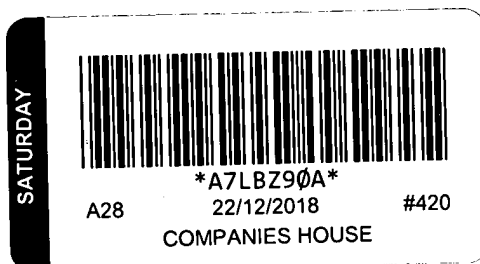


Company Registration No. 07949111 (England and Wales)

HATTON ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



HATTON ACADEMIES TRUST

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HATTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs S V Bishop (Resigned 1/12/2017)
Mrs P Dubas (Appointed 1/12/2017)
T Kendrick (Appointed 1/12/2017)
H F Macdonald (Resigned 3/10/2017)
D Morris (Resigned 1/12/2017)
W Thallon (Appointed 20/10/2017)

Trustees

Mr WA Thallon (Chairman)
Mrs S V Bishop (CEO/Executive Principal and Accounting Officer)
Mr C Hinds (CFO/Director of Finance & Operations)
Mr H F Macdonald (Resigned 3 October 2017)
Mr D J Morris
Mrs F M Le Pla (Resigned 4 September 2017)
Mrs S M Knight (Parent Director)
Mr G M Lawman
Mr S P Dawson
Mr R B Joshi
Mrs S Fitzgerald (Parent Director)

Senior management team

- Executive Principal
- Director of Finance & Operations
- Head of Secondary Standards
- Head of Primary Education
- Principal (Sir Christopher Hatton)
- Principal (Victoria Primary)
- Principal (Oakway)
- Principal (Ecton Village Primary)

Mrs S V Bishop
C Hinds
A Wilson
R Hardcastle
Mrs S V Bishop
Mrs H Scargill
Mrs C Wallace
Mrs K Cleaver

Company secretary

Mr C Hinds

Company registration number

07949111 (England and Wales)

Registered office

The Pyghtle
Wellingborough
Northamptonshire
NN8 4RP

Academies operated

Sir Christopher Hatton Academy
Victoria Primary Academy
Oakway Academy
Ecton Village Primary School

Location

Wellingborough
Wellingborough
Wellingborough
Ecton

Principal

Mrs S V Bishop
Mrs H Scargill
Mrs C Wallace
Mrs K Cleaver

HATTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Solicitors

Howes Percival
Nene House
4 Rushmills
Northampton
NN4 7YB

HATTON ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates three primary academies, Victoria Primary Academy and Oakway Academy and Ecton Village Primary Academy, and a secondary academy, Sir Christopher Hatton Academy, in Wellingborough. Its academies have a combined pupil capacity of 2,399 and had a roll of 2,282 in the school census of October 2018.

Structure, governance and management

Constitution

The Multi-Academy Trust is a company, limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Multi-Academy Trust. Some of the trustees for the charitable activities of Hatton Academies Trust are also directors of the Charitable Company for the purposes of company law.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

In accordance with normal commercial practice, the Multi-Academy Trust has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on Multi-Academy Trust business.

Method of recruitment and appointment or election of trustees

Trustees of the Multi-Academy Trust are nominated by either the Secretary of State for Education, the Local Authority or members of the Charitable Company. Parent governor trustees are elected from parents of registered pupils at the academies and appointed by the members of the charitable company. The CEO / Executive Principal is treated as an ex officio trustee. The articles of association require no less than three trustees or one third of total Trustees holding office for decisions regarding the appointment or election of Trustees.

The term of office for any trustee, shall be 4 years except for the CEO / Executive Principal and the Director of Finance and Operations both of whom remain Trustees whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of trustees

During the year under review the trustees held eight trustees meetings to which all Trustees are invited to attend. The training and induction provided for new trustees will depend on their existing experience in education and governance. Where necessary induction will provide training on charity and educational, legal and financial matters. All new trustees will be given a tour of the academies to meet staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. All new Trustees receive a copy of the Academies Financial Handbook so that they fully understand responsibilities for financial probity in all aspects of Trust decisions.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The management structure consists of four levels; the Trustees, the Executive Principal, the Senior Management Team and the Academy Management Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring the Multi-Academy Trust against its budget and improvement plans and making major decisions about the direction of the Trust, including but not limited to Trust growth, capital expenditure and appointment of the CEO / Executive Principal and the Director of Finance and Operations.

The Senior Managers are the CEO / Executive Principal, the Director of Finance and Operations, the Head of Primary Education, the three Primary Academy Principals and the Secondary Academy Associate Principal.

These managers control the Multi-Academy Trust at a senior level implementing the policies and delivering the improvement plans laid down by the trustees and reporting back to them on progress and compliance. As a group, the Senior Managers are responsible for the authorisation of spending within agreed delegated budgets and the appointment of staff.

Senior managers are supported by their respective Academy leadership and operational management support teams. These managers are responsible for the day to day operation of their department or specialism within Trust academies.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a pay policy which outlines clear performance expectations for key management personnel and adheres closely to the School Teachers' Pay and Conditions Document (STPCD).

The CEO / Executive Principal has pay set on a Trust pay-scale by a panel of Directors from the staff and pay committee and in consultation with an external educational leadership consultant. Pay is set on the basis of this objective recommendation commensurate with the level of responsibility, experience, impact and OFSTED assessment of the current post-holder, with a consideration for retention.

The Director of Finance and Operations is paid in line with a Senior Vice-Principal, set by the CEO and ratified by the Board of Directors, commensurate with experience, impact and responsibility of the current post-holder.

The Trust Head of Primary Education is paid in line with the national head teacher pay scales taking account of the executive head teacher role and former post as a successful primary head teacher and based on the level of responsibility.

The pay of the three primary Principals is set in accordance with the Teachers' pay and conditions document and the current size of the academies in terms of pupil numbers. This is also the case for the Sir Christopher Hatton Academy Associate Principal.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

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

Paid trade union activities

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

Related parties and other connected charities and organisations

Hatton Academies Trust owns 100% of the issued ordinary shares of Hatton School Limited, a company incorporated in England and Wales (registration no. 07761700). Further details regarding the subsidiary company are given in note 14 to the financial statements.

Objectives and activities

Objects and aims

The principal object and activity of the Multi-Academy Trust is to provide education for pupils of different abilities between the ages of 4 and 19.

In accordance with the articles of association the Multi-Academy Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn (where applicable), and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy trust during the year ended 31st August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Multi-Academy Trust's main strategy to carry out the objects is to provide comprehensive education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- tuition and learning opportunities for all students to attain age appropriate academic qualifications;
- a comprehensive personal, social and health education that prepares our pupils for life in modern Britain
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of enrichment activities and after school clubs to allow students to explore in a practical and project orientated way;
- a careers advice and a guidance programme to help students obtained employment or move on to higher education.

