



THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

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Reference and Administrative Details

Members

- Rev. Canon P Howard
- M Porter
- J Crofts
- M Tait
- T Payne (appointed 1 July 2021)

Trustees

- J Winyard, Chair of Trustees (appointed 20 April 2021)
- M Tait, Vice Chair of Trustees (appointed 23 September 2020)
- C Kenna, Chief Executive Officer
- M Goodman, Chair of Audit & Risk (appointed 3 February 2021)
- L Myles, Chair of Finance
- R Betts, Parent Trustee (appointed 6 May 2021)
- J Crofts
- F Rose, Parent Trustee (appointed 23 March 2021, resigned 24 June 2021)
- T Payne (resigned 1 July 2021)
- J Morse (resigned 9 November 2020)
- D Tibble (resigned 23 September 2020)
- J Knowlden (resigned 20 May 2021)
- J Bell, Parent Trustee (removed 23 September 2020)
- J McAtear (removed 13 January 2021)

Company Secretary

- H Cubbage

Executive Board

- C Kenna (Chief Executive Officer)
- H Cubbage (Chief Operating Officer)

Company Name

The HEART Education Trust

Principal and Registered Office

Heartsease Primary Academy
Rider Haggard Road
Norwich
Norfolk NR7 9UE

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Company Registration Number

08286818

Independent Auditor

MA Partners Audit LLP
7 The Close Norwich
Norfolk NR1 4DJ

Bankers

Lloyds Bank Plc
16 Gentleman's Walk
Norwich NR2 1LZ

Solicitors

Birketts LLP
Kingfisher House
1 Gilders Way
Norwich
NR3 1UB

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Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates four primary academies in and around Norwich, Norfolk. Its academies have a combined pupil capacity of 1,080 and had a roll of 1,010 in the school census on 1 October 2021.

1. Structure, Governance and Management

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details of this document.

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

The Trust purchases and maintains insurance for its trustees (directors) through the government's Risk Protection Arrangement (RPA).

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Board of Trustees under article 50 of the Trust's Articles of Association. Parent Trustees are elected or appointed under articles 53-56 of the Articles of Association, whereby they are elected by the parents of registered pupils at the Trust academies but appointed by the Board of Trustees if the number of parents standing for election is less than the number of vacancies. The Chief Executive Officer is an ex officio trustee under article 57.

The Trustees actively recruit trustees from amongst stakeholders, the community and the professional networks of the existing Trustees and / or members. The Trustees also utilise the Academy Ambassadors programme where appropriate. The trustees recruit new trustees on the basis of particular skills that are shown to be required during regular skills audits, having regard to any recommendations made by the members, trust Executive Board, individual trustees, professional advisors, or the DfE.

In appointing new trustees, the Board of Trustees votes by a majority resolution at a fully quorate Board meeting. Where it is necessary to appoint a trustee outside of scheduled Board meetings the appointment is usually made by written resolution of the trustees (majority resolution). However, the

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Chief Executive Officer also has delegated authority to appoint a trustee in exceptional circumstances, and such appointment is then ratified by the Board of Trustees at the next fully quorate Board meeting. The Trust's Chair of Trustees and Executive Board will usually conduct an interview with the proposed trustee. The Board of Trustees then resolves to appoint a trustee based on this interview and verbal or written "pen portraits" outlined by the proposed trustee and / or the existing trustee who is recommending the proposed trustee. These pen portraits identify the proposed trustee's background, qualifications, skills and experience and specify what value the proposed trustee can add to the Board.

Trustees will also sit on one of the Trust's central committees, based on their particular skills and interests.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees begin their induction by attending a Board meeting. New trustees are provided with an induction pack, which contains the following:

- Academy Ambassadors *On Board* Induction Pack
- Academies Financial Handbook
- Academy Ambassadors Conflict of Interest Policy
- Keeping Children Safe in Education
- Trustees Code of Conduct
- Trustee Role Description
- Governance Handbook
- The Essential Trustee (Charity Commission)
- Competency Framework for Governance
- Articles of Association
- 21 Questions for MATs
- Understanding Your Data
- School Inspection Handbook
- Charity Governance Code
- Academy Ambassadors Directors Liabilities
- NGA What We Expect

They must also complete a declaration of business interests form and a skills audit matrix. New trustees are expected to visit all Trust schools during the months following their appointment and meet with key personnel such as the Academy Headteachers and Trust Heads of Department.

All trustees must complete compliance training provided by the Trust in respect of health and safety, safeguarding, prevent duty, whistleblowing, GDPR, code of conduct and equality and diversity. Decisions as to what additional internal and external training may be required by Trustees are made by the Board with advice from the Chief Executive Officer.

