

Company Registration Number: 07690414 (England & Wales)

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**



**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**HANLEY AND UPTON EDUCATIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	T Sinden (Chair) S Price B Unwin M Walters MBE N Lechmere
Trustees	LF Cooke, Accounting Officer & Chief Executive Officer (resigned 31 December 2022) M Stow, Accounting Officer & Chief Executive Officer (appointed 1 January 2023) T Sinden S Fitzjohn K Taylor J Robinson (resigned 6 October 2023) S Adeney P Saunders G Black
Company registered number	07690414
Company name	Hanley and Upton Educational Trust
Principal and registered office	Church End Hanley Castle Worcester Worcestershire WR8 0BL
Company secretary	M Snape
Accounting Officer	M Stow
Senior leadership team	L F Cooke, Accounting Officer & Chief Executive Officer HUET (resigned as Chief Executive Officer 31 December 2022) M Stow, Accounting Officer & Chief Executive Officer HUET, Headteacher Hanley Castle High School, (appointed as Headteacher 1 September 2022 and appointed as Chief Executive Officer 1 January 2023) E Wilkins, Chief Financial Officer HUET, Business & Finance Director Hanley Castle High School R Johnston, Deputy Headteacher, Hanley Castle High School S Anderson-Kirby, Deputy Headteacher, Hanley Castle High School D Findlater, Assistant Headteacher, Hanley Castle High School J Burrows, Assistant Headteacher, Hanley Castle High School S Cook, Assistant Headteacher, Hanley Castle High School A Pratley, Headteacher, Hanley Swan Primary School P Bundy, Deputy Headteacher, Hanley Swan Primary School B Baynes, Headteacher, Kempsey Primary School D Willetts, Deputy Headteacher, Kempsey Primary School M Smith, Headteacher, Welland Primary School G Williams, Deputy Headteacher, Welland Primary School

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Bankers Lloyds Bank plc
1st Floor
4 The Cross
Worcester
WR1 2LB

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 primary academies and 1 secondary academy for pupils aged 4 to 19 in Upton upon Severn and the surrounding area. It has a pupil capacity of 1,693 and had a roll of 1,730 in the school census on 1 October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Hanley and Upton Educational Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as the Hanley and Upton Educational Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Trustees' liability

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1% 50%	-
51% 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£
Total pay bill	-
Percentage of total pay bill spent on facility time	-%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-%
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**HANLEY AND UPTON EDUCATIONAL TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £2,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Members and Trustees as set out in its Articles of Association and funding agreement:

Members

- 1 Member appointed by the Diocesan Board of Education
- The Chair of the Trustees
- 3 Members appointed according to the Articles of Association

Trustees

- 6 Trustees appointed by the Members
- 2 Trustees appointed by the Diocesan Board of Education
- The Chief Executive Officer

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed or re-elected. When appointing new Trustees, Members will consider the skills and experience mix of existing Trustees in order to ensure that the board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust has a recruitment, induction and training procedure which is followed for every new appointment, whether Member or Trustee. The training and induction provided will depend upon their existing experience but should include attendance at an induction course, the provision of an induction handbook, a tour of the schools within the Academy Trust and a chance to meet staff and pupils. All Members and Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their respective roles. Advantage may also be taken of specific courses offered by the Local Authority (LA) and other bodies.

Organisational Structure

The Board of Trustees normally meets a minimum of four times per annum. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures for committees, lead Trustees and other groups. It receives reports including policies for ratification. It monitors the activities of the committees and lead Trustees through the minutes of their meetings and reports. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

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**TRUSTEES' REPORT (CONTINUED)
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There are three committees as follows:

Audit Committee - this meets a minimum of twice a year and is responsible for examining and reviewing the risk management process and agreeing a programme of work to address these risks, undertaking a programme of internal audit, ensuring due compliance with public accountability, recommending the appointment of the external auditors, and receiving the report of the auditors and ensuring any recommendations are actioned.

Pay and Performance Committee - meets once a year to assist the Board in fulfilling its responsibilities for the implementation of both its Pay and Performance Management Policies. It will monitor throughout the year and formally review annually the overall performance of staff and make recommendations to the Board in respect of pay awards to staff. With the External Adviser, it will monitor throughout the year and formally review annually the performance of the Chief Executive Officer, the Chief Financial Officer and headteachers, as a result of which it will make recommendations to the Board in respect of their pay awards based on judgements of their overall performance and success in meeting the objectives set.

Academy Standards Committee - each academy has an Academy Standards Committee or ASC, whose responsibilities are laid out in the schemes of delegation.

Additional committees to those mentioned above may be convened as appropriate.

The areas of responsibility for Members, Trustees, and ASCs are delineated in the schemes of delegation. All of the HUET's current member schools have been defined as supporting schools and have therefore been given the maximum delegation of governance functions and responsibilities.

The following decisions are the responsibility of Members: amendments to the Articles of Association; the appointment of new Members or removal of current ones; the appointment and removal of Trustees; the appointment of the Trust's auditors by special resolution; the direction of the Trustees to take a specific action; and the power to change the name of the Charitable Company and, ultimately, wind up the Academy Trust.

The Board of Trustees has three core governance functions: to ensure clarity of vision, ethos, and strategic direction; to hold executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and overseeing the financial performance of the HUET and ensuring its funds are well spent.

As both Charity Trustees and Directors of the Academy Trust, Trustees must ensure compliance with the HUET's charity objectives and with company and charity law. As such, the Board of Trustees is accountable to the Secretary of State for the Trust's adherence to its funding agreement. It is also accountable to the Diocesan Board of Education for any church schools within the HUET.

As set out in the schemes of delegation, responsibility for the day-to-day management of each academy is normally devolved to the headteacher and senior leadership team, with responsibility for strategic governance and other matters devolved to the ASC for supporting schools and retained more at Trust level for supported schools. The HUET Trustees ensure that their oversight of internally delegated responsibilities and their understanding of and ability to deliver against external responsibilities meets all requirements.

The Chief Executive Officer is the Accounting Officer.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees and the senior leadership team comprise the key management personnel of the academy in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the pay policy of the HUET when affordability issues are also taken into consideration.

Connected Organisations, including Related Party Relationships

Hanley Castle has a Supplemental Agreement with the Hanley Castle Foundation Trust for the land on which the school buildings are built. The Hanley Castle High School Foundation Trust is a related party as it is the owner of the school's land and buildings. The Foundation Trust nominates one of its Trustees to also be a Member of the Hanley Castle High School ASC, whilst the HUET nominates one of its Trustees (currently the Chair) to be a Trustee of the Foundation. Hanley Castle High School occupies the land at no cost for the shorter of the duration of the Funding Agreement or two years notice from the beneficial owners.

There are no related parties which either control or significantly influence the decisions and operations of the Hanley and Upton Educational Trust.

Hanley Swan has a Church Supplemental Agreement with the Board of Education of the Diocese of Worcester for the land on which the school buildings are built.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the HUET remains unchanged - to advance, for the public benefit, education in the United Kingdom, in particular by further improving schools, offering a high quality educational provision through a broad and balanced curriculum for all of its pupils and students, irrespective of ability and aptitude.

The principal object and activity of the charitable company is the operation of Hanley Castle High School, Hanley Swan St Gabriel's with St Mary's Church of England Primary School, Kempsey Primary School, and Welland Primary School to provide free education and care for students of all abilities between the ages of 4 and 19.