Objectives, strategies and activities

Public benefit

The Trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The Trustees ensure that the Multi-Academy Trust's activities are undertaken in line with the charitable objects and aims.

Strategic report

Achievements and performance

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi-Academy Trust by the use of budgets and making major decisions about the strategic direction of the Multi-Academy Trust, capital expenditure and appointment of the CEO / Executive Principal and the Director of Finance and Operations.

In 2017/18, Ofsted inspections took place in Oakway Academy, with the following results:

In March 2018, Oakway Academy underwent a section 8 monitoring inspection which judged that:

- Leaders and managers are taking effective actions towards the removal of the serious weaknesses designation
- The Academy's improvement plan is fit for purpose
- The Trust's statement of action is fit for purpose

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

A. SIR CHRISTOPHER HATTON ACADEMY

Key academic performance indicators achieved by the Academy in 2017/18 were as follows:

Key Stage 4 Performance Tables Figures

Cohort information for pupils at the end of key stage 4	
Number of pupils at the end of Key Stage 4	194
Number of disadvantaged pupils	37
Headline measures	
Progress 8 score after adjustment for extreme pupil scores	+0.76
Average attainment 8 score per pupil	51.57
% of pupils entering the English Baccalaureate	33.50%
% achieving grade 5 or above in the English Baccalaureate	20%
% achieving grade 5 or above in English and maths	51.00%
Additional measures	
% achieving grade 4 or above in English and maths	69%
Historical Progress 8 score 2016	0.38
Historical Progress 8 score 2017	0.62
Disadvantaged	
Number of disadvantaged pupils in the Progress 8 score	35
Progress 8 score for disadvantaged pupils	+0.24
Progress 8 score for disadvantaged pupils excluding one pupil unable to sit exams due to illness	+0.40

16 to 18 Performance Tables Figures

Headline Measures	
Cohort information for students at the end of 16-18 studies	
Number of students at the end of 16-18 studies	98
A level cohort and results	
Number of students at the end of 16-18 study with an A level exam entry (for average grade measure)	87
Average point score per A level entry expressed as a grade	C+
Applied general cohort and results	
Number of students at the end of 16-18 study with an applied general exam entry (for average grade measure)	20
Average point score per applied general entry expressed as a vocational grade	Dist-
English and maths progress measure	
Number of students at the end of 16-18 study in scope for English progress measure	1
Average progress made in English	1
Number of students at the end of 16-18 study in scope for maths progress measure	4
Average progress made in maths	0.5

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

B. PRIMARY ACADEMY PERFORMANCE

Set out below are the headline performance data for the three Trust Primary Academies.

Victoria Primary Academy

For the first time we are reporting on measures which demonstrate rates of progress made across Key Stages 1 and 2 combined. We believe these give more accurate picture of the work of more year groups to ensure children progress. These new progress measures produced by Fisher Family Trust (FFT) for 2016 to 2018 are set out below:

Victoria		2016		2017		2018	
Subject	VA Type	Scaled Score	VA score	Scaled Score	VA score	Scaled Score	VA score
RWM Combined	EYFS – KS2	98	-2.2	96.5	-4.4	100.5	-0.7
Reading	EYFS – KS2	96.5	-2.8	96.4	-3.8	100.8	-0.6
Writing	EYFS – KS2	98.6	0.1	96.5	-1.9	100.5	1.5
Maths	EYFS – KS2	97.8	-2.7	95.6	-5.1	99.2	-1.8
GPS	EYFS – KS2	98	-2.2	96.5	-4.4	100.5	-0.7

Using Reception outcomes as a prior attainment marker and measuring the progress made across all years to the end of year 6, it is clear that rates of progress made by this cohort over the six years remain in line with those achieved nationally by all schools in all subjects.

Victoria	Attainment and Progress 2017					Attainment and Progress 2018				
	44 pupils	KS1-KS2 Progress score	% at EXP+	GDS	Average scaled score	44 pupils	KS1-KS2 Progress score	%at EXS+	GDS	Average scaled score
RWM	School	n/a	17%	2%	n/a	School	N/A	40%	7%	
	National	n/a	61%	9%	n/a	National	N/A	64%	10%	
Reading	School	-3.3	36%	5%	96.1	School	-1.9	55%	19%	100.3
	National	0	71%	25%	104	National	0	75%	28%	105
Writing	School	-1.3	60%	0%	97.3	School	0.5	63%	11%	98.6
	National	0	76%	18%		National	0	78%	20%	101.4
Maths	School	-4.7	29%	2%	95.8	School	-2.5	53%	12%	99
	National	0	75%	23%	104	National	0	76%	24%	104
GPS	School	n/a	45%	5%	98.8	School	N/A	63%	21%	102
	National	n/a	77%	31%	106	National	N/A	78%	34%	106

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The rate of improvement in attainment in all subjects at expected and greater depth was faster than that achieved nationally in 2017-2018, significantly so in many subjects. This is pleasing and is a direct result of actions taken to invest in a significant number of teaching appointments in 2017-2018 to improve the quality of teaching further still and effectively use tracking and swiftly intervene with children when necessary. We are not complacent and these outcomes need to be built upon in 2018-2019. All rates of progress have improved and for reading and writing are in line with those achieved nationally across Key Stage 2 by all children. The rate of progress in maths is below that achieved nationally. Victoria will not be classified as being below floor standards set by the Department for Education and will only just fall into the coasting criteria.

Oakway		2016		2017		2018	
Subject	VA Type	Scaled Score	VA score	Scaled Score	VA score	Scaled Score	VA score
RWM Combined	EYFS – KS2	96.2	-4.5	97.8	-5.2	101.2	0.6
Reading	EYFS – KS2	95.6	-5.1	95.9	-6.8	101	0.2
Writing	EYFS – KS2	98.8	-0.4	96.4	-4.1	100.8	2.5
Maths	EYFS – KS2	97	-4	98.4	-4.3	101.2	0.8
GPS	EYFS – KS2	96.8	-4.8	98.6	-5.8	102.7	1.2

Oakway Academy

Using Reception outcomes as a prior attainment marker and measuring the progress made across all years to the end of year 6, it is clear that rates of progress made by this cohort over the six years are in line with that made by other schools nationally, with significantly positive progress made in writing.

The table below shows progress markers from Key Stage 1 to key Stage 2 and attainment markers for statutory subjects. Two years are shown for comparative purposes.

