction 2019/20 Supplementary Bulletin July 2020, and provides users of the accounts with information about the material decisions they have had to take on judgements and uncertainties. Each of the sections below relate to specific points set out in section 3.3. of the July 2020 Supplementary Bulletin, and the subsequent text is the information provided by the Trust in response.

***How the virus control measures affected the Trust's activities***

Progress toward the strategic and operational objectives set out in the Trust's Strategic Plan have been described earlier in this section of the Annual Report and Financial Statements.

The virus control measures put in place across the Trust's three sites have necessarily impacted on the ways in which the Trust operates, and this has affected staff, children and young people alike.

In the period from 23 March 2020 staff and students all had to adapt rapidly to remote working, and this presented challenges for everyone. However, some of the arrangements that were put in place and which would not necessarily have been considered were it not for the pandemic may well continue to be adopted when restrictions eventually relax.

Teaching and support staff have now adapted to new ways of working and the prioritisation of 'bubbles' means that within these bubbles the curriculum continues to be taught as planned.

At The John Warner School the most significant change has been the repurposing of the various teaching blocks so that each block houses a particular year group and each year group remains in that particular block for all of their lessons. This is a change from the previous arrangements where each year group would house a particular faculty or subject area. A positive consequence is less transit time for children between lessons, however, a challenge associated with this for the staff is the need to move between rooms for every set of consecutive lessons.

For all three schools the requirement, under the temporary continuity direction, to be able to provide remote learning for students has brought about a strengthening of already existing arrangements for providing work for those unable to attend school due to illness or some other circumstance. Additional challenges associated with blended learning relate to this and to staff wellbeing as consequence of the additional workload. Recovery planning and the use of the catch-up grant are in place across the Trust.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

#### ***Any financial uncertainties regarding the Trust's financial sustainability, consideration of going concern and the steps being taken to address these uncertainties***

The Trust continued to receive funding in accordance with its Funding Agreement. Whilst additional costs have been incurred in order to make the sites Covid secure and maintain them as such, these have been more than offset by the reduction in physical activities undertaken. Educational trips and visits were cancelled, and therefore the costs associated with them were not incurred. There was a considerable reduction in income from catering though the Trust continued to pay its catering staff and cleaning staff in line with national direction. Nonetheless, there is no significant financial uncertainty about the Trust's sustainability or its ability to remain a going concern.

#### ***How the contribution of volunteers assisted the Trust in its work in managing in the changed circumstances***

The Trust does not draw heavily on volunteers.

#### ***The impact on the Trust's ability to fundraise and how the Trustees managed this situation***

The Trust does not conduct fundraising itself, however, each of the constituent schools benefits, from time to time, from funds raised by charities whose objects are to do so in support of the schools' aims. These are parent teacher associations regulated by the Charities Commission and are linked to and share the name of the related individual schools. They are independent of those schools. Funds raised by them in this accounting period were lower than otherwise anticipated due to the cancelling of fundraising events. However, the sums involved are not critical to the Trust's operations.

#### ***How the outbreak of the virus has affected staff, volunteers and beneficiaries and the implications for the Trust's operations and activities for the coming year***

Fundamentally, staff, volunteers and beneficiaries were affected by the requirement for the vast majority of them to work or pursue their education from home.

With the exception of those required to shield, all staff, volunteers and beneficiaries are now expected to work or pursue their education within the school settings. Exceptions to this are when staff are required to self-isolate, in which case they are required to work from home, and likewise for students. Anticipated concerns about the mental health and wellbeing of staff are not yet fully understood and will be closely monitored as the Trust undertakes its normal operations and activities.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Indicators, milestones and benchmarks** (continued)

***How the financial and operational effects of the virus and the control measures relating to the virus have affected the principal risks and uncertainties facing the Trust during the reporting period***

The principal risks and uncertainties remain the same. These are:

- The Trust receiving unfavourable Ofsted Reports or insufficient demand for services creating unsustainability
- A macro-economic or natural disaster affecting the Trust's operations
- Human resources related risks affecting staff management, integrity, succession planning, recruitment and retention
- Employee legislation impacting on pension funding and contributions to the LGPS
- Fluctuations in government funding methodology

***Consideration of any implications for any existing or potential defined benefit pension liability and investments the Trust holds***

The Trust is not aware of any implications for existing or potential defined benefit pension liability or for any of its investments

***Consideration of any impact on the Trust's Reserves Policy, level of reserves and any change to funds set aside for future commitments***

The Trust's Reserves Policy is to use its reserves to manage uncertainty and to fund future purchases or activities in accordance with its Strategic Plan.

Trustees retain at least one months' salary cost as a revenue reserve because, whilst the risks of unplanned closure are currently low, such a Policy will help to address the risks associated with the impact of such an event on the Trust's beneficiaries, its staff and volunteers.

Trustees also consider the degree of liquidity required by their reserves in order to fulfil the Trust's objectives, and to that effect, each individual academy is expected to retain an operating reserve of 2.5% of budgeted salary costs for the financial year.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### **Indicators, milestones and benchmarks** (continued)

This is in addition to any budgeted revenue surplus, and is intended to ensure that, in the short and medium term, operating reserves are neither higher than necessary, tying up money unnecessarily, or too low, increasing the risk to the individual academy's ability to carry on its activities in future in the event of financial difficulties.

In this accounting period all three individual academies returned a budget surplus.

The reserves will continue to be managed in accordance with the Trust's existing policy.

#### ***The likely impact of the virus control measures and potential duration of the control measures on the future aims and activities of the Trust***

The aims and activities of the Trust remain the same. Whilst the health, safety and welfare of staff, volunteers and beneficiaries is paramount, the Trust will continue to look for creative and innovative ways to deliver on those aims throughout the pandemic and will adapt accordingly.

The impact of the virus-related control measures on any wider network of which the Trust is a part and how this affects the Trust's operations

In common with all other organisations, engagement with the Trust's wider networks are, in general, via remote working. Any physical engagement will be subject to rigorous risk assessment, however beyond educational visits, trips and sporting competitions the impact of the pandemic on the Trust's partnership operations is relatively low.

## **Financial review**

### ***Financial report for the year***

The results for the year are shown on page 57.

The operational activities of the Academy Trust during the year ended 31 August 2020 generated total income of £10.528m (2019 - £10.747m), which was primarily derived from core GAG funding of £19.129m (2019 - £9.6m).

Total expenditure for the year ended 31 August 2019 amounted to £11.536m (2019 - £11.494m) including depreciation on tangible fixed assets of £0.795m (2019 - £0.805m).

The Academy Trust continues to recognise its liability in respect of the Hertfordshire Local Government Pension Scheme on its balance sheet, which as at 31 August 2020 amounted to £3.479m (2019 - £2.518m). The Academy Trust makes contributions to this pension scheme in accordance with the advice of the actuary and these contributions are funded from the General Annual Grant.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

#### ***Key financial performance indicators***

In terms of financial key performance indicators, the Trustees' main goal is to maintain a balanced budget at all times and to therefore undertake the Academy Trust's educational operations in such a way that all costs incurred are fully funded by an identified and receivable source of income.

The Trustees monitor expenditure against budget during the year and look at forecast cash flows to ensure continuing solvency.

In order to ensure value for money and sustainability Trustees' decision making is informed by benchmarking exercises embedded in the Education and Skills Funding Agency's School Resource Management Self-Assessment Tool with a particular focus on actual, budgeted and forecast staff costs as a proportion of revenue income with the aim that these ratios should be maintained between 77% and 82% in each case.