The aims of the HUET during the year ended 31 August 2023 are:

Belong – all children and young people within the partnership will feel part of a happy, safe, and caring community where the values of respect, honesty, friendship, kindness, responsibility, and perseverance are promoted and celebrated.

Aspire – all children and young people will be encouraged and supported to aim very high, developing fully their unique gifts, talents and abilities through a relentless focus on maximising learning opportunities both within and beyond the curriculum.

Achieve – all children and young people will be encouraged and supported to achieve their full potential, leaving the care of the partnership with outstanding academic qualifications, and the skills and personal qualities required to succeed in a rapidly changing world.

All member schools (founder and future) will remain non-selective and will be supported in maintaining any current religious affiliation.

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FOR THE YEAR ENDED 31 AUGUST 2023**

This will be achieved through:

- A relentless focus on raising the standard of educational attainment and achievement of students of all ages, abilities, and aptitudes.
- A stimulating learning environment, supported by consistent expectations.
- Care, support, and intervention that places the individual at the centre of everything that we do.
- Celebration of all forms of success and reward of positive attitude and effort.
- Close partnership between parents, schools and the children and young people to support progress.
- Curriculum opportunities that promote understanding and appropriately challenge every child and young person.
- Opportunities outside the curriculum that develop a broader personal development.
- A clear understanding of rights and responsibilities in a global community.

Objectives, Strategies and Activities

Broad themes were agreed for the HUET development plan for 2022-2023. Priorities identified included:

- **The quality of education and outcomes**
 - Create new central structures to systematically improve the quality of education across the HUET.
 - Continue to refine and improve the curriculum.
 - Continue to focus on improving the consistency of outcomes for disadvantaged and SEND children.
 - Continue to focus on Ofsted priorities (pre and post inspection).
- **Personal development and welfare**
 - Further improve the behaviour of the small number of children who fail to meet the HUET's high expectations.
 - Further improve attendance, particularly that of disadvantaged children.
 - Further develop strategies to improve pupils' emotional health and well-being.
- **Governance**
 - To develop the capacity of the HUET Board in advance of expansion.
 - To continue to improve monitoring of statutory compliance across all HUET schools in relation to health and safety, fire, asbestos, water hygiene etc.
 - To support Welland ASC in holding its headteacher to account.
- **Leadership and management**
 - Further increase capacity of the HUET to drive internal improvements and support expansion.
 - Maintain current strong financial controls to ensure that the HUET remains financially healthy.
 - Support accurate and consistent self-evaluation by formalising external verification of judgements.
 - Develop scope of work in initial teacher training in partnerships with the University of Worcester.
 - Minimise and mitigate risks.

In addition, each school had its own individual development priorities for 2022-23. Details of these priorities and progress towards them are available from each school.

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**TRUSTEES' REPORT (CONTINUED)
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Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The HUET aims to advance for the public benefit education in Hanley Castle, Hanley Swan, Kempsey and Welland and the surrounding area, offering a broad and balanced curriculum to students of all abilities.

The HUET provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As a Multi-Academy Trust with sponsor school status we have a duty to support other schools. We support these schools, especially our feeder primary schools, through use of our premises and specialist skills including secondments where appropriate.

STRATEGIC REPORT

Achievements and Performance 2022-23

Both Hanley Castle High School and Welland were judged good by Ofsted following graded (Section 5) inspections in March and June respectively. All four schools in the HUET continue to be rated good.

The quality of education

The Deputies' Forum has continued work on curriculum development, with a particular focus on the foundation subjects. They have focused on the creation of a suite of shared resources, planning and training materials, to positively impact on staff workload and ensure an aligned experience for students from 4-18. This has been driven by the Deputy Heads at primary level, focused initially on humanities and has involved close collaboration with the faculty at Hanley Castle High School.

KS2 SATs attainment

School	No. pupils	Grammar, punctuation, spelling (GPS) %		Average Scaled Score*		
		Expected	Higher std.	Reading	Maths	GPS
HSW	16	63	13	106	105	101
KPS	64	68	10	103	103	106
WPS	19	91	18	107	106	105
National	N/A	72	-	105	104	105

* Scaled scores range from 80 to 120. The total number of marks a pupil achieves in each test subject (raw score) is converted into a scaled score to ensure accurate comparisons can be made over time, even if the difficulty of the test itself varies.

Overall attainment across the primary schools in the summer KS2 SATs was strong, with variation between the different assessments and schools. The proportion of students reaching the expected standard in reading and maths was above average. Other primary results, e.g., end of KS1 outcomes, are teacher assessed and it is therefore even less valuable to draw conclusions or make comparisons between schools. Each school will be using the assessment data available to inform curriculum planning and identify any areas for improvement.

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GCSE – Attainment

Measure	Hanley 2023	Hanley 2019	National 2023	Worcs Schools 2023*
% with Eng & Ma 4+	75	78	65	66
% with Eng & Ma 5+	50	51.8	45	45
% EBACC 4+	26.6	47.6	24	24
% EBACC 5+	16.0	28.0	17	17
EBACC points	4.46	4.95	4.05	4.0
% of all grades 7+	21.8	26.5	21.6 for England	N/A
Average Attainment 8	50.8	53	46.2	46

*not all schools submitted data

GCSE – Progress

Progress 8	English	Maths	EBACC	Open
+0.28	+0.43	+0.11	+0.29	+0.31

Students in 2019 achieved a very strong set of exam results, and the class of 2023 are broadly comparable in terms of English and Maths attainment thresholds. EBACC pass rates have seen a large fall (20%), largely due to curriculum choice of students bringing down the proportion who enter the range of subjects (this reduction is set to continue for the next two years before 2022 curriculum option changes work through). The headline figures for English, maths and points scores are comfortably above national averages. EBACC thresholds are broadly in line with national and Worcestershire averages.

Students at Hanley on average have achieved results that are over a quarter of a grade higher than the national average, when taking their starting points into consideration. Whilst this value is healthy and would compare favourably to similar schools in 2019, the school ambition is to consistently achieve outcomes that give a progress figure of at least +0.5.

A Level

	A*-A %	A*-B %	A*-C %	Avg Pts	AAB Facilitating %	A*-E %
2023 Hanley	28	54	77	35.9 (B-)	19	97.6
2023 National	27.2	53.5	76	TBC	TBC	97.3
2019 Hanley	13.1	35.7	73.0	31.3 (C)	7.3	98.0
2019 National	25.5	51.6	75.8	33.8 (C+)*	15.8	97.6

There will be no nationally reported Level 3 value-added measure for post-16 examinations this year, as due to the examination disruption of 2021 students do not have a reliable baseline of academic qualifications from GCSE. In terms of attainment, students in 2023 performed well on all attainment metrics, with above average performance across the board, and notably strong performance in the facilitating subjects.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Personal development and welfare

Safeguarding is an overarching priority for the HUET and all four of its schools. Regular training for Members, Trustees, ASC members and staff is compulsory, and the pace of change in this area has made training sessions and follow-up essential to ensure that knowledge is kept up-to-date through accredited sessions.

School	Attendance 21/22	Attendance 22/23*	National Average 22/23*	PA 22/23*	National Average PA 22/23*
Hanley Castle	90.9%	91.8%	90.8%	24.67%	27.5%
Hanley Swan	95.5%	94.9%	94.0%	9.5%	17.4%
Kempsey	92.8%	94.2%	94.0%	13.9%	17.4%
Welland	92.1%	94.4%	94.0%	13.82%	17.4%

*PA = Persistently absent (over 10% of sessions missed)

Attendance levels at the schools, although lower than pre-pandemic levels, continue to be above average. The HUET attendance and safeguarding officer has engaged with the new DfE Attendance Hubs to continue to support the attendance of all students, but particularly those who are persistently absent or severely absent from school.