Oakway	Attainment and Progress 2017					Attainment and Progress 2018				
	80 pupils	KS1- KS2 Progress score	% at EXP +	% GDS	Average scaled score	84 pupils	KS1- KS2 Progress score	% at EXP+	%GDS	Average scaled score
RWM Combined	School	N/A	31%	3%	N/A	School	N/A	41%	6%	
	National	N/A	61%	9%	N/A	National	N/A	64%	10%	
Reading	School	-3.7	40%	4%	96.9	School	-3.1	59%	13%	100
	National	0	71%	25%	104	National		75%	28%	105
Writing	School	-1.2	49%	6%	96.5	School (LA Moderated)	-0.7	69%	9%	99.8
	National	0	76%	18%		National		78%	20%	101.4
Maths	School	-1.2	56%	7%	100.2	School	-2.5	59%	11%	100.8
	National	0	75%	23%	104	National		76%	24%	104
GPS	School	n/a	50%	9%	99.2	School	n/a	66%	22%	102.6
	National	n/a	77%	31%	106	National	n/a	78%	34%	106

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The rate of improvement in attainment in all subjects at expected and greater depth was faster than that achieved nationally in 2017-2018. The Key Stage 1 to Key Stage 2 value added progress scores have improved for writing and reading but fallen back for maths. Oakway is not below national floor standard set out by the Department for Education. The rate of progress made across Key Stage 2 in maths and reading is not at a rate achieved nationally, which is disappointing. A full review of reasons for this have been undertaken in both subjects, using internal data and that provided in question level analysis from the DfE (Analysing School Performance tool). Both of these areas remain focussed priorities for Oakway Academy in 2018-2019.

Ecton Village Primary Academy

Ecton	Attainment and Progress 2017					Attainment and Progress 2018				
	10 pupils	KS1-KS2 Progress score	%EXS	GDS	Average scaled score	10 pupils	KS1-KS2 Progress score	%EXS	GDS	Average scaled score
RWM	School	n/a	20%	0%	n/a	School	N/A	50%	20%	
	National	n/a	61%	9%	n/a	National	N/A	64%	10%	
Reading	School	-5.5	40%	0%	93.7	School	-0.9	60%	20%	105
	National	0	71%	25%	104	National	0	75%	28%	105
Writing	School	-1.3	60%	0%	97	School	0.2	60%	30%	101.2
	National	0	76%	18%		National	0	78%	20%	101.4
Maths	School	-7.8	20%	0%	91.6	School	-2.6	60%	20%	101.6
	National	0	75%	23%	104	National	0	76%	24%	104
GPS	School	n/a	20%	0%	93.4	School	N/A	40%	20%	103.6
	National	n/a	77%	31%	106	National	N/A	78%	34%	106

The rate of improvement in attainment in all subjects at expected and greater depth was faster than that achieved nationally in 2017-2018, significantly so in many subjects. This is pleasing and is a direct result of actions to strengthen leadership skills, improve the precision and use of tracking and to intervene swiftly if a child's rate of progress slows. We are not complacent and these outcomes need to be built upon in 2018-2019. All rates of progress have improved and for all subjects are in line with those achieved nationally across Key Stage 2 by all children. The rate of progress in maths is below that achieved nationally. Ecton will not be classified as being below floor standards set by the Department for Education and will only just fall into the coasting criteria.

Going concern

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

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Most of the Multi-Academy Trust's income is obtained from the Education & Skills Funding Agency/Department of Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31st August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Multi-Academy Trust also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds to cover any running costs of the Multi-Academy Trust not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31st August 2018 total revenue expenditure was £12.681 million (2017: £13.003 million) and total incoming funds from the ESFA/DfE and other sources were £15.548 million (2017: £12.098 million).

At 31st August 2018 the net book value of tangible fixed assets was £17.918 million (2017: £17.751 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi-Academy Trust.

The Multi-Academy Trust held fund balances at 31st August 2018 of £19.178 million (2017: £15.426 million) comprising £18.942 million (2017: £15.032) of restricted funds and £0.236 million (2017: £0.394 million) of unrestricted funds.

Reserves policy

The Trustees review the reserve levels of the Multi-Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the approximate level of free reserves should be equivalent of 12 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Multi-Academy Trust's current level of free reserves (total funds less the amount held in restricted funds) is £0.236 million which is less than is needed. The Multi-Academy Trust intends to continue building up free reserves to the level required. As anticipated and in line with the previous year, the Multi-Academy Trust's defined benefit pension scheme continues to be in deficit (see further details below).

Investment policy

The Multi-Academy Trust does not hold any investments other than its subsidiary company and cash. The Multi-Academy Trust holds cash balances and has a policy and objective to ensure balances are maintained to meet operational cash requirements so that any surpluses are transferred to higher interest deposit accounts.

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Multi Academy Trust, and its finances. The trustees have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, safeguarding pupil well-being and academy trips and visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Multi Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Multi-Academy Trust's exposure to financial risks is not material to the assessment of the trust's assets, liabilities, financial position and its results, given the nature of the Multi-Academy Trust and low risk and uncomplicated financial instruments used (mainly bank balances and trade creditors). The restricted pension reserve was in deficit by £2.470 million (2017: £2.918million). This deficit relates solely to the actuarial assessment, at 31st August 2018, of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit. Further details can be found in note 22 to the financial statements.

The trustees consider the following items as the principal risks and uncertainties facing the Multi-Academy Trust:

- Academy funding within the Northamptonshire funding formula has led to a real terms decrease in funding for the main sponsor Academy. This trend is likely to continue in 2018/19, although it is anticipated that recent oversubscription will help to mitigate this risk.
- All Academy budgets face a level of uncertainty given the Government's decision to move towards a national funding formula in 2018/19 and the unknown impact on local Academy funding.
- The government's recent decision to increase levels of public sector pay for some staff by 2% in 2017/18 and beyond, without providing any confirmation of an equivalent increase in real terms to the Academy's General Annual Grant.
- The Trust has a robust recruitment and retention strategy to overcome the risk of losing its key senior staff and this is further supplemented by Sir Christopher Hatton Academy achieving Teaching School status, which will boost professional development and recruitment and retention in all Trust Academies.
- The Trust continues to face challenges to improve the quality of provision within its three primary schools in 2018/19. The Trust will continue to develop Leadership capacity and improve teaching performance to ensure that these schools advance beyond their pre-conversion Ofsted judgements.
- Ofsted judgements are potentially due in 2017/18 in Ecton Village Primary Academy, with monitoring inspections due in both Victoria Primary Academy and in Oakway Academy.

Fundraising

Hatton Academies Trust does not take part in any fundraising activities to raise funds to benefit the organisation. The Trust does not work with any professional fundraisers and has no plans in the immediate future to become involved in any fundraising activities from which it would benefit. As no fundraising takes place on its behalf, no monitoring is required.