#### ***Going concern***

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees have adopted the going concern basis in preparing the financial statements.

#### ***Promoting the success of the company***

The Hoddesdon School Trust's Directors are its Trustees.

All Trustees are bound by the Nolan Principles and are signatories to a Code of Conduct and are committed to acting in the way they consider most likely to promote the success of the Trust by having regard for the likely consequences of any decision they make in the long term, and for the interests of the Trust's employees.

Trustees promote the Trust's ethical approach to business relationships with its suppliers, and with all its community stakeholders. They are conscious of the potential impact of the Trust's operations on the community and the environment, and are at all times mindful of the desirability of the Trust maintaining a reputation for high standards of business conduct as well as educational outcomes. Relationships with suppliers and stakeholders are grounded in the firmly held belief in the need to act fairly, as between members of the company.

#### ***Financial and risk management objectives and policies***

The Trustees have a robust attitude to risk management. The risk register matrix defines and considers risk, its potential impact, control procedures, monitoring and responsibility. The register is reviewed annually by the Audit and Risk Committee. The risk register matrix categorises risk under the following headings: strategic; reputational; operational and compliance risks. Trustees additionally consider business continuity planning.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

Trustees complete criminal records bureau checks as they undertake site visits in respect of their work in safeguarding, health and safety, admissions and other relevant activities. Trustees receive regular reports from staff and Trustee feedback following onsite visits.

A comprehensive insurance policy is in place providing cover for the main risks, alongside statutory requirements.

### ***Reserves policy***

The Trustees' policy is to use its reserves to manage uncertainty and to fund future purchases or activities in accordance with its Strategic Plan.

Trustees retain at least one-month's salary cost as a revenue reserve because, whilst the risks of unplanned closure are currently low, such a policy will help to address the risks associated with the impact of such an event on the Trust's beneficiaries, its staff and volunteers.

Trustees also consider the degree of liquidity required by their reserves in order to fulfil the Trust's objectives, and to that effect each individual academy is expected to retain an operating reserve of 2.5% of budgeted salary costs for the financial year. This is in addition to any budgeted revenue surplus, and is intended to ensure that, in the short and medium term, operating reserves are neither higher than necessary, tying up money unnecessarily, or too low, increasing the risk to the individual academy's ability to carry on its activities in future in the event of financial difficulties.

The level of reserves held centrally or locally will be subject to annual review, and as at the balance sheet date, the Academy Trust had free reserves of £1,504,266 (2019 - £1,089,529).

The Trustees intend to utilise these reserves in accordance with their published Reserves Policy to deliver the objectives set out in the Trust's Strategic Plan which focuses on its Governance, on all aspects of Organisational Maintenance, Development and Compliance, and on the continued improvement of the Curriculum and Educational Outcomes provided by the Trust for its beneficiaries.

### ***Investment policy***

The Trustees' investment powers are set down in the Academy Trust's Memorandum and Articles of Association, which permit the investment of monies of the Academy Trust which are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law. The Academy Trust's current policy is to invest surplus funds in short-term cash deposits.

## **STRATEGIC REPORT (continued)**

### **Principal risks and uncertainties**

As mentioned previously, the Academy Trust has a comprehensive risk management approach embedded throughout all of its operations. The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching and other operational areas of the Trust and its finances. Appropriate systems, policies, procedures and controls have been put in place so as to ensure that the various risks do not impact adversely on the Trust's operations.

The major risks to which the Academy Trust is exposed are:

- The Trust receiving unfavourable OFSTED reports or insufficient demand for services creating unsustainability;
- A macro-economic or natural disaster affecting the Trust's operations;
- Human resources related risks affecting staff management, integrity, succession planning, recruitment and retention;
- Employee legislation impacting on pension funding and contributions to the LGPS; and
- Fluctuations in government funding methodology.

### **Fundraising**

The Academy Trust does not conduct fundraising itself, however each of the constituent schools benefits, from time to time, from funds raised by charities whose objects are to do so in support of the schools' aims. These are Parent-Teacher Associations regulated by the Charities Commission and are linked to and share the name of the related individual schools. They are independent of those schools.

## **STRATEGIC REPORT (continued)**

### **Streamlined Energy and Carbon Reporting**

#### **UK energy use and associated greenhouse gas emissions**

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

#### **Organisational boundary**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 3 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

#### **Reporting period**

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

#### **Quantification and reporting methodology**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption was compiled from invoice records. Energy and emissions associated with minibuses were calculated from diesel costs, while grey fleet was calculated from mileage expense claims. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities (scope 3).

**STRATEGIC REPORT** (continued)

**Streamlined Energy and Carbon Reporting** (continued)

**Breakdown of energy consumption used to calculate emissions (kWh):**

<b>Energy type</b>	<b>2019/20</b>
<b>Mandatory energy:</b>	
Gas	1,208,902
Purchased electricity	664,241
Transport fuel	15,230
<b>Total mandatory energy</b>	<b>1,888,373</b>
<b>Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):</b>	
<b>Emission source</b>	<b>2019/20</b>
<b>Mandatory emissions:</b>	
<u>Scope 1</u>	
Gas	222.3
Transport - Trust owned vehicles (minibuses)	3.5
<u>Scope 2</u>	
Purchased electricity (location-based)	154.9
<u>Scope 3</u>	
Transport – Business travel in employee owned vehicles	0.2
<b>Total gross mandatory emissions</b>	<b>380.8</b>
<u>Intensity ratios</u>	
Tonnes of CO <sub>2</sub> e per pupil	0.183
Tonnes of CO <sub>2</sub> e per square meter floor area	0.028

## **STRATEGIC REPORT (continued)**

### **Streamlined Energy and Carbon Reporting (continued)**

#### **Intensity ratio**

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil (based on the Autumn 2019 Census), which is the recommended ratio for the sector for consistency and comparability. A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

#### **Energy efficiency action during current financial year**

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23<sup>rd</sup> March 2020. From this date, the schools were open to key worker's children only, with a phased and partial reopening for certain year groups occurring in June.

The health restrictions have also resulted in the greater utilisation of digital platforms for staff meetings (such as video conferencing), which reduces the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Outside of the COVID-19 response, the Trust have implemented the following energy efficiency measures during the reporting year:

- The Trust have continued to phase in LED lighting, replacing a further 167 units this year at John Warner School.
- John Warner School has had insulation improved by the replacement of 5 external doors with double glazing, which also reduces drafts into the school.
- The Trust have ensured that all boilers and hot water systems are serviced and maintained to a high standard to ensure they are operating at maximum efficiency, including the ground source heat pump at John Warner School.

John Warner School have implemented a plastic bottle recycling scheme following popular demand, resulting in the more efficient use of resources downstream of the organisation.

## STRATEGIC REPORT (continued)

### Plans for future years

#### *Future strategy*

The Academy Trust is enjoined, through its Articles of Association, to adhere to the following charitable objectives:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- To promote for the benefit of the inhabitants of Hoddesdon and the surrounding area the provision of facilities, for recreation or other leisure time occupation of individuals who have a need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare, and with the object of improving the condition of life of the said inhabitants.