In addition, in HUET schools:

- Pupils enjoy lessons, engage actively with their learning and are enthusiastic and keen to learn.
- Children feel safe and know how to keep themselves safe, physically, and online.
- The schools' curriculums and wider work are effective in supporting pupils to be confident, resilient, and increasingly independent member of their communities and wider society.

Governance

The HUET continues to show strong governance through:

- Broad range of skills, knowledge, and expertise at all levels.
- The experienced HUET Board supporting well-qualified chair, providing strong strategic oversight, challenge, and support.
- Impact of Trustee-led / commissioned audits e.g., safeguarding / health and safety

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Leadership and management

The HUET executive and school leadership demonstrate proactive leadership by:

- The CEO and headteachers having a shared clear and ambitious vision and show deep commitment to driving continuous improvement - in each individual school and for the HUET as a whole.
- Ensuring that safeguarding across the HUET is highly effective with a strong culture of vigilance and active promotion of pupil welfare. An audit cycle is in place to ensure consistency and identify any areas for development.
- Overall, the impact of additional funding for disadvantaged pupils has been significant. Due to small cohorts, there is some volatility, but outcomes are generally very strong.
- Monitoring of staff performance following the implementation of a common HUET pay policy and performance management procedure indicates that the staff of the HUET are skilled, experienced, and delivering very good outcomes and therefore providing good value for money. Where there is underperformance, this is tackled decisively. This cross-HUET process is also effective in terms of identifying and addressing common training needs.
- Maintaining the HUET's financial position remains relatively strong, despite the challenges of unfunded increases in teachers' pay and pension contributions and inflation.
- Ensuring that resources are managed efficiently and effectively to facilitate improvements in staffing levels, facilities, and accommodation to benefit children in all key stages.
- Continuing major improvements and expansion of accommodation and facilities at all four schools.
- Ensuring that pupil numbers remain strong overall. All schools are oversubscribed in some or all year groups.
- Exploring collaboration with prospective partners for HUET expansion.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date, which excluding fixed assets and pension reserve was £594k or 5.5% of revenue income as at August 2023. This together with £6,422k restricted fixed asset funds offset by the pension deficit of £776k leaves net assets as at 31 August 2023 of £6,240k.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers as at October 2022 were 1,730.

Another key financial performance indicator is staffing costs as a percentage of income. For 2023 this was 79.6%, which compared favourably to budget of 81.3%

KPIs for the year	Budget	Actual
In year revenue Deficit/Surplus	-£160k	-£31k
Reserves as at 31 st August	£465k	£594k
Reserves as a % of income	4.5%	5.5%
Pupil numbers – October 22		
Primary	625	620
Secondary	1,068	1,110
Total	1,693	1,730
Staff costs as a percentage of income	81.3%	79.6%

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. The trustees are aware that the burden of increased energy costs and unfunded pay awards will mean budgets will become increasingly tight in coming years.

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**TRUSTEES' REPORT (CONTINUED)
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FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE via the ESFA and they are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Funds. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2023, excluding the impact of fixed assets and the change in the LGPS pension deficit the Trust reported a small in-year deficit of -£31k after transfer to capital with all individual schools maintaining positive reserves as at 31st August 2023.

The reduction in Local Government Pension Scheme (LGPS) pension deficit of £1,198k to -£776k was due mainly to an increase of 1% in the discount rate assumption together with reduction in both current service costs and projected net income costs.

Restricted Fixed Asset Fund income in the year of £324k included funding from the local authority to install a bathroom management area (BMA) for a disabled student at the school, annual devolved formulae allocation and additional funding from DfE to improve energy efficiency. The expenditure within fixed assets of £600k included the annual depreciation charge of £261k and assets written off in the year at Hanley Castle and Hanley Swan of £312k and £27k respectively related to boiler replacement, new fire alarm installation, windows, LED lighting and BMA.

The transfer from revenue of £153k was utilised to support IT investment and other capital projects across the HUET. The net movement in the fund was £123k in the year and stood at £6,422k as at 31 August 2023.

The total movement in funds in the year was £1,044k (-£123k fixed assets, £1,198k pension reserve and -£31k general funds). Together with the brought forward funds from the previous financial year of £5,196k this resulted in carried forward funds of £6,240k of which £5,646k is restricted (£6,422k fixed assets, -£776k pension) and £594k is unrestricted.

At 31 August 2023 the net book value of fixed assets was £6,142k and movements in tangible fixed assets are shown in note 14 to the financial statements. All assets purchased were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Trust has taken on the deficit in the LGPS in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy and Procedures which lays out the framework for financial management, including financial responsibilities of the HUET Board, ASC's, headteachers, Chief Financial Officer, budget holders and other staff, as well as delegated authority for spending.

The Trustees bought in an internal audit service from Duncan and Topliss to undertake a programme of internal scrutiny on financial controls during the year ended 31 August 2023.

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**TRUSTEES' REPORT (CONTINUED)
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Reserves Policy

The Trustees review the reserve levels of the HUET annually and this review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the HUET, the uncertainty over future income streams and other key risks identified during the risk review. The free reserves at year end of £594k or 5.5% of income is in line with the targeted reserves and are held for future expenditure, for example one-off building and maintenance work and to bridge the gap to Fairer Funding. The fixed asset reserves of £6,422k were invested in fixed assets. Whilst the HUET recognises a significant pension deficit of - £776k, due to the accounting treatment of the LGPS this does not mean that an immediate liability for this amount crystallises.

The LGPS reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect when appropriate. On a regular basis this is achieved by transferring surplus funds to overnight deposit. Where cash flow allows, sums in excess of £50k may be invested on deposit for extended periods. Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Chief Executive Officer as Accounting Officer and Chief Financial Officer within strict guidelines approved by the Board of Trustees.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the HUET are as follows:

Financial - the HUET has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the introduction of National Fairer Funding (NFF) is critical to the ongoing success of the Trust. In the last year over 97% of the HUET's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Whilst 3 of the 4 academies in the HUET have been asked and funded by the local authority to increase their intake, risks to revenue funding from a falling roll remain small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs, particularly energy, mean that budgets will be increasingly tight in coming years.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the HUET's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the success of the HUET is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and any impact from the risks associated with the development of the MAT are minimised.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Staffing - the success of the HUET is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The Trustees are aware of the potential pressures on staff due to ongoing funding and capacity issues and as a result work with the senior leadership teams to monitor any impact on staff.

Fraud and mismanagement of funds - the HUET has commissioned a 3rd party to undertake an annual programme of checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial procedures and develop their skills in this area.

The HUET has agreed a Risk Management Strategy, a Risk Register, and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the HUET. The register and plan are constantly reviewed and updated by committees in light of any new information and formally reviewed at each board meeting by the HUET Board.