Plans for future periods

Whilst the Trust has clear plans to increase the size of the Trust in the longer term to support more Primary and Secondary schools with the improvement of their performance for the benefit of local children, the Trustees recognise that it is important to consolidate the teaching quality and performance of its primary schools in the short term. With effect from 1 December 2017, revised governance arrangements have been put in place to provide a more robust support and challenge to the performance of the Trust schools. A review of Trust governance has also been undertaken in 2017/18 with a view to further improving the Trust's capacity for growth.

Furthermore the Trust continues to develop its role as a provider of training services to teachers locally through its teaching school within Sir Christopher Hatton Academy, contributing to the wider development of education in the local community.

HATTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Employee consultation and disabled employees

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The Multi-Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The Trust has an accessibility plan for disabled persons for all of its premises to ensure equality of access to buildings, curricular and extra-curricular activities. Physical aids are also in place, for example, ramps to access some class rooms and all teaching blocks. Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academies. The policy of the Multi-Academy Trust is to support recruitment and retention of students and employees with disabilities. The Multi-Academy Trust does this by adapting the physical environment to suit the needs of individuals and by making support resources available and through training and career development.

There are regular staff announcements to communicate a wide range of information to all employees on the Academies' activities. The Trustees and Senior Leadership Teams value greatly any constructive feedback from all teaching and support staff.

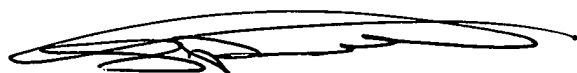
Auditor

Insofar as the trustees are aware:

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

A resolution proposing that Smith Hodge & Baxter Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 03 December 2018 and signed on its behalf by:



MR S V. DAWSON

VICTORIA BISHOP



HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO / Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hatton Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met eight times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr W A Thallon (Chairman)	8	8
Mrs S V Bishop (CEO/Executive Principal and Accounting Officer)	8	8
Mr C Hinds (CFO/Director of Finance & Operations)	8	8
Mr H F Macdonald (Resigned 3 October 2017)	2	2
Mr D J Morris	7	8
Mrs F M Le Pla (Resigned 4 September 2017)	0	0
Mrs S M Knight (Parent Director)	1	8
Mr G M Lawman	8	8
Mr S P Dawson	8	8
Mr R B Joshi	7	8
Mrs S Fitzgerald (Parent Director)	3	8

With the formation of the Multi-academy trust the Governance Structure was revised and adopted by the Trustees

- Members
- Board of Trustees/Directors meetings with subcommittee as follows:
 - Audit Committee Meetings
 - Finance & Premises Committee meetings
 - Staff and Safeguarding Committee
 - Individual Local Academy Committees

The Board of Trustees delegated specific powers to the Academy Committees, on which members of the local Trust community sit to support the Trust with the delivery of its aims and objectives, for which responsibility has been delegated.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees have reviewed its compliance against the requirements of the Academies Financial Handbook 2018 Edition and have concluded that the Trust complies with the requirements of the AFH and have in place an action plan to ensure continued compliance.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to review and approve all matters relating to Finance. The Committee makes recommendations to the board of trustees for approval as set out in the terms of reference. The main purposes are to ensure a comprehensive review of risks to which the trust is exposed and make recommendations and ensuring there is a robust system of internal controls in place.

During the year ended 31 August 2018 the business of this committee was incorporated into the main Board of Directors meetings to ensure ownership of the financial risks and pressures facing its respective Academies. Internal audit reports were reviewed by the Board of Directors. As part of the new governance structure a separate audit committee has been established and its members are noted on page 1 in the reference and administration details. Its new terms of reference require it to meet bi-annually in future.

Review of value for money

As accounting officer the CEO / Executive Principal has responsibility for ensuring that the Multi-Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Review of Leadership and Management of Academies and curriculum focus

To ensure that there is targeted improvement in all Academies within Hatton Academies Trust there has been a continuous review of leadership and staffing structures in 2017/18 to ensure that:-

- Clear accountability frameworks are in place with a focus on accelerated improvement of individual academies performance indicators
- School leaders at all levels have the capacity to review, develop and implement necessary improvements to ensure that their curriculum is fit for purpose.
- Key staff are deployed efficiently and effectively to support the improved curriculum offer and deliver interventions to accelerate pupil progress
- Public funding is directed towards core activities. Inefficient and ineffective activities have been addressed.
- The development of teaching and learning and associated student outcomes remains the Trust's core priority

The Trust is satisfied that with the improvements put in place in 2017/18 all Academies are now in the position to move forward with a strong leadership and accountability culture and a broad and balanced curriculum which supports our pupils to achieve.

Focus on the accelerated improvement of individual pupils

In 2017/18, the Trust has continued to develop clear accountability frameworks in all Academies to ensure that Academy Leaders and teaching staff are focussed on the accelerated progress and attainment of individual pupils against their expected levels of achievement. This has been achieved by:

- Ensuring that adequate financial resources are directed towards pupils who have identified high needs and are in need of additional support to achieve their potential
- Ensuring that pupil premium resources are spent with a focus on impact on teaching and learning outcomes and enrichment of their learning for these pupils.
- Ensuring that resources are directed to ensure that Gifted and Talented pupils are afforded every opportunity to exploit and progress their gifts and talents.
- Investing resources in phonics, literacy and numeracy systems designed to accelerate progress for pupils who are assessed as being below their expected potential.
- Ensuring that structured programmes of intervention and the required level of staffing support is in place for any pupil whose academic progress is behind their age related expectation.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Value for Money Achieved through Collaboration

In 2017/18 the Trust has worked hard to develop its collaborative links with organisations to ensure that our Academies experience the financial benefits of achieving economies of scale through shared access to services, with the following key achievements:-

- The Trust has successfully maintained and developed shared support services for all Trust Academies for financial and treasury management services, payroll, IT technical support services, HR support services, Legal, Insurance and Health and Safety support services, school improvement and data support services.
- The Trust has developed through its lead Academy, Sir Christopher Hatton Academy, the Hatton Teaching School Alliance which now has formal designated Teaching School status from the National College of Teaching and Leadership. Through this alliance, the Trust has developed as a local lead school for Schools Direct and Teach First working with Trust primary academies and other local secondary schools resulting in recruitment of NQTs / Trainee teachers into Trust Academies and in schools locally.
- The CEO / Executive Principal is a designated National Leader of Education and continues to support schools as required by the local authority and local Multi-Academy Trusts.
- Trust-wide marketing and advertising of recruitment opportunities has enhanced our teaching appointments in a challenging recruitment environment ensuring that all key teaching posts in Trust academies were full at 1 September 2018.
- Sir Christopher Hatton Academy continues to collaborate proactively with local secondary schools and the Local Authority in the behaviour and attendance partnership meetings with a positive impact on attendance rates and minimising exclusions.
- Oakway Academy and Victoria Primary Academy have commissioned support from the 5 Wells teaching school alliance to support the development of their NQTs and established teaching workforce.
- Following investment by the Trust in its senior staff to train as facilitators, the Trust has facilitated training to staff in many local schools through the Middle Leader Development Programme, the Outstanding Teacher Programme and the Improving Teacher Programme.