Trustees' future strategy is about continuing to sustainably improve its governance, its organisational arrangements, and so the quality of its stakeholders experiences. In relation to governance Trustees focus on providing leadership and ensuring through their own ongoing self-review that people with the right knowledge, skills and effective behaviours are in place to discharge the obligations upon them with reference to the Department for Education's Governance Handbook and Competency Framework.

At an organisational level Trustees' strategy is to ensure, through their governance arrangements, that the Trust's maintenance and development activities and its compliance requirements are fulfilled effectively and in accordance with the Nolan principles. In practical terms this relates to the way governance engages with (1) finance, health and safety, GDPR, e-safety and the estate; (2) people, their recruitment, retention, rights and responsibilities, and (3) other resources, and integrated curriculum and financial planning.

Trustees' strategy for delivering their objectives, having addressed the issues of governance and organisation, is about securing effective, efficient curriculum design within and across phases so that the distinctive features of each Academy and its enrichment activities contribute to enhance the cultural capital of the children and young people in their care. It is about focussing on approaches to pedagogy and wider educational practice through the continuing professional development of teachers so that educational outcomes of children are the best they can be, and related directly to mission and shared values and ethos of the Trust as a whole, and the unique, distinctive visions of the constituent Academies.

**STRATEGIC REPORT** (continued)

**Plans for future years** (continued)

***Future activities and events***

The Academy Trust's future activities and events will be those that Trustees consider most likely to ensure that the Academy Trust delivers on the future strategy articulated above.

***Impact of future activities and events***

The impact of future activities and events will be evaluated in accordance with the indicators, milestones and benchmarks set out in the 'Achievements and Performance' element of this Strategic Report.

**Funds held as custodian trustee on behalf of others**

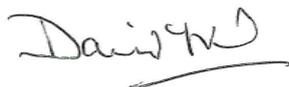
Although the Academy Trust maintains restricted funds to deal with income that are earmarked for a particular purpose by donors, sponsors, and other funders, the Academy Trust does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

**AUDITOR**

In so far as the Trustees are aware:

- there is no relevant audit information of which the Academy Trust'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.

The Trustees' Annual Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 3 December 2020 and signed on its behalf by:



Mr D J Kennedy - Chair of Trustees

### **Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer of The Hoddesdon School Trust, 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 the Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **Governance**

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

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

All decisions reserved to the Trustees are taken by the Board as a whole, in accordance with its Terms of Reference and its Scheme of Delegation. Board sub-committees meet during the year to consider detailed matters and recommend decisions to the full Board.

During the period for which this report accounts, the Trust Board, in addition to its Local Governing Bodies, operated a Risk and Audit Committee, a Finance Committee and a Pay Committee, each operating under clearly articulated Terms of Reference.

The Risk and Audit Committee considered issues relating to the systems and processes of control and risk management that operated throughout The Hoddesdon School Trust, and to made recommendations to the Board. It met nine times in this accounting period, and will meet at least three times in future accounting periods.

The Finance Committee performed detailed scrutiny of all management accounts, budgets and revisions, and related financial matters. It is chaired by a Chartered Accountant. The committee will meet at least five times in future accounting periods.

The Pay committee met three times in the accounting period, will meet at least three times in future accounting periods. Its remit has been expanded to include consideration of all personnel and pay related matters.

The Trust Board retained the decision not to convene additional regular committee meetings in order to maximise Trustee first hand engagement with work of the Trust, however a Sports Centre committee and ad hoc groups of Trustees are established, as and when required, to consider specific issues and make recommendations to the Board.

## Governance statement 31 August 2020

### Governance (continued)

The Chair of the Board of Trustees of The Hoddesdon School Trust, prior to retirement on 31 August 2020, was the Accounting Officer during the accounting period and worked closely with the other Trustees and the senior staff of the Academy Trust. The day-to-day management of the Academy Trust rests with the current Chief Executive Officer and Executive Headteacher, the Chief Financial Officer and the Headteachers of the constituent Academies. This Senior Management Team has the overall responsibility for operations, across the Trust.

The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs J E M Carson (Co-opted)	4	6
Mr P Cuffaro	5	6
Mr G A Dykes	4	6
Mrs A E Heal	6	6
Ms S A Hurwood	4	6
Mrs F L Ives (Chair)	3	6
Mr D J Kennedy (Accounting Officer)	6	6
Mr A C Lebaigue	5	6
Mr R J McCarthy BEM	4	6
Mrs R E Semark (Co-opted)	5	6
Mr A Shah-Cundy	3	6
Mrs M C Sykes	5	6

The Risk and Audit Committee met nine times during the year, six of which were Extra-Ordinary Meetings in order to exercise strategic oversight of the Trust's operations in relation to the Covid-19 pandemic. Attendance at the Risk and Audit Committee meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs A E Heal	9	9
Mr D J Kennedy (Accounting Officer)	9	9
Mr A C Lebaigue	8	9
Mr R J McCarthy	9	9

The Finance Committee met five times during the year. Attendance at the Finance Committee meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr G A Dykes	5	5
Mr D J Kennedy (Accounting Officer)	5	5

**Governance** (continued)

The Pay Committee met three times during the year. Attendance at the Pay Committee meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs F L Ives	1	3
Mr D J Kennedy (Accounting Officer)	3	3
Mr A C Lebaigue	3	3
Mr R J McCarthy BEM	3	3

The Academy Trust conducted an annual assessment of the Trust Board's skills and experience and a review of the board's composition in terms of skills, effectiveness, leadership and impact, using the Department for Education's Governance Handbook and the Governance Competency Framework.

Recommendations from this process were:

1. That Governors and Trustees experiences of undertaking the self-assessment exercise itself, and their views about this Annual Assessment report be a focus for review and feedback as part of the improvement process.
2. That consideration be given to the establishment of an Education committee in addition to the Local Governing Bodies. It may be the case Trustees and Governors deem that retaining oversight by the Board as a whole is more appropriate for a Trust of the scale of The Hoddesdon School Trust, however documentary review as part of this assessment raised the question for consideration.
3. That Local Governing Bodies receive appropriate training in relation to:
  - a) Financial frameworks and accountability
  - b) Budget monitoring and self-evaluation in relation to financial performance, efficiency and control
  - c) The relationship between pay, performance and wider financial planning.
  - d) Risk management and internal control
  - e) Educational standards

Appropriate arrangements have been put in place to provide the required training using a range of providers both face to face and online to cater for the range of preferred learning styles.

**Review of Value for Money**

As Accounting Officer, the Chief Executive Officer 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 educational and wider societal outcomes achieved in return for the taxpayer resources received.

**Governance** (continued)

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- The allocation of resources to best promote the aims and values of the Academy Trust;
- The targeting of resources to best improve standards and the quality of provision; and
- The use of resources to best support the various educational needs of all students;

In accordance with the principles of PPN 02/20 and PPN 04/20 during this accounting period no staff were furloughed, ad-hoc such as examination invigilators and cover teachers were paid in line with the average expected income for their posts by taking into account comparable historic data, and at risk suppliers such as the Trust's cleaning service and catering service were retained so that they would be in a position to resume normal contract delivery once the coronavirus (COVID-19) outbreak is over.

***Example 1: Educational Outcomes – Disadvantaged Pupils***

Across the Academy Trust, spending is guided by The Sutton Trust-EEF Teaching and Learning Toolkit (<http://educationendowmentfoundation.org.uk/toolkit/>). This provides a summary of educational research and so offers guidance for teachers and schools on how to use their resources to improve the attainment of disadvantaged pupils, both in terms of making an initial choice between strategies, and in implementing a strategy as effectively as possible.