The Trustees examine financial health formally four times a year, reviewing performance against budget and overall expenditure by means of regular update reports at all meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

The Board of Trustees recognises that the defined benefit scheme deficit (LGPS), which is set out in note 28 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The Hanley and Upton Educational Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all ages and stages, continue to aim to attract high quality teachers and support staff in order to deliver its objectives and continue to work with partner schools to improve the educational opportunities for students in the wider community. The HUET will continue to seek opportunities to strengthen its links legally and formally with partner schools to improve further the quality of educational provision for all children from the age of 4 to 19 within the schools involved, whilst retaining the distinctive character of each. This includes respecting and preserving the Christian ethos of Diocesan primary schools and the commitment of all schools to the spiritual, moral, and cultural development of its students.

The HUET will seek to build closer links with other local schools, particularly those within the Upton Pyramid, to improve further the quality of educational provision for all children in our area.

The HUET will play a prominent role in system improvement through its 'sponsor school' status and is prepared to work with the DfE and Regional Schools Commissioner to support those schools which are identified as underperforming.

In addition, the HUET will continue to develop the scope of its work in initial teacher training in partnership with the University of Worcester.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The quality of education

All HUET schools will continue to:

- Develop collaboration between HUET schools to explore common curriculum intent / implementation.
- Develop a shared pedagogical understanding and language for improving the quality of teaching across the HUET schools.
- Develop further joint-curricular projects.
- Focus on further improving the consistency of outcomes for disadvantaged children.
- Focus on improving the quality of experience and consistency of outcomes for children with SEND.
- Focus on Ofsted priorities (pre and post inspection).

Personal development, behaviour, and attitudes

- Further improve the behaviour of the small number of children who fail to meet the HUET's high expectations.
- Further improve attendance, particularly that of disadvantaged children.
- Continue to focus on Ofsted priorities (pre and post inspection).
- Monitor and evaluate impact of new PSD / RSE curriculum.

Leadership and management

- Further increase the capacity of HUET to drive internal improvements and support expansion.
- Support accurate and consistent self-evaluation by formalising external verification of judgements.
- Develop the HUET to incorporate additional schools.
- Re-establishing forums for Safeguarding and SEND to broaden the areas of effective collaboration across the HUET.
- Invest in professional development so that teachers and leaders can continue to improve.
- Improve the consistency of governance structures across the Trust to strengthen oversight and ensure that all leaders can be supported and challenged.
- Promote positive environmental credentials alongside effective, efficient, and ethical procurement.
- Maintain current strong financial controls to ensure that the HUET remains financially healthy, particularly in the light of the impact of inflation on educational resource costs.
- Audit readiness to move to Cloud First Deployment and MIS as part of a wider IT strategy.
- Further improve the quality and safety of HUET accommodation.

Full details of all our plans for the future are given in the HUET Development Plan, which is available from the Company Secretary, and in academy development plans which can be obtained from the individual schools.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The HUET and its Trustees do not act as the custodian Trustees of any other charity with the exception of those Trustees who are Trustees of the Hanley Castle High School Foundation Trust.

DISCLOSURE OF INFORMATION TO AUDITORS

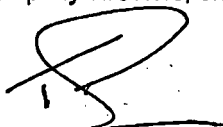
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at the HUET AGM in January 2024.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 07/12/2023 and signed on its behalf by:



Mr T Sinden
Chair of Trustees

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that the Hanley and Upton Educational 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer of the Hanley and Upton Educational Trust 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 HUET and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of Possible
L Cooke – Accounting Officer and CEO (resigned 31/12/22)	2	2
M Stow – Accounting Officer and CEO from 01/01/23	2	2
T Sinden – Chair	3	4
J Robinson	3	4
S Fitzjohn	2	4
K Taylor	4	4
G Black	4	4
S Adeney	4	4
P Saunders	3	4

The timetabled transition of AO/CEO role from L Cooke to M Stow was completed as planned. Very many thanks to Lindsey Cooke for assisting in this transition and for her overall time in office as AO/CEO and as one of the key architects of the HUET. Her experience, leadership and insight will be missed. The Board has welcomed Mark Stow in the AO/CEO role and is fully supporting him as he leads the HUET going forward. Despite the personnel changes the structures and processes in place ensured that the Board of Trustees has continued to focus its activities on the three core governance functions:

- It has ensured that the clarity of vision, ethos and strategic direction as documented for the HUET underpin all its discussions and decision making.
- It has held executive leaders to account for the educational performance of the organisation and its pupils through detailed assessment of the high quality descriptive and data driven reports provided by the CEO and headteachers, and for the performance management of staff through the responsibilities delegated to the pay and performance committee.
- Through review of the equally high-quality financial reports provided by the CFO, it has overseen the financial performance of the HUET and ensured, in extremely challenging financial times, that its funds have continued to be well spent.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Governance Review

The quality of governance remained a central part of the HUET SEF and in self-evaluation procedures using the Ofsted framework. The outcomes of this self-evaluation are also recorded in each academy's SEF.

Two academies (Welland Primary and Hanley Castle High School) underwent Ofsted audits. Both were assessed in the 'Good' category.

Trustees continued to provide appropriate challenge and support regarding senior leadership, teaching and learning and outcomes. Trustees were assured that the Trust's financial position remained stable with contingency plans in place for the anticipated failure to increase income against unavoidable expenditure. Resources were seen to have been managed effectively and efficiently to facilitate improvement in staffing levels, facilities, and accommodation to benefit all student groups. Trustees' own expertise, experience and knowledge of the Trust and its schools ensured they remain well placed to shape its direction and policies, identify strategic priorities, and to monitor and evaluate actions taken by the leadership of each of the schools within the Trust. It is an important governance objective to ensure that Members are appropriately informed to undertake their high-level role and they have been involved alongside Trustees in some of the self-evaluation and safeguarding training, whilst also receiving briefing on the HUET's academic performance and other achievements against objectives.

The HUET Audit Committee is a subcommittee of the main Board of Trustees. Its purpose is to assist the Board of Trustees in fulfilling its responsibilities with reference to financial reporting, internal control, risk management and external audit.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of Possible
K Taylor	2	2
P Saunders - Chair	2	2
G Black	2	2
M Stow - CEO in attendance	2	2
E Wilkins - CFO - in attendance	2	2
T Sinden - HUET Chair - in attendance	1	1
R Barratt - Duncan & Toplis - in attendance	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the HUET 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.

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

- Delivering an in-year surplus for the year of £122k before transfer of £153k to capital. Overall, a small deficit after capital for the year of - £31k which is better than both budget and forecast.
- Maintaining reserves of £594k as of 31st August 2023 which is equivalent to 5.5% of income and therefore in line with the reserves policy.
- Maintaining strict control over staff costs. The number of staff has remained fairly static over the last five years whereas pupil numbers continue to rise. Staff costs per pupil are significantly lower than both the Worcestershire and national average and as a percentage of income were better than budget.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- No significant issues arising from external audit or internal audit work carried out during the year.
- Maintaining tight control over financial position of the Trust during the year.
- Further investing in LED lighting across the HUET to reduce future energy costs.
- Delivering the permanent ground floor BMA at Hanley Castle within the allocated budget.
- Capital investment at Kempsey on outside early years area, and new boiler and windows at Hanley castle.
- Continued investment in IT across the trust of £52k.

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 HUET policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Hanley and Upton Educational Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the HUET 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 HUET's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 HUET'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. 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.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Duncan and Toplis as Responsible Officer (RO) for the year ended 31 August 2023.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the HUET's financial systems. The checks carried out in the current period included:

- Budgets and financial monitoring.
- Compliance.
- Income.
- Payroll and fixed assets.
- Bank, cash, and credit card procedures.
- Expenditure and fixed assets.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

On a regular basis, the reviewer reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

There were no significant issues identified as part of the Responsible Officer's review. On an annual basis the RO reports to the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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 work of the reviewer.
- The work of the external auditors.
- The financial management and governance self-assessment process.
- The work of the executive managers within the HUET who have responsibility for the development and maintenance of the internal control framework.