The key performance indicators for all of our Academies are clearly stated within the Trustees report.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hatton Academies Trust for the period 1st September 2017 to 31st August 2018 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 Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year ending 31st August 2018 and up to the date of approval of the annual report and financial statements.

HATTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Smith Hodge & Baxter as internal auditor.

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

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of staff expenses
- testing of control account / bank reconciliations

The trustees are responsible for the design and selection of the internal checks and have agreed a pro-forma to be used for all future internal audit reviews. During the year, the quarterly checks were conducted and reports showed no significant issues. Other findings have been addressed as part of usual committee and trustee business.

On a quarterly basis the auditor reports to the board of the trustees, through the Finance and Audit committee on the operations of the systems of control and on the discharge of the board of trustees' financial responsibilities.

[Academy trusts should confirm whether the internal auditor/reviewer has delivered their schedule of work as planned, provide details of any material control issues arising as a result of the internal auditor's/ reviewer's work and, if relevant, describe what remedial action is being taken to rectify the issues]

Review of effectiveness

As accounting officer the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- internal audit checks;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Director of Finance and Operations and Directors Finance Committee within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

HATTON ACADEMIES TRUST

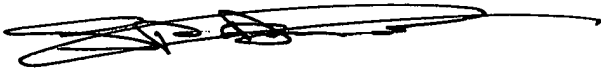
GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Approved by order of the board of trustees on 03 December 2018 and signed on its behalf by:

VICTORIA BISHOP

A handwritten signature in black ink, appearing to read 'V. Bishop', with a long horizontal stroke extending to the right.A handwritten signature in black ink, appearing to read 'Mr. S. Dawson', with a long horizontal stroke extending to the right.

MR. S. DAWSON

HATTON ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Hatton Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



Accounting Officer

03 December 2018

HATTON ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Hatton Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

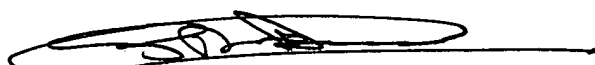
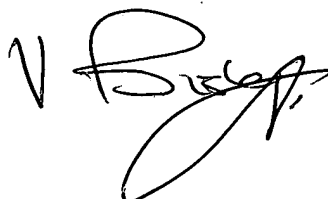
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with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

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

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

Approved by order of the members of the board of trustees on 03 December 2018 and signed on its behalf by:

VICTORIA BISHOP



MR S DAWSON

HATTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Hatton Academies Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

HATTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HATTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Mrs Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services

17th December 2018

Chartered Accountants
Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

HATTON ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HATTON ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hatton Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hatton Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hatton Academies Trust's funding agreement with the Secretary of State for Education dated 30 April 2014 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

HATTON ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HATTON ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Smith Hodge & Baxter Audit Services

Dated: 17th December 2018

HATTON ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	7	40	3,543	3,590	298
Charitable activities:						
- Funding for educational operations	4	170	11,559	-	11,729	11,599
- Funding for teaching school	29	-	65	-	65	73
Other trading activities	5	129	30	-	159	124
Investments	6	5	-	-	5	4
Total income and endowments		311	11,694	3,543	15,548	12,098
Expenditure on:						
Raising funds	7	-	30	-	30	29
Charitable activities:						
- Educational operations	9	105	12,130	352	12,587	12,901
- Teaching school	29	-	64	-	64	73
Total expenditure	7	105	12,224	352	12,681	13,003
Net income/(expenditure)		206	(530)	3,191	2,867	(905)
Transfers between funds		(364)	362	2	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	22	-	885	-	885	1,064
Net movement in funds		(158)	717	3,193	3,752	159
Reconciliation of funds						
Total funds brought forward		394	(2,732)	17,764	15,426	15,267
Total funds carried forward		236	(2,015)	20,957	19,178	15,426

HATTON ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	17,918	17,751
Current assets			
Stocks	15	13	10
Debtors	16	3,385	394
Cash at bank and in hand		1,512	1,118
		<u>4,908</u>	<u>1,522</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,159)	(910)
Net current assets		<u>3,749</u>	<u>612</u>
Total assets less current liabilities		<u>21,667</u>	<u>18,363</u>
Creditors: amounts falling due after more than one year	18	(19)	(19)
Net assets excluding pension liability		<u>21,648</u>	<u>18,344</u>
Defined benefit pension liability	22	(2,470)	(2,918)
Net assets		<u>19,178</u>	<u>15,426</u>
Funds of the academy trust:			
Restricted funds	20		
- Fixed asset funds		20,957	17,764
- Restricted income funds		455	186
- Pension reserve		(2,470)	(2,918)
Total restricted funds		<u>18,942</u>	<u>15,032</u>
Unrestricted income funds	20	<u>236</u>	<u>394</u>
Total funds		<u>19,178</u>	<u>15,426</u>

The accounts were approved by the trustees and authorised for issue on 03 December 2018 and are signed on their behalf by: **VICTORIA BISHOP**

V Bishop

MR S. DAWSON

Company Number 07949111

HATTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	23		249		(76)
Cash flows from investing activities					
Dividends, interest and rents from investments		5		4	
Capital grants from DfE and EFA		240		198	
Capital funding from sponsors and others		418		-	
Payments to acquire tangible fixed assets		(518)		-	
			145		202
Change in cash and cash equivalents in the reporting period			394		126
Cash and cash equivalents at 1 September 2017			1,118		992
Cash and cash equivalents at 31 August 2018			1,512		1,118

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Hatton Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.3 Basis of consolidation

The financial statements contain information about Hatton Academies Trust as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the Trustees' opinion the results of the subsidiary are not material to an understanding of the Academy Trust's financial statements as in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

1.4 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

The Academy Trust has entered into 125 year leases with Northamptonshire County Council for the former Victoria Primary School, Oakway Primary School and Ecton Village Primary School's land and buildings. The rental charge under these lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the leases are treated as finance lease and the assets capitalised and depreciated over the period of the leases, in accordance with the tangible fixed assets accounting policy below.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, (which is included at a value of £2.4 million), assets in the course of construction (which are included at cost and depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings) and software licences which have an indefinite life (£11,010), at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	Buildings 2% of cost, land over the term of the lease
Freehold land and buildings	Buildings 2% of cost
Software and ICT equipment	10% or 33 1/3% of cost
Furniture and equipment	10% or 20% of cost
Assets in the course of construction	Nil - See above

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Investments

The Academy Trust's shareholding in the wholly owned subsidiary, Hatton School Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of a valuation exceeds the benefit derived.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.10 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stock

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

1.12 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.14 Fund accounting

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

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

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	3,543	3,543	198
Other donations	7	40	47	100
	<u>7</u>	<u>3,583</u>	<u>3,590</u>	<u>298</u>

The income from donations and capital grants was £3,590,000 (2017: £298,000) of which £7,000 was unrestricted (2017: £30,000), £40,000 was restricted (2017: £70,000) and £3,543,000 was restricted fixed assets (2017: £198,000).