The authors acknowledge that 'the relationship between spending and pupil outcomes is not simple' and that 'at school level, it is clear that different ways of spending school budgets can have very different impacts on pupil attainment, and choosing what to prioritise is not easy'. They accept that 'even once a decision to implement a particular strategy has been taken there are a wide variety of factors which determine its impact'.

We have made our decisions based on the average impact of a particular strategy on attainment, the strength of the evidence supporting the claim of impact, and the related cost, as set out in the toolkit, together with our own knowledge of the specific needs of eligible pupils. Further details about the impact of this are available under 'Pupil Premium' on the website of each of the constituent Academies.

### **Review of Value for Money (continued)**

#### ***Example 2: Continuing Professional Development of Staff***

The continuing professional development of staff is essential to building organisational capacity, and sustaining improvements in effectiveness and efficiency.

Teaching staff across the Trust have benefited from shared training in educational practice and in leadership development at significantly reduced costs because that training has either been provided in-house by existing trained facilitators, or by external trainers at reduced unit cost because of the opportunity to share and thus proportionately reduce the cost to individual schools.

The impact is both educational and cultural, enabling the Trust to develop internal coherence and strength by effecting real change in measurable outcomes for negligible expenditure and therefore represents excellent value for money.

#### ***Example 3: Contract review, shared staff and joint purchasing***

Contract review for both cleaning and energy services means benchmarking data shows this is very good value across the Trust.

Sharing staff across Academies enables a reduction in non-contact time in one Academy and the provision of planning, preparation and assessment time in others, thereby securing internal efficiencies.

Joint purchasing for consumables and Trust wide contracts for reprographics will enhance benefits further and internal expertise in IT procurement continues to bring about enhanced value for money, particularly regarding hardware replacements and upgrades.

#### **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 the Academy Trust's 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 at the Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Review of Value for Money** (continued)

#### **Capacity to handle risk**

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

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees 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; and
- identification and management of risks.

In accordance with the requirements of the Academies Financial Handbook (September 2019), The Hoddesdon School Trust appointed Buzzacott LLP to carry out a programme of internal assurance on their behalf involving the independent checking of financial controls, systems, transactions and risks.

In accordance with the requirements of the Academies Financial Handbook (September 2020), The Hoddesdon School Trust has decided to buy-in an internal audit service from Strictly Education Ltd to give advice on financial and other matters and perform a range of checks on the academy trust's financial and other systems. The checks to be carried out will be determined by the Trust Board, and will be informed by the Trust's Risk Register.

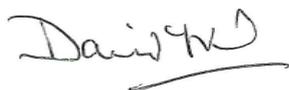
On at least an annual basis the internal auditor will report to the board of trustees, through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**Review of effectiveness**

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

- the internal assurance work undertaken by the external auditor;
- the work of the external auditor;
- the financial management and governance self-assessment processes and the school resource management self-assessment tool;
- the work of the Risk and Audit Committee and of Finance Committee
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the Board of Trustees on 3 December 2020 and signed on its behalf by:



Mr D J Kennedy (Chair of Trustees)



Mr D A Allman (Accounting Officer)

**Statement on regularity, propriety and compliance** 31 August 2020

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

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

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.

A handwritten signature in black ink, consisting of a stylized initial 'D' followed by a horizontal line.

Mr D A Allman  
Accounting Officer

3 December 2020

## Statement of Governors' responsibilities 31 August 2020

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

Company law requires the Trustees to prepare 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 Academy Trust and of its income and expenditure for that year. In preparing these financial statements, the Trustees are required to:

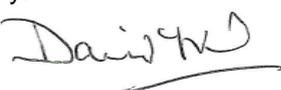
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP FRS 102 and the Academies Accounts Direction 2019 to 2020;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting 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 Academy Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust 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 Academy Trust 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 charity and financial information included on the Academy Trust'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 Board of Trustees on 3 December 2020 and signed on its behalf by:



Mr D J Kennedy - Chair of Trustees

**Independent auditor's report to the members of The Hoddesdon School Trust**

**Opinion**

We have audited the financial statements of The Hoddesdon School Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS 102 and Academies Accounts Direction 2019 to 2020.

**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 charitable company 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 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

**Conclusions relating to going concern** (continued)

- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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**

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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns;  
or
- ◆

**Matters on which we are required to report by exception** (continued)

- ◆ 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; or

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



17 December 2020

Katharine Patel (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Independent reporting auditor's assurance report on regularity to The Hoddesdon School Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 14 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hoddesdon School Trust during the year from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Hoddesdon School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Hoddesdon School Trust 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 The Hoddesdon School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Hoddesdon School Trust's Accounting Officer and the reporting auditor**

The Accounting Officer is responsible, under the requirements of The Hoddesdon School Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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.

**Approach** (continued)

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:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

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



17 December 2020

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities (including income and expenditure account) Year to 31 August 2020**

	Notes	Unrestricted general fund £	Restricted funds		2020 Total funds £	2019 Total funds £
			General £	Fixed assets fund £		
<b>Income from:</b>						
Donations and capital grants	1	11,838	(251,134)	10,000	<b>(229,296)</b>	145,143
Charitable activities						
. Funding for the Academy Trust's educational operations	4	119,431	10,243,121	—	<b>10,362,552</b>	9,870,765
Other trading activities	2	301,952	91,744	—	<b>393,696</b>	729,775
Investments	3	1,104	—	—	<b>1,104</b>	1,198
<b>Total income</b>		<u>434,325</u>	<u>10,083,731</u>	<u>10,000</u>	<b><u>10,528,056</u></b>	<u>10,746,881</u>
<b>Expenditure from</b>						
Charitable activities						
. Academy Trust's educational operations	5	—	10,731,244	805,146	<b>11,536,390</b>	11,493,996
<b>Total expenditure</b>		<u>—</u>	<u>10,731,244</u>	<u>805,146</u>	<b><u>11,536,390</u></b>	<u>11,493,996</u>
<b>Net income (expenditure) before transfers</b>		434,325	(647,513)	(795,146)	<b>(1,008,334)</b>	(747,115)
Transfers between funds	16	(19,588)	19,588	—	—	—
<b>Net income (expenditure) for year</b>		414,737	(627,925)	(795,146)	<b>(1,008,334)</b>	(747,115)
<b>Other recognised gains and losses</b>						
Actuarial loss on defined benefit pension scheme	21	—	(644,000)	—	<b>(644,000)</b>	(994,000)
<b>Net movement in funds</b>		414,737	(1,271,925)	(795,146)	<b>(1,652,334)</b>	(1,741,115)
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2019		<u>1,089,529</u>	<u>(2,013,829)</u>	<u>44,431,596</u>	<b><u>43,507,296</u></b>	<u>45,248,411</u>
<b>Total fund balances carried forward at 31 August 2020</b>		<u>1,504,266</u>	<u>(3,285,754)</u>	<u>43,636,450</u>	<b><u>41,854,962</u></b>	<u>43,507,296</u>

All activities derive from continuing operations.

All recognised gains and losses are included in the statement of financial activities.