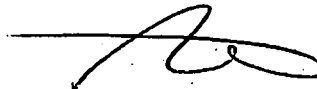
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Mr T Sinden
Chair of Trustees

07/12/2023



Mr M Stow
Accounting Officer

07/12/2023

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hanley and Upton Educational Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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



M Stow
Accounting Officer

Date: 07/12/2023

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

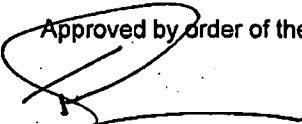
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



T Sinden
Chair of Trustees
Date: 07/12/2023

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY
AND UPTON EDUCATIONAL TRUST**

OPINION

We have audited the financial statements of Hanley and Upton Educational Trust (the 'Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY
AND UPTON EDUCATIONAL TRUST (CONTINUED)**

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust 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
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY
AND UPTON EDUCATIONAL TRUST (CONTINUED)**

AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, the Charities Act 2011, Charities SORP (FRS 102), UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HANLEY
AND UPTON EDUCATIONAL TRUST (CONTINUED)**

with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Academy Trust'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 Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Talbot FCA

John Talbot FCA
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date:

19/12/23

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HANLEY AND
UPTON EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hanley and Upton Educational Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HANLEY AND UPTON EDUCATIONAL TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Hanley and Upton Educational Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HANLEY AND
UPTON EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

APPROACH

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

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

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

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

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls 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 audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HANLEY AND
UPTON EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date:

19/12/23

HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:						
Donations and capital grants	3	218	102,776	324,551	427,545	184,995
Other trading activities		67,250	-	-	67,250	67,479
Investments	6	5,368	-	-	5,368	173
Charitable activities		282,805	10,074,990	-	10,357,795	9,414,916
TOTAL INCOME		355,641	10,177,766	324,551	10,857,958	9,667,563
EXPENDITURE ON:						
Charitable activities		286,825	10,186,956	600,187	11,073,968	10,651,552
TOTAL EXPENDITURE		286,825	10,186,956	600,187	11,073,968	10,651,552
NET INCOME/ (EXPENDITURE)		68,816	(9,190)	(275,636)	(216,010)	(983,989)
Transfers between funds	19	(35,107)	(117,893)	153,000	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		33,709	(127,083)	(122,636)	(216,010)	(983,989)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains on defined benefit pension schemes	28	-	1,260,000	-	1,260,000	3,240,000
NET MOVEMENT IN FUNDS		33,709	1,132,917	(122,636)	1,043,990	2,256,011
RECONCILIATION OF FUNDS:						
Total funds brought forward		559,795	(1,908,917)	6,544,952	5,195,830	2,939,819
Net movement in funds		33,709	1,132,917	(122,636)	1,043,990	2,256,011
TOTAL FUNDS CARRIED FORWARD		593,504	(776,000)	6,422,316	6,239,820	5,195,830

The Statement of Financial Activities includes all gains and losses recognised in the year.

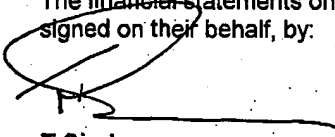
The notes on pages 34 to 65 form part of these financial statements.

HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07690414

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	6,141,709	6,163,943
CURRENT ASSETS			
Stocks	15	5,525	1,262
Debtors	16	518,600	520,729
Cash at bank and in hand		1,480,159	1,616,720
		<u>2,004,284</u>	<u>2,138,711</u>
Creditors: amounts falling due within one year	17	(1,074,254)	(1,068,332)
NET CURRENT ASSETS		<u>930,030</u>	<u>1,070,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,071,739</u>	<u>7,234,322</u>
Creditors: amounts falling due after more than one year	18	(55,919)	(64,492)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>7,015,820</u>	<u>7,169,830</u>
Defined benefit pension scheme liability	28	(776,000)	(1,974,000)
TOTAL NET ASSETS		<u><u>6,239,820</u></u>	<u><u>5,195,830</u></u>
FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS:			
Fixed asset funds	19	6,422,316	6,544,952
Restricted income funds	19	-	65,083
Restricted funds excluding pension reserve	19	<u>6,422,316</u>	<u>6,610,035</u>
Pension reserve	19	<u>(776,000)</u>	<u>(1,974,000)</u>
TOTAL RESTRICTED FUNDS	19	<u>5,646,316</u>	<u>4,636,035</u>
UNRESTRICTED INCOME FUNDS	19	<u>593,504</u>	<u>559,795</u>
TOTAL FUNDS		<u><u>6,239,820</u></u>	<u><u>5,195,830</u></u>

The financial statements on pages 30 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


T Sinden
Chair of Trustees
Date: 07/12/2023

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07690414**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023**

The notes on pages 34 to 65 form part of these financial statements.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	(308,990)	(202,223)
CASH FLOWS FROM INVESTING ACTIVITIES	23	182,548	694,600
CASH FLOWS FROM FINANCING ACTIVITIES	22	(10,119)	24,395
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(136,561)	516,772
Cash and cash equivalents at the beginning of the year		1,616,720	1,099,948
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	<u>1,480,159</u>	<u>1,616,720</u>

The notes on pages 34 to 65 form part of these financial statements

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hanley and Upton Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the goods and services.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **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 resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 TANGIBLE FIXED ASSETS

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Freehold property	- Buildings 50 years, leasehold land 125 years
Furniture and equipment	- 10-20% straight line
Computer Equipment	- 33.33% straight line
Motor vehicles	- 33.33% straight line
Office equipment	- 10-20% straight line

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

The Trust does not account for Hanley Castle High School or Hanley Swan C-of-E Primary School on its balance sheet owing to the fact these land and buildings are on Supplemental Agreements from the Foundation Trust and the Diocese of Worcester respectively.

The Supplemental Agreements include the right for the Foundation Trust and the Diocese of Worcester trustees to give not less than 2 years written notice to the Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements. In addition, no restrictive access or restrictions on work has occurred in the financial year.

This accounting treatment is in line with the Academies Accounts Direction.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity from the date of acquisition or opening of the deposit or similar account.

1.11 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.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.12 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 bases 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 16. 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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 PENSIONS

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

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

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

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

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 26.