Other donations within unrestricted funds include £7,000 (2017: £10,000) gift aid from Hatton School Limited.

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	10,132	10,132	10,100
Other DfE / ESFA grants	-	945	945	926
	<u>-</u>	<u>11,077</u>	<u>11,077</u>	<u>11,026</u>
Other government grants				
Local authority grants	-	286	286	282
	<u>-</u>	<u>286</u>	<u>286</u>	<u>282</u>
Other funds				
Other incoming resources	170	197	367	290
	<u>170</u>	<u>197</u>	<u>367</u>	<u>290</u>
Total funding	<u>170</u>	<u>11,560</u>	<u>11,730</u>	<u>11,598</u>

The income from funding for educational operations was £11,730,000 (2017: £11,598,000) of which £170,000 was unrestricted (2017: £160,000) and £11,560,000 was restricted (2017: £11,438,000).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Catering income	3	-	3	10
Staff recharges	-	30	30	29
Other income	126	-	126	85
	<u>129</u>	<u>30</u>	<u>159</u>	<u>124</u>

The income from other trading activities was £159,000 (2017: £124,000) of which £129,000 was unrestricted (2017: £95,000) and £30,000 was restricted (2017: £29,000).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	5	-	5	4

The income from funding for investment income was £5,000 (2017: £4,000) of which £5,000 was unrestricted (2017: £4,000).

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds					
- Direct costs	30	-	-	30	29
Academy's educational operations					
- Direct costs	7,868	351	1,058	9,277	9,463
- Allocated support costs	1,785	772	753	3,310	3,438
Teaching school					
- Direct costs	12	-	15	27	23
- Allocated support costs	25	6	6	37	50
	<u>9,720</u>	<u>1,129</u>	<u>1,832</u>	<u>12,681</u>	<u>13,003</u>

The expenditure on raising funds was £30,000 (2017: £29,000) of which £30,000 was restricted (2017: £29,000).

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	12	12
- Other services	4	4
Operating lease rentals	22	34
Depreciation of tangible fixed assets	352	588
Net interest on defined benefit pension liability	77	79
	<u> </u>	<u> </u>

8 Central services

The academy trust has provided the following central services to its academies during the year:

Back office functions

- Accounting services
- Human resources
- Payroll
- ICT services
- Facilities advisory
- Insurance services
- Staff cover
- Health and safety audits
- Administration support

Teaching and Learning

- Principal - Leadership and management
- Science specialist teaching years 5 and 6
- MDL Specialist teaching and support years 5 and 6
- Specialist PE teaching
- Specialist Music support
- Safeguarding support

The academy trust charges for these services on a fair share based on approximately 6% of each academies' General Annual Grant (GAG) income. In previous years the charge was based on pupil numbers.

The amounts charged during the year were as follows:	2018 £'000	2017 £'000
Sir Christopher Hatton Academy	-	-
Victoria Primary Academy	82	85
Oakway Academy	146	140
Ecton Village Primary School	25	24
	<u> </u>	<u> </u>
	253	249
	<u> </u>	<u> </u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	-	9,277	9,277	9,463
Direct costs - teaching school	-	27	27	23
Support costs - educational operations	105	3,205	3,310	3,438
Support costs - teaching school	-	37	37	50
	<u>105</u>	<u>12,546</u>	<u>12,651</u>	<u>12,974</u>

The expenditure on educational operations was £12,587,000 (2017: £12,901,000) of which £105,000 was unrestricted (2017: £112,000), £12,130,000 was restricted (2017: £12,201,000) and £352,000 was restricted fixed assets (2017: £588,000).

The expenditure on teaching school was £64,000 (2017: £73,000) of which £64,000 was restricted (2017: £73,000).

	Teaching school £'000	Educational operations £'000	Total 2018 £'000	Total 2017 £'000
Analysis of support costs				
Support staff costs	25	1,785	1,810	1,665
Technology costs	-	210	210	213
Premises costs	5	663	668	933
Other support costs	7	468	475	484
Governance costs	-	184	184	193
	<u>37</u>	<u>3,310</u>	<u>3,347</u>	<u>3,488</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	7,173	6,969
Social security costs	670	596
Pension costs	1,510	1,358
Staff costs	9,353	8,923
Agency staff costs	363	574
Staff restructuring costs	4	15
Total staff expenditure	9,720	9,512

Staff restructuring costs comprise:

Redundancy payments	4	13
Severance payments	-	2
	4	15

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017: £1,500, comprising one payment of £1,500).

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2018 Number	2017 Number
Teachers	128	120
Administration and support	174	190
Management	7	10
	309	320

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	3	1
£180,001 - £190,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £703,000 (2017: £655,000).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S V Bishop (executive principal):

- Remuneration £185,000 - £190,000 (2017: £180,000-£185,000)
- Employer's pension contributions £Nil (2017: £Nil)

C Hinds (staff):

- Remuneration £70,000 - £75,000 (2017: £65,000-£70,000)
- Employer's pension contributions £Nil (2017: £Nil)

During the year, travel and subsistence payments totalling £2,061 (2017: £77) were reimbursed or paid directly to 2 trustees (2017: 2 trustees).

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

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 aggregate liability in any one period and the cost for the year ended 31 August 2018 was included within the overall Professional Indemnity premium of £2,889 (2017: Trustees and Officers Indemnity Insurance £578). The cost of this insurance is included in the total insurance cost.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Leasehold land and buildings	Freehold land and buildings	Software and ICT equipment	Furniture and equipment	Assets in the course of constructio n	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2017	6,747	12,219	443	2,588	-	21,997
Additions	29	-	-	40	449	518
At 31 August 2018	6,776	12,219	443	2,628	449	22,515
Depreciation						
At 1 September 2017	324	1,062	430	2,430	-	4,246
Charge for the year	132	196	2	21	-	351
At 31 August 2018	456	1,258	432	2,451	-	4,597
Net book value						
At 31 August 2018	6,320	10,961	11	177	449	17,918
At 31 August 2017	6,423	11,157	13	158	-	17,751

The net book value of land and buildings comprises:

	2018 £'000	2017 £'000
Freeholds	10,961	11,157
Long leaseholds (over 50 years)	6,320	6,423
	17,281	17,580

Transactions relating to land and buildings during the year include the construction costs incurred to 31 August 2018 of £449,000 in respect of a new freehold classroom building at Sir Christopher Hatton Academy. This asset is show within assets in the course of construction above.