**Balance sheet** 31 August 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible fixed assets	11		<b>43,636,450</b>		44,431,596
Investments	12		<b>25</b>		25
			<b>43,636,475</b>		44,431,621
<b>Current assets</b>					
Stock	13	<b>17,846</b>		15,669	
Debtors	14	<b>360,089</b>		400,139	
Cash at bank and in hand		<b>1,979,690</b>		1,853,294	
		<b>2,357,625</b>		2,269,102	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<b>(660,138)</b>		(675,427)	
<b>Net current assets</b>			<b>1,697,487</b>		1,593,675
<b>Net assets excluding pension scheme liability</b>					
			<b>45,333,962</b>		46,025,296
Defined benefit pension scheme liability	21		<b>(3,479,000)</b>		(2,518,000)
<b>Total net assets</b>			<b>41,854,962</b>		43,507,296
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16		<b>43,636,450</b>		44,431,596
Restricted income fund	16		<b>193,246</b>		504,171
Pension reserve	16		<b>(3,479,000)</b>		(2,518,000)
<b>Total restricted funds</b>			<b>40,350,696</b>		42,417,767
<b>Unrestricted income funds</b>					
General fund			<b>1,504,266</b>		1,089,529
<b>Total funds</b>			<b>41,854,962</b>		43,507,296

The financial statements were approved by the Trustees, and authorised for issue on 3 December 2020 and are signed on their behalf by:



Mr D J Kennedy  
Chair

The Hoddesdon School Trust  
Company Limited by Guarantee  
Registration Number: 07555066 (England and Wales)

**Statement of cash flows** Year to 31 August 2020

		2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	376,426	75,328
<b>Cash flows from investing activities</b>			
	B	(250,030)	143,461
<b>Change in cash and cash equivalents in the year</b>		<b>126,396</b>	<b>218,789</b>
<b>Cash and cash equivalents at 1 September 2019</b>		<b>1,853,294</b>	<b>1,634,505</b>
<b>Cash and cash equivalents at 31 August 2020</b>		<b>1,979,690</b>	<b>1,853,294</b>

**A Reconciliation of net expenditure to net cash flow from operating activities**

		2020 £	2019 £
<b>Net expenditure for the year (as per the statement of financial activities)</b>			
		<b>(1,008,334)</b>	<b>(747,115)</b>
<b>Adjusted for:</b>			
Depreciation charges		805,146	805,146
Loss on disposal of tangible assets		—	12,571
Capital grants from DfE, other capital income less clawback		241,134	(142,263)
Interest receivable (note 4)		(1,104)	(1,198)
(Increase) decrease in stocks		(2,177)	(4,183)
Decrease in debtors		40,050	67,388
(Decrease) in creditors		(15,289)	(117,018)
Defined benefit pension finance cost		50,000	40,000
Defined benefit pension cost less contributions		267,000	162,000
<b>Net cash provided by (used in) operating activities</b>		<b>376,426</b>	<b>75,328</b>

**B Cash flows from investing activities**

		2020 £	2019 £
Interest received		1,104	1,198
Purchase of tangible fixed assets		(10,000)	—
Capital grants from DfE/ESFA including clawback payments		(241,134)	142,263
<b>Net cash used in investing activities</b>		<b>(250,030)</b>	<b>143,461</b>

**C Analysis of cash and cash equivalents**

		2020 £	2019 £
Cash at bank and in hand		1,979,690	1,853,294
<b>Total cash and cash equivalents</b>		<b>1,979,690</b>	<b>1,853,294</b>

**Statement of cash flows** Year to 31 August 2020

**D Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	1,853,294	126,396	<b>1,979,690</b>
<b>Total</b>	<b>1,853,294</b>	<b>126,396</b>	<b>1,979,690</b>

### **Statement of accounting policies**

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

### **Basis of preparation**

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

The Hoddesdon School Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling and rounded to the nearest pound.

### **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.

The Trustees 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. This assessment included a consideration of the impact of coronavirus on the day to day operations of the Academy Trust and possible financial consequences. The Academy Trust has and continues to develop contingency plans which are being successfully implemented.

The Trustees consider that that the Academy Trust has sufficient cash resources to continue for the foreseeable future, despite the current pandemic, and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount 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.

**Income** (continued)

**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.

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

**Other trading income**

Other trading 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.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

**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.

All expenditure is stated net of recoverable VAT.

### **Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

### **Tangible fixed assets**

All tangible assets purchased that have a cost that exceeds £5,000 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings      over 15 to 54 years

Plant and machinery    over 4 to 20 years

Assets in the course of construction are included at cost. No depreciation will be charged on these assets until they have been completed and brought into use.

A review for potential impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable or in instances when the remaining useful life is assessed to be in excess of 50 years. Impairment losses that may arise would be recognised in the statement of financial activities.

### **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.

### **Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

**Provisions** (continued)

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**Leased assets**

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

**Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Stock**

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

**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.

**Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

**Pensions benefits** (continued)

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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 funds comprise the accumulated surpluses of unrestricted income over expenditure, which are available for use in furtherance of the general objectives of the Academy Trust and at the discretion of the Trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet.

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the funders where the assets acquired or created are tangible fixed assets. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency and the Department for Education.

**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.

***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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability;
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation; and

***Critical areas of judgement***

The Trustees do not consider that there are any areas of judgement which are critical to the Academy Trust's financial statements.

Notes to the Financial Statements Year to 31 August 2020

**1 Donations and capital grants**

	Unrestricted funds £	Restricted funds £	Restricted fixed assets funds £	2020 Total funds £	2019 Total funds £
Capital grants	—	44,162	10,000	<b>54,162</b>	142,263
Capital grant clawback	—	(295,296)	—	<b>(295,296)</b>	—
	—	(251,134)	10,000	<b>(241,134)</b>	142,263
Other donations	11,838	—	—	<b>11,838</b>	2,880
	<b>11,838</b>	<b>(251,134)</b>	<b>10,000</b>	<b>(229,296)</b>	<b>145,143</b>

The capital grant clawback relates to CIF funding received in prior years for a capital project where the costs of development were less than the original construction contract.

	Unrestricted funds £	Restricted funds £	Restricted fixed assets funds £	2019 Total funds £
Capital grants	—	142,263	—	142,263
Other donations	2,880	—	—	2,880
	<b>2,880</b>	<b>142,263</b>	<b>—</b>	<b>145,143</b>

**2 Other trading activities**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Hire of facilities/lettings income	3,477	—	<b>3,477</b>	11,612
Trip income	—	91,744	<b>91,744</b>	274,552
Catering income	259,209	—	<b>259,209</b>	412,016
Miscellaneous income	39,266	—	<b>39,266</b>	31,595
	<b>301,952</b>	<b>91,744</b>	<b>393,696</b>	<b>729,775</b>

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Hire of facilities/lettings income	11,612	—	11,612
Trip income	—	274,552	274,552
Catering income	412,016	—	412,016
Miscellaneous income	31,595	—	31,595
	<b>455,223</b>	<b>274,552</b>	<b>729,775</b>

### 3 Investment income

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Interest receivable	1,104	—	1,104	1,198
		<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2019 Total funds £</i>
<i>Interest receivable</i>		1,198	—	1,198