1.16 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	218	102,776	-	102,994	105,171
Capital Grants	-	-	324,551	324,551	79,824
	<u>218</u>	<u>102,776</u>	<u>324,551</u>	<u>427,545</u>	<u>184,995</u>
TOTAL 2022	<u>60</u>	<u>105,111</u>	<u>79,824</u>	<u>184,995</u>	

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. FUNDING FOR THE ACADEMY TRUST'S DIRECT COSTS - ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DFE/ESFA GRANTS				
General Annual Grant	-	7,597,311	7,597,311	7,220,013
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	314,242	314,242	275,388
Start up Grants	-	15,355	15,355	-
Universal Infant Free School Meals	-	97,305	97,305	99,429
16-19 Funding	-	1,034,855	1,034,855	934,561
Mainstream School Additional Grant	-	116,438	116,438	-
Teacher's Pay and Pension Grant	-	40,295	40,295	53,665
School Supplementary Grant	-	228,731	228,731	95,261
Other ESFA Grants	-	122,423	122,423	112,051
	-	9,566,955	9,566,955	8,790,368
OTHER GOVERNMENT GRANTS				
High Needs	-	329,283	329,283	205,376
Pupil Growth Fund	-	82,875	82,875	169,765
Other government grants	-	23,223	23,223	25,969
	-	435,381	435,381	401,110
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Mass Testing	-	-	-	3,062
Recovery Premium	-	50,079	50,079	20,746
School Led Tutoring	-	17,175	17,175	29,363
Other DfE/ESFA COVID-19 funding	-	-	-	21,144
	-	67,254	67,254	74,315
OTHER FUNDING				
Internal catering income	7,823	-	7,823	6,856
Income from hosting trainee teachers	15,003	-	15,003	16,521
Sales to students	10,444	-	10,444	12,499
Trip income	214,917	-	214,917	75,508
Other income	34,618	5,400	40,018	37,739
	282,805	5,400	288,205	149,123
	282,805	10,074,990	10,357,795	9,414,916
TOTAL 2022	144,523	9,270,393	9,414,916	

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	14,021	14,021	14,846
Breakfast club	44,944	44,944	44,827
Other	8,285	8,285	7,806
	<u>67,250</u>	<u>67,250</u>	<u>67,479</u>
TOTAL 2022	<u>67,479</u>	<u>67,479</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	5,368	5,368	173
	<u>173</u>	<u>173</u>	
TOTAL 2022	<u>173</u>	<u>173</u>	

**HANLEY AND UPTON EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
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7. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Education:					
Direct costs	7,057,570	602,812	598,191	8,258,573	8,036,910
Support costs	1,502,651	575,440	737,304	2,815,395	2,614,642
	<u>8,560,221</u>	<u>1,178,252</u>	<u>1,335,495</u>	<u>11,073,968</u>	<u>10,651,552</u>
TOTAL 2022	<u>8,089,249</u>	<u>1,775,442</u>	<u>786,861</u>	<u>10,651,552</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	8,258,573	2,815,395	11,073,968	10,651,552
TOTAL 2022	<u>8,036,910</u>	<u>2,614,642</u>	<u>10,651,552</u>	

**HANLEY AND UPTON EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2023 £	Total funds (as restated) 2022 £
Pension finance costs	33,000	30,000
Staff costs	7,015,850	6,592,262
Depreciation	261,229	361,325
Educational supplies	198,906	192,761
Examination fees	122,690	102,139
Staff development	17,531	31,450
Other costs	226,164	87,512
Supply teachers	41,720	48,195
Capital improvements held by Foundation Trust / Diocese	341,583	591,266
	8,258,573	8,036,910

**HANLEY AND UPTON EDUCATIONAL TRUST
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds (as restated) 2022 £
Pension finance costs	51,000	53,000
Staff costs	1,502,651	1,448,792
Other costs	32,246	38,704
Maintenance of premises and equipment	212,844	203,990
Cleaning	4,286	4,142
Rent and rates	144,932	140,974
Energy costs	181,256	138,503
Insurance	47,177	45,238
Security and transport	32,122	25,686
Catering	186,293	160,313
Technology costs	127,084	119,315
Office overheads	127,842	124,173
Legal and professional	147,266	95,257
Bank interest and charges	1,131	740
Loss on disposal of tangible fixed assets	(2,625)	-
Governance costs	19,890	15,815
	2,815,395	2,614,642

The Trustees have assessed the classification of expenditure and have restated the comparative figures to better reflect the nature of the expenditure incurred.

**HANLEY AND UPTON EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	31,531	32,368
Depreciation of tangible fixed assets	261,231	361,325
Fees paid to auditors for:		
- audit	16,550	14,450
- other services	3,340	1,365
	<u>16,550</u>	<u>14,450</u>
	<u>3,340</u>	<u>1,365</u>

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	6,450,481	5,805,116
Social security costs	605,024	553,234
Pension costs	1,462,996	1,682,704
	<u>8,518,501</u>	<u>8,041,054</u>
Supply teachers	41,720	48,195
	<u>8,560,221</u>	<u>8,089,249</u>

b. STAFF NUMBERS

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

	2023 No.	2022 No.
Teachers	92	92
Educational support	83	82
Administration and clerical	41	44
Management	13	13
	<u>229</u>	<u>231</u>

**HANLEY AND UPTON EDUCATIONAL TRUST
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FOR THE YEAR ENDED 31 AUGUST 2023**

10. STAFF (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	81	81
Educational support	53	50
Administration and clerical	24	26
Management	13	13
	<u>171</u>	<u>170</u>

c. HIGHER PAID STAFF

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1
	<u>-</u>	<u>1</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the CEO, CFO and Headteachers of all four schools. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £568,234 (2022: £545,441).

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FOR THE YEAR ENDED 31 AUGUST 2023**

11. CENTRAL SERVICES

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

- Insurance
- Legal and professional services
- Human resources and payroll
- Educational support services
- Financial services
- Premises services
- Audit services
- Others as required
- IT support

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

The Academy Trust charged these services on a fair basis as agreed between the CEO and Academy Standards Committees, being 5.3% of budgeted income.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Hanley Castle High School	319,380	298,932
Kempsey Primary School	84,636	74,436
Hanley Swan C-of-E Primary School	30,612	27,552
Welland Primary School	35,148	31,260
TOTAL	469,776	432,180

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows; L Cooke: Remuneration £15,000 - £20,000 (2022: £120,000 - £125,000), employer's pension contributions nil (2022: £25,000 - £30,000). M Stow: Remuneration £70,000 - £75,000 (2022: nil), employers pension £15,000 - £20,000 (2022: nil).

During the year ended 31 August 2023, no expenses were reimbursed to Trustees (2022 - £NIL).

13. 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 business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2023 was £1,199 (2022 - £1,199). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Office equipment £	Total £
COST OR VALUATION						
At 1 September 2022	6,287,453	182,483	842,149	15,500	503,227	7,830,812
Additions	107,059	36,544	67,306	3,600	25,862	240,371
Disposals	-	-	-	(5,500)	-	(5,500)
Transfers between classes	-	115,631	-	-	(115,631)	-
At 31 August 2023	6,394,512	334,658	909,455	13,600	413,458	8,065,683
DEPRECIATION						
At 1 September 2022	429,824	126,846	673,561	8,653	427,985	1,666,869
Charge for the year	114,391	36,982	88,175	4,447	17,235	261,230
On disposals	-	-	-	(4,125)	-	(4,125)
Transfers between classes	-	85,223	-	-	(85,223)	-
At 31 August 2023	544,215	249,051	761,736	8,975	359,997	1,923,974
NET BOOK VALUE						
At 31 August 2023	5,850,297	85,607	147,719	4,625	53,461	6,141,709
At 31 August 2022	5,857,629	55,637	168,588	6,847	75,242	6,163,943

15. STOCKS

	2023 £	2022 £
Goods for resale	5,525	1,262

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FOR THE YEAR ENDED 31 AUGUST 2023**

16. DEBTORS

	2023 £	2022 £
Trade debtors	84,330	5,199
Other debtors	120,583	141,318
Prepayments and accrued income	220,004	229,083
VAT recoverable	93,683	145,129
	<u>518,600</u>	<u>520,729</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Salix loans	10,767	12,313
Trade creditors	174,586	326,531
Other taxation and social security	145,519	130,800
Other creditors	229,176	213,007
Accruals and deferred income	514,206	385,681
	<u>1,074,254</u>	<u>1,068,332</u>

Included within creditors due within one year is a Salix loan balance of £4,000. The full value of the loan outstanding is £12,000, £8,000 of which is shown as due over one year (note 18). The loan is repayable in six-monthly instalments over the remaining 3 years of the loan with an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £1,000. The full value of the loan outstanding is £3,500, £2,500 of which is shown as due over one year (note 18). The loan is repayable in six-monthly instalments over 8 years, with repayments starting in May 2019. There is an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £1,925. The full value of the loan outstanding is £8,664, £6,739 of which is shown as due over one year (note 18). The loan is repayable in six-monthly installments over 7 years. There is an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £1,647. The full value of the loan outstanding is £7,410, £5,763 of which is shown as due over one year (note 18). The loan is repayable in six-monthly installments until December 2027. There is an applicable annual interest rate of NIL%.