The long leasehold land and buildings are held under 125 year leases with Northamptonshire County Council, who are the legal owners of the property.

14 Fixed asset investments

	Total
Historical cost:	
At 31 August 2018	1
At 31 August 2017	1

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

14 Fixed asset investments

(Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Hatton School Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

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

The investment is shown in the balance sheet at cost. The Trustees have not prepared group accounts as they are of the opinion that the results of the subsidiary are not material to an understanding of the Academy Trust's financial statements in accordance with S402 (2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

The audit report for Hatton School Limited for the year ended 31st August 2018 is unmodified.

15 Stocks

	2018 £'000	2017 £'000
School uniform	9	7
Catering stock	4	3
	<u>13</u>	<u>10</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Debtors	2018	2017
	£'000	£'000
Trade debtors	10	4
VAT recoverable	173	148
Amounts owed by group undertakings	58	52
Other debtors	3	11
Prepayments and accrued income	3,141	179
	<u>3,385</u>	<u>394</u>
Amounts included above which fall due after more than one year:	2018	2017
	£'000	£'000
Prepayments and accrued income	152	-
	<u>152</u>	<u>-</u>
17 Creditors: amounts falling due within one year	2018	2017
	£'000	£'000
Government loans	3	3
Trade creditors	365	312
Other taxation and social security	169	157
Other creditors	148	138
Accruals and deferred income	474	300
	<u>1,159</u>	<u>910</u>
18 Creditors: amounts falling due after more than one year	2018	2017
	£'000	£'000
Government loans	19	19
	<u>19</u>	<u>19</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18	Creditors: amounts falling due after more than one year	(Continued)	
		2018	2017
	Analysis of loans		
	Not wholly repayable within five years by instalments	7	7
	Wholly repayable within five years	15	15
		<u>22</u>	<u>22</u>
	Less: included in current liabilities	(3)	(3)
		<u>19</u>	<u>19</u>
	Loan maturity		
	Debt due in one year or less	3	3
	Due in more than one year but not more than two years	3	3
	Due in more than two years but not more than five years	8	8
	Due in more than five years	8	8
		<u>22</u>	<u>22</u>

Government loans comprise a Salix loan from ESFA which is interest free and repayable in sixteen equal instalments payable over the remaining 8 years of the loan as at 31 August 2018.

19	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	145	157
		<u>145</u>	<u>157</u>
	Deferred income at 1 September 2017	157	214
	Released from previous years	(157)	(214)
	Resources deferred in the year	145	157
		<u>145</u>	<u>157</u>
	Deferred income at 31 August 2018	145	157

At the balance sheet date the academy trust was holding funds received in advance for free school meals and other income in respect of the year ended 31st August 2019.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant	186	10,131	(10,225)	362	454
Other DfE / ESFA grants	-	945	(945)	-	-
Other government grants	-	286	(286)	-	-
Teaching school	-	65	(64)	-	1
Other restricted funds	-	267	(267)	-	-
	<u>186</u>	<u>11,694</u>	<u>(11,787)</u>	<u>362</u>	<u>455</u>
Funds excluding pensions	(2,918)	-	(437)	885	(2,470)
	<u>(2,732)</u>	<u>11,694</u>	<u>(12,224)</u>	<u>1,247</u>	<u>(2,015)</u>
Restricted fixed asset funds					
Fixed assets	17,751	-	(352)	518	17,917
DfE / ESFA capital grants	13	3,543	-	(516)	3,040
	<u>17,764</u>	<u>3,543</u>	<u>(352)</u>	<u>2</u>	<u>20,957</u>
Total restricted funds	<u>15,032</u>	<u>15,237</u>	<u>(12,576)</u>	<u>1,249</u>	<u>18,942</u>
Unrestricted funds					
General funds	<u>394</u>	<u>311</u>	<u>(105)</u>	<u>(364)</u>	<u>236</u>
Total funds	<u>15,426</u>	<u>15,548</u>	<u>(12,681)</u>	<u>885</u>	<u>19,178</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. During the year £2,000 was transferred to Restricted Fixed Asset Funds representing capital assets purchased from GAG income during the year.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. Restricted Fixed Asset Funds comprise the Net Book Value of Fixed Assets of £17.917 million and unspent capital grants totalling £3.04 million which have been committed to specific capital projects still to be completed.

Restricted Pension Reserve Funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

Unrestricted funds represent funds that have been earmarked for academy business that does not fall within the restricted funds above. During the year £364,000 was transferred to Restricted General Funds (GAG) to finance the GAG expenditure in the year in excess of GAG income and GAG funds brought forward from previous years in some of the trust's academies.