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>DfE / ESFA revenue grants</b>				
. General Annual Grant (GAG)	—	9,081,719	9,081,719	8,911,117
. Other DfE / ESFA grants	—	1,047,631	1,047,631	712,616
	—	10,129,350	10,129,350	9,623,733
<b>Other Government grants</b>				
. Local authority grants	—	113,771	113,771	105,361
. Special educational projects	—	113,771	113,771	—
	—	113,771	113,771	105,361
<b>Other income from the Academy Trust's educational operations</b>	119,431	—	119,431	141,671
	119,431	10,243,121	10,362,552	9,870,765
		<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2019 Total funds £</i>
<i>DfE / ESFA revenue grants</i>				
. <i>General Annual Grant (GAG)</i>		—	8,911,117	8,911,117
. <i>Other DfE / ESFA grants</i>		—	712,616	712,616
		—	9,623,733	9,623,733
<i>Other Government grants</i>				
. <i>Local authority grants</i>		—	105,361	105,361
		—	105,361	105,361
<i>Other income from the Academy Trust's educational operations</i>	141,671	—	141,671	141,671
	141,671	9,729,094	9,870,765	9,870,765

## 5 Expenditure

	Staff costs (note 8) £	Non pay expenditure		2020 Total funds £	2019 Total funds £
		Premises £	Other costs £		
Academy Trust's educational operations:					
. Direct costs	7,526,530	805,146	729,800	<b>9,061,476</b>	8,937,088
. Support costs	1,133,828	635,833	705,253	<b>2,474,914</b>	2,556,908
	<b>8,660,358</b>	<b>1,440,979</b>	<b>1,435,053</b>	<b>11,536,390</b>	11,493,996

	Staff costs (note 8) £	Non pay expenditure		2019 Total funds £
		Premises £	Other costs £	
Academy Trust's educational operations:				
. Direct costs	7,065,084	817,717	1,054,287	8,937,088
. Support costs	1,029,234	642,250	885,424	2,556,908
	<b>8,094,318</b>	<b>1,459,967</b>	<b>1,939,711</b>	11,493,996

	2020 Total funds £	2019 Total funds £
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	<b>28,154</b>	22,666
Loss on disposal of fixed assets	—	12,571
Depreciation	<b>805,146</b>	805,146
Fees payable to auditor		
. Audit services	<b>15,575</b>	15,100
. Other assurance services	<b>3,100</b>	3,000
. Other services	<b>4,925</b>	4,700

**6 Charitable activities – Academy Trust's educational operations**

	<b>2020 Total funds £</b>	2019 Total funds £
Direct costs	<b>9,061,476</b>	8,937,088
Support costs	<b>2,474,914</b>	2,556,908
	<b>11,536,390</b>	11,493,996

<b>Analysis of support costs</b>	<b>2020 Total funds £</b>	2019 Total funds £
Support staff costs	<b>1,133,828</b>	1,029,234
Premises costs	<b>635,833</b>	642,250
Legal costs – other	<b>4,149</b>	13,179
Other support costs	<b>648,373</b>	804,512
Governance costs	<b>52,731</b>	80,912
<b>Total support costs</b>	<b>2,474,914</b>	2,556,908

## 7 Comparative information

	Unrestricted general fund £	Restricted funds		2019 Total funds £
		General £	Fixed assets fund £	
<b>Income from:</b>				
Donations and capital grants	2,880	142,263	—	<b>145,143</b>
Charitable activities				
. Funding for the Academy Trust's educational operations	141,671	9,729,094	—	<b>9,870,765</b>
Other trading activities	455,223	274,552	—	<b>729,775</b>
Investments	1,198	—	—	<b>1,198</b>
<b>Total income</b>	<b>600,972</b>	<b>10,145,909</b>	<b>—</b>	<b>10,746,881</b>
<b>Expenditure from</b>				
Charitable activities				
. Academy Trust's educational operations	—	10,676,279	817,717	<b>11,493,996</b>
<b>Total expenditure</b>	<b>—</b>	<b>10,676,279</b>	<b>817,717</b>	<b>11,493,996</b>
<b>Net income (expenditure) before transfers</b>	<b>600,972</b>	<b>(530,370)</b>	<b>(817,717)</b>	<b>(747,115)</b>
Transfers between funds	(437,111)	437,111	—	—
<b>Net income (expenditure) for year</b>	<b>163,861</b>	<b>(93,259)</b>	<b>(817,717)</b>	<b>(747,115)</b>
<b>Other recognised gains and losses</b>				
Actuarial (loss) gain on defined benefit pension scheme	—	(994,000)	—	<b>(994,000)</b>
<b>Net movement in funds</b>	<b>163,861</b>	<b>(1,087,259)</b>	<b>(817,717)</b>	<b>(1,741,115)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September 2018	925,668	(926,570)	45,249,313	<b>45,248,411</b>
<b>Total fund balances carried forward at 31 August 2019</b>	<b>1,089,529</b>	<b>(2,013,829)</b>	<b>44,431,596</b>	<b>43,507,296</b>

## 8 Staff

### (a) Staff costs

Staff costs during the year were:

	2020 Total funds £	2019 Total funds £
Wages and salaries	<b>6,282,996</b>	6,241,361
Social security costs	<b>632,022</b>	621,844
Pension costs	<b>1,618,114</b>	1,204,835
	<b>8,533,132</b>	8,068,040
Supply staff costs	<b>127,226</b>	26,278
	<b>8,660,358</b>	8,094,318

**8 Staff (continued)**

**(b) Staff numbers**

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	111	110
Administration and support	121	133
Management	18	22
	<b>250</b>	<b>265</b>

**(c) Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	4	2
£80,001 - £90,000	1	2
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—
£110,001 - £120,000	<b>1</b>	<b>1</b>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions for these staff members amounted to £156,390 (2019 – £108,991).

**(d) Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the Academy Trust was £660,432 (2019 – £639,383).

**9 Trustees' remuneration and expenses**

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking their role as employees of the Academy and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

## 9 Trustees' remuneration and expenses (continued)

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Mr D J Kennedy – Chief Executive Officer
. Remuneration £55,000 - £60,000 (2019 – 55,000 - £60,000)
. Employer's pension contributions £0 - £5,000 (2019 – £0 - £5,000)
Mrs R E Semark – Head teacher
. Remuneration £80,000 - £85,000 (2019 – £80,000 - £85,000)
. Employer's pension contributions £20,000 - £25,000 (2019 – £10,000 - £15,000)
Ms J E M Carson – Head teacher
. Remuneration £75,000 - £80,000 (2019 – £80,000 - £85,000)
. Employer's pension contributions £15,000 - £20,000 (2019 – £10,000 - £15,000)

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During the year ended 31 August 2020, travel and subsistence expenses of £170 were reimbursed to one Trustee (2019 – £979 to one trustees).

Other related party transactions involving the Trustees are set out in note 22.

## 10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. From March 2015, the Academy Trust was part of the Academies Risk Protection Arrangement (RPA). The cost of this insurance is included within the total insurance cost and cannot be separately identified.

## 11 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Total £
<b>Cost/valuation</b>				
At 1 September 2019	39,630,696	9,569,825	429,656	<b>49,630,177</b>
Additions	10,000	—	—	<b>10,000</b>
At 31 August 2020	<u>39,640,696</u>	<u>9,569,825</u>	<u>429,656</u>	<b><u>49,640,177</u></b>
<b>Depreciation</b>				
At 1 September 2019	4,567,961	376,059	254,561	<b>5,198,581</b>
Charge in year	646,124	127,487	31,535	<b>805,146</b>
At 31 August 2020	<u>5,214,085</u>	<u>503,546</u>	<u>286,096</u>	<b><u>6,003,727</u></b>
<b>Net book value</b>				
At 31 August 2020	<u>34,426,611</u>	<u>9,066,279</u>	<u>143,560</u>	<b><u>43,646,450</u></b>
At 31 August 2019	<u>35,062,735</u>	<u>9,193,766</u>	<u>175,095</u>	<b><u>44,431,596</u></b>

## 12 Investments

The Academy Trust holds one ordinary £25 share in Herts For Learning Limited, a United Kingdom private limited company registered in England and Wales under company number 08419581. The company is owned by Hertfordshire Schools and Hertfordshire County Council with any one school only permitted to hold one share as a minority interest. Being a shareholder gives the Academy Trust access to discounts on the purchase of training courses and a range of other educational support services.