Also included within creditors within one year is a Salix loan balance of £2,195. The full value of the loan outstanding is £35,112, £32,918 of which is shown as due over one year (note 18). The loan is repayable over 8 years. There is an applicable annual interest rate of NIL%.

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	2023 £	2022 £
DEFERRED INCOME		
Deferred Income at 1 September 2022	180,609	100,947
Resources deferred during the year	242,941	180,609
Amounts released from previous periods	(180,609)	(100,947)
	<u>242,941</u>	<u>180,609</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and other trading activities, totalling £3,598 (2022: £40,825), and grants received in advance totalling £239,343 (2022: £139,784)

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Salix loans	<u>55,919</u>	<u>64,492</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds	559,795	355,641	(286,825)	(35,107)	-	593,504
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	53,226	7,597,311	(7,532,644)	(117,893)	-	-
16-19 Funding	-	1,034,855	(1,034,855)	-	-	-
School Supplementary Grant	-	228,731	(228,731)	-	-	-
Higher Needs funding (SEN)	-	329,283	(329,283)	-	-	-
Pupil Premium (PP)	-	314,242	(314,242)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	97,305	(97,305)	-	-	-
Other ESFA grants	11,857	361,765	(373,622)	-	-	-
Other grants	-	111,498	(111,498)	-	-	-
Donations	-	102,776	(102,776)	-	-	-
Pension reserve	(1,974,000)	-	(62,000)	-	1,260,000	(776,000)
	(1,908,917)	10,177,766	(10,186,956)	(117,893)	1,260,000	(776,000)

**HANLEY AND UPTON EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Land and buildings transferred in	3,565,138	-	(142,679)	-	-	3,422,459
Fixed assets purchased from GAG and other restricted funds	833,030	-	(44,226)	153,000	-	941,804
Devolved Formula Capital funding (DFC)	227,950	42,139	(9,123)	-	-	260,966
Academies Capital Maintenance Fund (ACMF)	20,074	-	(803)	-	-	19,271
Condition Improvement Fund (CIF)	357,003	(12,138)	(238,963)	-	-	105,902
PAN expansion	1,524,210	-	(40,528)	-	-	1,483,682
Donated capital funding	17,547	16,173	-	-	-	33,720
LA Capital Grants	-	186,771	(105,060)	-	-	81,711
Additional Capital Grant	-	86,244	(18,805)	-	-	67,439
Other Capital Grant	-	5,362	-	-	-	5,362
	<u>6,544,952</u>	<u>324,551</u>	<u>(600,187)</u>	<u>153,000</u>	<u>-</u>	<u>6,422,316</u>
TOTAL RESTRICTED FUNDS	<u>4,636,035</u>	<u>10,502,317</u>	<u>(10,787,143)</u>	<u>35,107</u>	<u>1,260,000</u>	<u>5,646,316</u>
TOTAL FUNDS	<u>5,195,830</u>	<u>10,857,958</u>	<u>(11,073,968)</u>	<u>-</u>	<u>1,260,000</u>	<u>6,239,820</u>

**HANLEY AND UPTON EDUCATIONAL TRUST
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19. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS:

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

16-19 Funding - funding received from the ESFA to fund 16-19 year-olds when they are enrolled in sixthform that meet specified criteria.

School Supplementary Grant - funding from the ESFA which provides support for the costs of the Health and Social Care Levy and wider costs.

Higher Needs funding (SEN) - funding provided by Local Authorities for the Academy Trust to fund further support for students with additional needs.

Pupil Premium (PP) - represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meals (UIFSM) - income from the ESFA for the provision of free school meals.

Other ESFA grants - restricted income from the ESFA which is to be used in accordance with the terms of the funding.

Other grants - income which has been received for specific purposes.

Donations - incoming donations received for specific purposes, as specified by the donor.

Pension reserve - this represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

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19. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FIXED ASSET FUNDS:

Land and buildings transferred in - this represents the buildings and equipment donated to the Academy Trust from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG and other restricted funds - this represents capital assets that have been purchased out of restricted GAG funding.

Devolved Formula Capital funding (DFC) - this represents funding from the ESFA to cover the maintenance and purchase of the academy's assets.

Academies Capital Maintenance Funding (ACMF) - are restricted grants related to a grant provided to the Academy Trust from the Academies Capital Maintenance Fund.

Condition Improvement Fund (CIF) - are restricted grants related to a grant provided to the Academy Trust from the Condition Improvement fund to be used for capital works.

PAN expansion - are restricted grants related to capital funding to enable the Trust to increase their PAN.

Donated capital funding - are restricted amounts received in the form of donations to be used on capital enhancements.

LA Capital Grants - are restricted amounts received in the form of local authority capital grants to be used on capital enhancements.

Other Capital Grant - are restricted amounts received in the form of other capital grants to be used on capital enhancements.

**HANLEY AND UPTON EDUCATIONAL TRUST
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19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	479,159	212,235	(131,599)	-	-	559,795
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	78,151	8,154,575	(7,959,638)	(219,862)	-	53,226
16-19 Funding	-	99,429	(99,429)	-	-	-
School Supplementary Grant	-	205,376	(205,376)	-	-	-
Higher Needs funding (SEN)	-	275,388	(275,388)	-	-	-
Pupil Premium (PP)	10,652	488,515	(487,310)	-	-	11,857
Universal Infant Free School Meals (UIFSM)	-	47,110	(47,110)	-	-	-
Other ESFA grants	-	105,111	(105,111)	-	-	-
Pension reserve	(4,826,000)	-	(388,000)	-	3,240,000	(1,974,000)
	<u>(4,737,197)</u>	<u>9,375,504</u>	<u>(9,567,362)</u>	<u>(219,862)</u>	<u>3,240,000</u>	<u>(1,908,917)</u>

**HANLEY AND UPTON EDUCATIONAL TRUST
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19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Land and buildings transferred in	3,753,809	-	(188,671)	-	-	3,565,138
Fixed assets purchased from GAG and other restricted funds	770,380	-	(157,212)	219,862	-	833,030
Devolved Formula Capital funding (DFC)	196,038	41,765	(9,853)	-	-	227,950
Academies Capital Maintenance Fund (ACMF)	21,136	-	(1,062)	-	-	20,074
Condition Improvement Fund (CIF)	758,925	29,271	(431,193)	-	-	357,003
PAN expansion	1,688,810	-	(164,600)	-	-	1,524,210
Donated capital funding	8,759	8,788	-	-	-	17,547
	<u>7,197,857</u>	<u>79,824</u>	<u>(952,591)</u>	<u>219,862</u>	<u>-</u>	<u>6,544,952</u>
TOTAL RESTRICTED FUNDS	<u>2,460,660</u>	<u>9,455,328</u>	<u>(10,519,953)</u>	<u>-</u>	<u>3,240,000</u>	<u>4,636,035</u>
TOTAL FUNDS	<u>2,939,819</u>	<u>9,667,563</u>	<u>(10,651,552)</u>	<u>-</u>	<u>3,240,000</u>	<u>5,195,830</u>