Under the funding agreement with the Secretary of State the academy trust is not subject to a limit on the amount of GAG that it can carry forward at 31st August 2018.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	173	10,101	(10,467)	379	186
Other DfE / ESFA grants	-	926	(926)	-	-
Other government grants	-	282	(282)	-	-
Teaching school	-	73	(73)	-	-
Other restricted funds	-	230	(230)	-	-
	<u>173</u>	<u>11,612</u>	<u>(11,978)</u>	<u>379</u>	<u>186</u>
Funds excluding pensions	173	11,612	(11,978)	379	186
Pension reserve	(3,656)	-	(326)	1,064	(2,918)
	<u>(3,483)</u>	<u>11,612</u>	<u>(12,304)</u>	<u>1,443</u>	<u>(2,732)</u>
Restricted fixed asset funds					
Fixed assets	18,338	-	(587)	-	17,751
DfE / ESFA capital grants	174	198	-	(359)	13
	<u>18,512</u>	<u>198</u>	<u>(587)</u>	<u>(359)</u>	<u>17,764</u>
Total restricted funds	<u>15,029</u>	<u>11,810</u>	<u>(12,891)</u>	<u>1,084</u>	<u>15,032</u>
Unrestricted funds					
General funds	238	288	(112)	(20)	394
Total funds	<u>15,267</u>	<u>12,098</u>	<u>(13,003)</u>	<u>1,064</u>	<u>15,426</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2018 were allocated as follows:	
Sir Christopher Hatton Academy	553
Victoria Primary Academy	1
Oakway Academy	111
Ecton Village Primary School	26
	<hr/>
Total before fixed assets fund and pension reserve	691
Restricted fixed asset fund	20,957
Pension reserve	(2,470)
	<hr/>
Total funds	19,178
	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Sir Christopher Hatton Academy	4,566	1,164	257	1,211	7,198
Victoria Primary Academy	1,214	226	53	243	1,736
Oakway Academy	1,777	385	128	618	2,908
Ecton Village Primary School	323	65	17	83	488
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,880	1,840	455	2,155	12,330
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2017 £'000
Fund balances at 31 August 2017 were allocated as follows:	
Sir Christopher Hatton Academy	493
Victoria Primary Academy	33
Oakway Academy	54
Ecton Village Primary School	-
	<hr/>
Total before fixed assets fund and pension reserve	580
Restricted fixed asset fund	17,764
Pension reserve	(2,918)
	<hr/>
Total funds	<u>15,426</u>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2017 £'000
Sir Christopher Hatton Academy	4,389	1,029	312	1,284	7,014
Victoria Primary Academy	1,242	183	37	287	1,749
Oakway Academy	1,831	419	119	695	3,064
Ecton Village Primary School	356	63	10	159	588
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,818	1,694	478	2,425	12,415
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	17,918	-	17,918
Current assets	236	1,358	3,314	-	4,908
Creditors falling due within one year	-	(884)	(275)	-	(1,159)
Creditors falling due after one year	-	(19)	-	-	(19)
Defined benefit pension liability	-	(2,470)	-	-	(2,470)
	<u>236</u>	<u>(2,015)</u>	<u>20,957</u>	<u>-</u>	<u>19,178</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total 2017 £'000
Fund balances at 31 August 2017 are represented by:					
Tangible fixed assets	-	-	17,751	-	17,751
Current assets	394	1,115	13	-	1,522
Creditors falling due within one year	-	(910)	-	-	(910)
Creditors falling due after one year	-	(19)	-	-	(19)
Defined benefit pension liability	-	(2,918)	-	-	(2,918)
	<u>394</u>	<u>(2,732)</u>	<u>17,764</u>	<u>-</u>	<u>15,426</u>

22 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £140,129 (2017: £135,308) were payable to the schemes at 31 August 2018 and are included within creditors.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £770,000 (2017: £721,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.4 to 24.6% for employers and 5.5 to 12.5% for employees.

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 Pensions and similar obligations

(Continued)

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	377	393
Employees' contributions	101	100
Total contributions	478	493
Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	2.6	2.7
Rate of increase for pensions in payment	2.3	2.4
Discount rate	2.8	2.5
Inflation assumption (CPI)	2.3	2.4
Commutation of pensions to lump sums - Pre April 2008 service	50	50
Commutation of pensions to lump sums - Post April 2008 service	75	75

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.1	26.1

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

	2018 £'000	2017 £'000
Discount rate + 0.1%	(196)	(187)
Discount rate - 0.1%	196	187
Mortality assumption + 1 year	172 to 286	198 to 329
Mortality assumption - 1 year	(172) to (286)	(198) to (329)
CPI rate + 0.1%	164	152
CPI rate - 0.1%	(164)	(152)

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2018 Fair value £'000	2017 Fair value £'000
Equities	3,159	2,686
Bonds	639	581
Cash	129	109
Property	342	254
Total market value of assets	4,269	3,630
Actual return on scheme assets - gain/(loss)	205	459
Amounts recognised in the statement of financial activities	2018 £'000	2017 £'000
Current service cost	737	640
Interest income	(96)	(62)
Interest cost	173	141
Total operating charge	814	719
Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
Obligations at 1 September 2017	6,548	6,368
Current service cost	737	640
Interest cost	173	141
Employee contributions	101	100
Actuarial gain	(776)	(667)
Benefits paid	(44)	(34)
At 31 August 2018	6,739	6,548

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pensions and similar obligations (Continued)

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

	2018 £'000	2017 £'000
Assets at 1 September 2017	3,630	2,712
Interest income	96	62
Actuarial gain	109	397
Employer contributions	377	393
Employee contributions	101	100
Benefits paid	(44)	(34)
At 31 August 2018	4,269	3,630

23 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period	2,867	(905)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(3,543)	(198)
Investment income receivable	(5)	(4)
Defined benefit pension costs less contributions payable	360	247
Defined benefit pension net finance cost	77	79
Depreciation of tangible fixed assets	352	587
(Increase) in stocks	(3)	-
(Increase)/decrease in debtors	(105)	42
Increase in creditors	249	76
Net cash provided by operating activities	249	(76)

24 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy Trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy Trust site and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

25 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	10	24
Amounts due in two and five years	14	22
	<u>24</u>	<u>46</u>

26 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the accounts	2,762	-
	<u>2,762</u>	<u>-</u>

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Hatton School Limited - The Academy Trust's subsidiary

- At the year end debtors include £58,476 (2017: £52,356) due from the subsidiary.

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

- The company provided services totalling £21,033 (2017: £500) to the trust and there was no balance outstanding at the balance sheet date.
- The trust made these transaction at arm's length in accordance with its financial regulations, which Mr D Morris neither participated in, nor influenced, and the transaction were at no more than cost.

RB Travel - A business owned by a close family member of S Dawson (Trustee)

- The business provided services totalling £7,635 to the trust and there was no balance outstanding at the balance sheet date.
- The trust made these transaction at arm's length in accordance with its financial regulations, which Mr S Dawson neither participated in, nor influenced.

Change Learning Limited - A company owned by T Kendrick (Member)

- The company provided services totalling £1,500 to the trust and there was no balance outstanding at the balance sheet date.
- The trust made these transaction at arm's length in accordance with its financial regulations, which Mr T Kendrick neither participated in, nor influenced.

Other transactions with trustees

- During the year across the Trust, three close family members of trustees were employed in teaching positions. The employments were subject to normal Trust procedures which include advertising, interviewing and national pay scale. The total salary paid to these family members was £90,013 (2017: £73,928) and associated employer's pension contributions totalled £12,072 (2017: £8,349).

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

28 Members' liability

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

HATTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

29 Teaching school trading account	2018		2017	
	£'000	£'000	£'000	£'000
Direct income				
Other income		65		73
Direct costs				
Direct staff costs	12		12	
Educational supplies and services	-		1	
Other direct costs	15		10	
	<u>27</u>		<u>23</u>	
Other costs				
Support staff costs	25		41	
Maintenance of premises and equipment	5		4	
Security and transport	1		1	
Catering	2		1	
Other support costs	4		3	
	<u>37</u>		<u>50</u>	
Total expenditure		(64)		(73)
Surplus/(deficit) from all sources		1		-
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		<u>1</u>		<u>-</u>