The Trustees have estimated that the market value of the Academy Trust's investment at the balance sheet date is its original cost.

## 13 Stock

	2020 £	2019 £
Stock of miscellaneous goods	<b>17,846</b>	15,669

## 14 Debtors

	2020 £	2019 £
Trade debtors	<b>43,381</b>	61,902
VAT recoverable	<b>63,648</b>	102,668
Other debtors	<b>9,984</b>	2,344
Prepayments and accrued income	<b>243,076</b>	233,225
	<b>360,089</b>	400,139

## 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	<b>123,894</b>	72,959
Taxation and social security	<b>161,090</b>	158,963
Other creditors	<b>280,478</b>	241,056
Accruals and deferred income (see below)	<b>94,676</b>	202,449
	<b>660,138</b>	675,427

### Deferred income (included above)

Deferred income at 1 September 2019	<b>119,110</b>	178,858
Released during the year	<b>(119,110)</b>	(178,858)
Resources deferred in the year	<b>19,459</b>	119,110
Deferred income at 31 August 2020	<b>19,459</b>	119,110

At the balance sheet date, the Academy Trust was holding funds received in advance for school trips and rates and insurance income.

## 16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	112,402	9,081,719	(9,055,902)	19,588	<b>157,808</b>
. Pupil Premium	—	352,294	(352,294)	—	—
. Capital grants	391,769	(251,134)	(105,197)	—	<b>35,438</b>
. Other DfE/ ESFA grants	—	900,852	(900,852)	—	—
. Pension reserve	(2,518,000)	—	(317,000)	(644,000)	<b>(3,479,000)</b>
	<u>(2,013,829)</u>	<u>10,083,731</u>	<u>(10,731,244)</u>	<u>(624,412)</u>	<u><b>(3,285,754)</b></u>
<b>Restricted fixed assets funds</b>					
. Transfer on conversion	37,474,726	—	—	—	<b>37,474,726</b>
. DfE/ESFA capital grants	6,503,701	—	(805,146)	—	<b>5,698,555</b>
. Capital expenditure from GAG	444,372	—	—	—	<b>444,372</b>
. Other donations	8,797	10,000	—	—	<b>18,797</b>
	<u>44,431,596</u>	<u>10,000</u>	<u>(805,146)</u>	<u>—</u>	<u><b>43,636,450</b></u>
<b>Total restricted funds</b>	<u>42,417,767</u>	<u>10,093,731</u>	<u>(11,536,390)</u>	<u>(624,412)</u>	<u><b>40,350,696</b></u>
<b>Unrestricted funds</b>					
. General funds	<u>1,089,529</u>	<u>434,325</u>	<u>—</u>	<u>(19,588)</u>	<u><b>1,504,266</b></u>
<b>Total unrestricted funds</b>	<u>1,089,529</u>	<u>434,325</u>	<u>—</u>	<u>(19,588)</u>	<u><b>1,504,266</b></u>
<b>Total funds</b>	<u>43,507,296</u>	<u>10,528,056</u>	<u>(11,536,390)</u>	<u>(644,000)</u>	<u><b>41,854,962</b></u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2020.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the Local Government Pension Scheme movements are recognised.

The Capital Grants Fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the Academy Trust. Transfers are made to the Capital Grants Fixed Asset Fund for expenditure incurred that is in respect of tangible fixed assets.

**16 Funds (continued)**

Transfers from unrestricted funds to restricted funds represent the funding of the current year deficit on educational activities and the funding of capital expenditure from the Academy Trust's General Fund.

***Total funds analysis by Academy***

Fund balances at 31 August 2020 were allocated as follows:

	<b>Total 2020 £</b>	Total 2019 £
The John Warner School	<b>424,966</b>	495,426
The Cranbourne Primary School	<b>120,500</b>	69,656
Roselands Primary School	<b>78,767</b>	38,688
Trust	<b>1,073,279</b>	989,930
<b>Total before fixed assets and pension reserve</b>	<b>1,697,512</b>	1,593,700
Restricted fixed asset fund	<b>43,636,450</b>	44,431,596
Pension reserve	<b>(3,479,000)</b>	(2,518,000)
<b>Total</b>	<b>41,854,962</b>	43,507,296

***Total cost analysis by Academy***

Expenditure incurred by each school during the year (excluding depreciation, losses on asset sales and actuarial pension adjustments) was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	<b>Total 2020 £</b>	Total 2019 £
The John Warner School	4,976,055	575,582	408,474	988,150	<b>6,948,261</b>	6,893,295
The Cranbourne Primary School	1,326,238	121,904	25,585	294,302	<b>1,768,029</b>	1,866,731
Roselands Primary School	978,188	129,301	46,518	214,852	<b>1,368,859</b>	1,446,516
Central services	120,664	165,426	—	43,000	<b>329,090</b>	267,740
<b>Academy Trust</b>	<b>7,401,145</b>	<b>992,213</b>	<b>480,577</b>	<b>1,540,304</b>	<b>10,414,239</b>	10,474,282

**16 Funds** (continued)

**Central services**

Central services include leadership, commercial direction, high-level finance, HR, and operational support. The central services function is performed by the John Warner School and is funded by a contribution from the other Academy Schools equivalent to 2.94% of agreed elements of their central government funding income (2019 – 2.6%). The actual contributions charged during the year were as follows:

	2020 £'000	2019 £'000
The Cranbourne Primary School	41,536	49,167
Roselands Primary School	32,314	34,680
	<b>73,850</b>	<b>83,847</b>

**Comparative information**

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	51,120	8,911,117	(9,286,946)	437,111	112,402
. Start Up Grant	—	—	—	—	—
. Pupil Premium	—	367,687	(367,687)	—	—
. Capital grants	344,310	142,263	(94,804)	—	391,769
. Other DfE/ ESFA grants	—	724,842	(724,842)	—	—
. Pension reserve	(1,322,000)	—	(202,000)	(994,000)	(2,518,000)
<b>Other restricted funds</b>					
Local authority grants	—	—	—	—	—
Other restricted funds	—	—	—	—	—
	<u>(926,570)</u>	<u>10,145,909</u>	<u>(10,676,279)</u>	<u>(556,889)</u>	<u>(2,013,829)</u>
<b>Restricted fixed assets funds</b>					
. Transfer on conversion	37,942,196	—	(467,470)	—	37,474,726
. DfE/ESFA capital grants	6,707,890	—	(204,189)	—	6,503,701
. Capital expenditure from GAG	589,705	—	(145,333)	—	444,372
. Other donations	9,522	—	(725)	—	8,797
	<u>45,249,313</u>	<u>—</u>	<u>(817,717)</u>	<u>—</u>	<u>44,431,596</u>
<b>Total restricted funds</b>	<u>44,322,743</u>	<u>10,145,909</u>	<u>(11,493,996)</u>	<u>(556,889)</u>	<u>42,417,767</u>
<b>Unrestricted funds</b>					
. General funds	925,668	600,972	—	(437,111)	1,089,529
<b>Total unrestricted funds</b>	<u>925,668</u>	<u>600,972</u>	<u>—</u>	<u>(437,111)</u>	<u>1,089,529</u>
<b>Total funds</b>	<u>45,248,411</u>	<u>10,746,881</u>	<u>(11,493,996)</u>	<u>(994,000)</u>	<u>43,507,296</u>