**HANLEY AND UPTON EDUCATIONAL TRUST
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19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Hanley Castle High School	312,265	326,634
Kempsey Primary School	145,084	199,871
Hanley Swan C-of-E Primary School	56,597	46,194
Welland Primary School	58,437	53,302
Central services	21,121	(1,123)
Total before fixed asset funds and pension reserve	593,504	624,878
Restricted fixed asset fund	6,422,316	6,544,952
Pension reserve	(776,000)	(1,974,000)
TOTAL	6,239,820	5,195,830

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total (as restated) 2022 £
Hanley Castle High School	4,585,918	919,915	88,976	1,361,286	6,956,095	6,622,809
Kempsey Primary School	1,361,607	241,432	20,465	255,020	1,878,524	1,747,845
Hanley Swan C- of-E Primary School	460,259	115,134	7,547	133,917	716,857	694,624
Welland Primary School	528,428	138,086	8,169	112,244	786,927	729,512
Central services	129,358	159,087	199	185,692	474,336	495,437
ACADEMY TRUST	7,065,570	1,573,654	125,356	2,048,159	10,812,739	10,290,227

**HANLEY AND UPTON EDUCATIONAL TRUST
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	6,141,709	6,141,709
Current assets	593,754	1,129,923	280,607	2,004,284
Creditors due within one year	(250)	(1,074,004)	-	(1,074,254)
Creditors due in more than one year	-	(55,919)	-	(55,919)
Provisions for liabilities and charges	-	(776,000)	-	(776,000)
TOTAL	593,504	(776,000)	6,422,316	6,239,820

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	6,163,943	6,163,943
Current assets	559,795	1,197,907	381,009	2,138,711
Creditors due within one year	-	(1,068,332)	-	(1,068,332)
Creditors due in more than one year	-	(64,492)	-	(64,492)
Provisions for liabilities and charges	-	(1,974,000)	-	(1,974,000)
TOTAL	559,795	(1,908,917)	6,544,952	5,195,830

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NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(216,010)	(983,989)
ADJUSTMENTS FOR:		
Depreciation	261,230	361,325
Gain on disposal of tangible fixed assets	(2,625)	-
Capital grants from DfE and other capital income	(324,551)	(79,824)
Interest receivable	(5,368)	(173)
Defined benefit pension scheme cost less contributions payable	(22,000)	305,000
Defined benefit pension scheme finance cost	84,000	83,000
(Increase)/decrease in stocks	(4,263)	5,048
Decrease in debtors	2,129	162,828
Decrease in creditors	(81,532)	(55,438)
NET CASH USED IN OPERATING ACTIVITIES	(308,990)	(202,223)

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2023 £	2022 £
Repayments of Salix loans	(10,119)	(10,717)
Cash inflows from Salix loans	-	35,112
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(10,119)	24,395

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest received	5,368	173
Purchase of tangible fixed assets	(151,371)	(447,139)
Proceeds from the sale of tangible fixed assets	4,000	-
Capital grants from DfE Group	324,551	1,141,566
NET CASH PROVIDED BY INVESTING ACTIVITIES	182,548	694,600

**HANLEY AND UPTON EDUCATIONAL TRUST
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FOR THE YEAR ENDED 31 AUGUST 2023**

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand and at bank	1,480,159	1,616,720
TOTAL CASH AND CASH EQUIVALENTS	1,480,159	1,616,720

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,616,720	(136,561)	1,480,159
Debt due within 1 year	(12,313)	1,546	(10,767)
Debt due after 1 year	(64,492)	8,573	(55,919)
	1,539,915	(126,442)	1,413,473

26. AGENCY ARRANGEMENTS

The academy distributes 16-19 Bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2023 the academy received £29,970 (2022: £25,654) and disbursed £36,365 (2022: £28,062) from the fund. An amount of £10,943 (2022: £17,339) is included in other creditors relating to undistributed funds.

27. CAPITAL COMMITMENTS

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	-	9,905

**HANLEY AND UPTON EDUCATIONAL TRUST
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28. PENSION COMMITMENTS

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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £161,726 were payable to the schemes at 31 August 2023 (2022 - £143,516) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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
- 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 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

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28. PENSION COMMITMENTS (CONTINUED)

The employer's pension costs paid to TPS in the year amounted to £985,387 (2022 - £932,246).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £622,000 (2022 - £581,000), of which employer's contributions totalled £502,000 (2022 - £479,000) and employees' contributions totalled £120,000 (2022 - £102,000). The agreed contribution rates for future years are 20.3 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.14 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school 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 school and the Academy Trust at the balance sheet date.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2023	2022
	%	%
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment / inflation	2.9	3.0
Discount rate for scheme liabilities	5.3	4.3
Inflation assumption (CPI)	2.8	2.9

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

	2023 Years	2022 Years
Retiring today		
Males	21.5	22.6
Females	23.8	25.0
Retiring in 20 years		
Males	22.8	24.1
Females	25.6	27.0

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28. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2023 £000	2022 £000
Discount rate +0.1%	(110)	(123)
Mortality assumption - 1 year increase	118	120
CPI rate +0.1%	112	126
Pay growth +0.1%	14	8

SHARE OF SCHEME ASSETS

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	3,841,000	2,917,000
Other bonds	121,000	107,000
Property	430,000	330,000
Cash	47,000	72,000
Other	808,000	548,000
Total market value of assets	5,247,000	3,974,000

The actual return on scheme assets was £93,000 (2022 - £85,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	(480,000)	(784,000)
Interest income	183,000	65,000
Interest cost	(259,000)	(141,000)
Administrative expenses	(8,000)	(7,000)
Total amount recognised in the statement of financial activities	(564,000)	(867,000)

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28. PENSION COMMITMENTS (CONTINUED)

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

	2023 £	2022 £
At 1 September	5,948,000	8,356,000
Current service cost	480,000	784,000
Interest cost	259,000	141,000
Employee contributions	120,000	102,000
Actuarial (gains)/losses	(729,000)	(3,390,000)
Benefits paid	(55,000)	(45,000)
At 31 August	6,023,000	5,948,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	3,974,000	3,530,000
Interest income	183,000	65,000
Actuarial gains/(losses)	531,000	(150,000)
Employer contributions	502,000	479,000
Employee contributions	120,000	102,000
Benefits paid	(55,000)	(45,000)
Admin expenses	(8,000)	(7,000)
At 31 August	5,247,000	3,974,000

29. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	29,083	27,631
Later than 1 year and not later than 5 years	72,670	49,395
	101,753	77,026

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30. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

31. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the Academy Trust received income from Upton CofE Primary School, a school in which B Unwin is also a governor, totalling £1,250 (2022: £1,250). The income was received on an arm's length basis and in entering the transaction the Academy Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

32. GENERAL INFORMATION

Hanley and Upton Educational Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Church End, Hanley Castle, Worcester, Worcestershire, WR8 0BL.