## 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total 2020 £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Fixed assets	—	25	43,636,450	<b>43,636,475</b>
Current assets	1,504,266	853,359	—	<b>2,357,625</b>
Current liabilities	—	(660,138)	—	<b>(660,138)</b>
Pension scheme liability	—	(3,479,000)	—	<b>(3,479,000)</b>
<b>Total net assets</b>	<b>1,504,266</b>	<b>(3,285,754)</b>	<b>43,636,450</b>	<b>41,854,962</b>

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total 2019 £
<i>Fund balances at 31 August 2019 are represented by:</i>				
Tangible fixed assets	25	—	44,431,596	44,431,621
Current assets	1,089,529	1,179,573	—	2,269,102
Current liabilities	—	(675,427)	—	(675,427)
Non-current liabilities	—	—	—	—
Pension scheme liability	—	(2,518,000)	—	(2,518,000)
<b>Total net assets</b>	<b>1,089,554</b>	<b>(2,013,854)</b>	<b>44,431,596</b>	<b>43,507,296</b>

## 18 Capital commitments

At 31 August 2020, the Academy Trust had capital commitments of £Nil (2019 – £nil).

## 19 Commitments under operating leases

At 31 August 2020, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £	2019 £
Amounts due within one year	<b>18,203</b>	28,154
Amounts due between two and five years inclusive	<b>8,325</b>	30,200
	<b>26,528</b>	58,354

## 20 Members' liability

Each member of the Academy Trust 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

## 21 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 Hertford County Council. Both are multi-employer defined benefit schemes.

The LGPS obligation includes employees transferred as part of the conversion of Roseland and Cranbourne Primary Schools from maintained school status and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor schools and the Academy Trust at the balance sheet date.

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

Contributions amounting to £159,071 were payable to the schemes at 31 August 2020 (2019 - £134,470) and are included within creditors.

### ***Teachers' Pension Scheme***

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Academy Trust has set out above the information available on the plan and the implications for the Academy Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

## 21 Pension and similar obligations (continued)

### ***Teachers' Pension Scheme (continued)***

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

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

### ***Valuation of the Teachers' Pension Scheme***

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,083,996 (2019 - £931,401).

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

**21 Pension and similar obligations (continued)**

***Valuation of the Teachers' Pension Scheme (continued)***

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

***Local Government Pension Scheme (LGPS)***

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £334,000 (2019 - £415,000), of which employer's contributions totalled £266,000 (2019 - £334,000) and employees' contributions totalled £68,000 (2019 £81,000). The agreed contribution rates for future years are 25.3% for employers and up to 12.5% for employees.

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

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2020</b>	At 31 August 2019
Rate of increase in salaries	<b>2.6%</b>	2.4%
Rate of increase for pensions in payment / inflation	<b>2.2%</b>	2.3%
Discount rate for scheme liabilities	<b>1.7%</b>	1.9%
Inflation assumption (CPI)	<b>2.2%</b>	2.3%

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

	<b>At 31 August 2020</b>	At 31 August 2019
<i>Retiring today</i>		
Males	<b>21.9</b>	21.5
Females	<b>22.8</b>	23.7
<i>Retiring in 20 years</i>		
Males	<b>24.1</b>	22.3
Females	<b>25.5</b>	25.0

**21 Pension and similar obligations** (continued)

**Local Government Pension Scheme (LGPS)** (continued)

Sensitivity analysis

The below analysis shows the increase to the defined benefit obligation for the following changes in assumption:

	<b>At 31 August 2020 £'000</b>	At 31 August 2019 £'000
Discount rate -0.5%	1,115	156
Salary increase rate +0.5%	199	24
Pension increase rate +0.5%	890	128

The Academy Trust's share of the assets and liabilities in the scheme were:

	<b>Fair value at 31 August 2020 £'000</b>	Fair value at 31 August 2019 £'000
Equities	2,626	2,338
Bonds	1,734	1,861
Property	446	382
Cash	149	191
<b>Total market value of assets</b>	<b>4,955</b>	<b>4,772</b>
<b>Present value of scheme liabilities</b>		
· Funded	<b>(8,434)</b>	<b>(7,290)</b>
<b>Share of scheme deficit</b>	<b>(3,479)</b>	<b>(2,518)</b>

The actual return on scheme assets was 16.6%.

	<b>2020 £'000</b>	2019 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	523	489
Past service cost	10	7
Pension finance costs (see below)	50	40
<b>Total amount recognised in the SOFA</b>	<b>583</b>	<b>536</b>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	92	118
Interest on pension liabilities	(142)	(158)
<b>Pension finance costs</b>	<b>(50)</b>	<b>(40)</b>

**21 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
At 1 September 2019	<b>(7,290)</b>	(5,358)
Past service cost	<b>(10)</b>	(7)
Current service cost	<b>(523)</b>	(489)
Interest cost	<b>(142)</b>	(158)
Employee contributions	<b>(68)</b>	(81)
Actuarial gain	<b>(475)</b>	(1,238)
Benefits paid	<b>74</b>	41
<b>At 31 August 2020</b>	<b>(8,434)</b>	(7,290)

<b>Changes in the fair value of the Academy Trust's share of scheme assets:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
At 1 September 2019	<b>4,772</b>	4,036
Actuarial gain	<b>(169)</b>	244
Expected return on assets	<b>92</b>	118
Employer contributions	<b>266</b>	334
Employee contributions	<b>68</b>	81
Benefits paid	<b>(74)</b>	(41)
<b>At 31 August 2020</b>	<b>4,955</b>	4,772

**22 Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee may have an interest. All transactions involving such organisations would, of course, be conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the financial year:

- i) During the year ended 31 August 2020, the Academy Trust incurred charges totalling £413,316 (2019 – £560,670) for various contracted catering services from Hertfordshire Catering Limited. Mr D J Kennedy, a Trustee of the Academy Trust was a Director of Hertfordshire Catering Limited until his resignation on 25 August 2020, and Mrs R E Semark, also a Trustee of the Academy Trust, was a Director until 14 March 2019. Hertfordshire Catering Limited is a company in which they did not exercise control by virtue of shareholdings or majority voting rights on the Board. At 31 August 2020, the Academy Trust owed £nil (2019 – £nil) in respect of unsettled invoices issued by Hertfordshire Catering Limited.

**22 Related party transactions** (continued)

- ii) Mrs J E M Carson, Trustee, had a child employed by the Academy Trust during the financial year, as a teacher. The original appointment to this role was made in open competition and the Trustee was not involved in the decision making process regarding appointment and has no role in setting pay scales for their child.
  
- iii) Mrs J Allman, spouse of Mr D A Allman, a member of the senior management team, is employed by the Academy Trust as a teacher. Mrs Allman is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with the senior management team.

**23 Agency arrangements**

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year, it received £13,109 (2019 - £14,098) of funding and disbursed £4,851 (2019 - £21,426), with the unspent balance at 31 August 2020 included in other creditors.