Organisational Structure

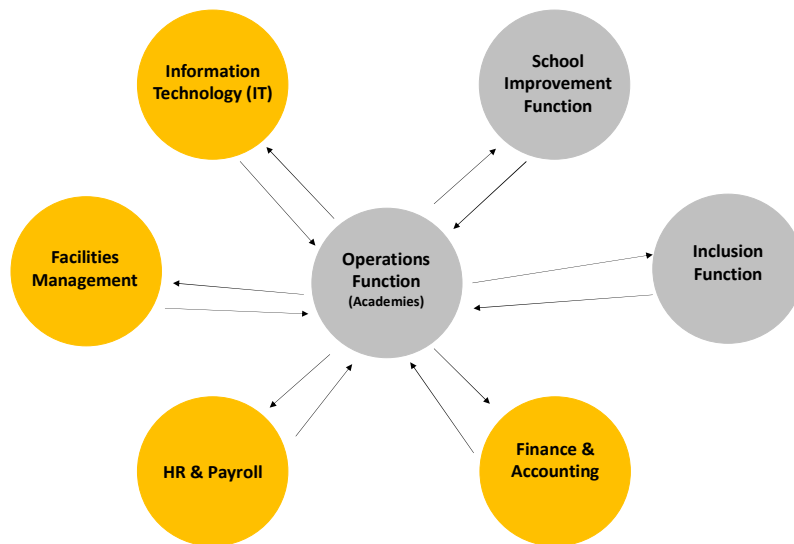
The Trust's core operations function is comprised of its four academies. These are supported by the Trust's central Business Support Units:

- Finance & Accounting

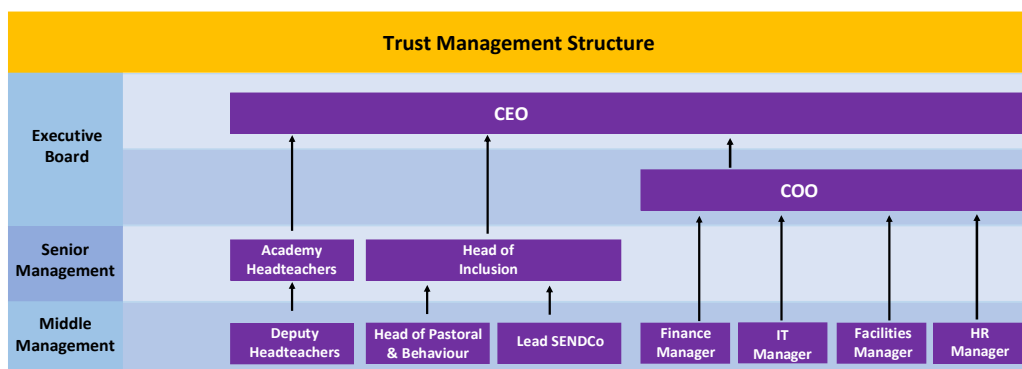
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- HR and Payroll
- Facilities
- Information Technology (IT)

The Trust's has a centralised School Improvement function, dealing with matters such as quality assurance and the development of things like curriculum, assessment systems and professional development programmes. It also has a centralised Inclusion function, which oversees SEND, Behaviour and Safeguarding across the Trust's academies.



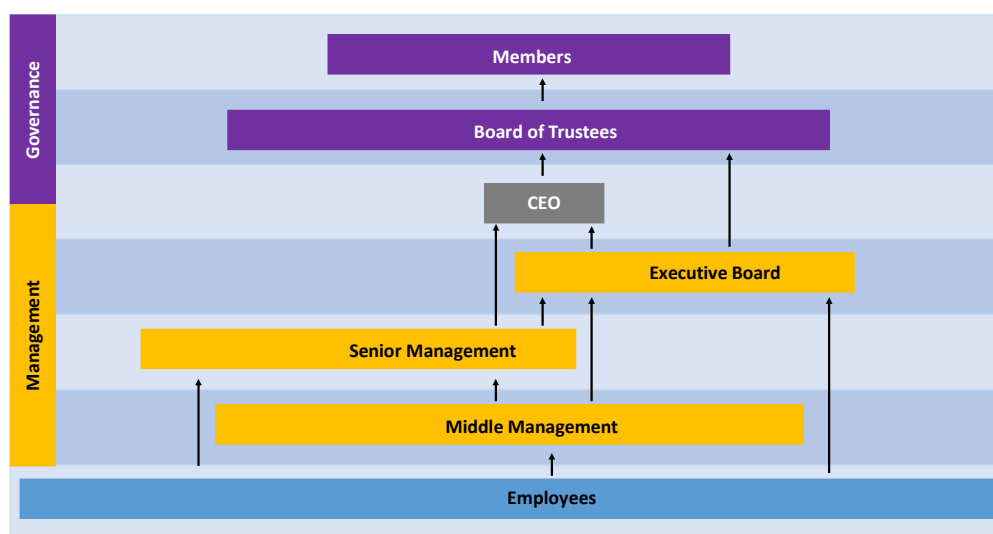
The Chief Executive Officer and the Chief Operating Officer are responsible for the day-to-day running of the Trust and comprise the Executive Board. The Chief Executive Officer is also the Accounting Officer of the Trust.



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The Heads of Department are responsible for the day-to-day running of their departments, and are held accountable by the Trust's Executive Board. The Academy Headteachers are responsible for the day-to-day running of each academy, and are held accountable by the Trust's Executive Board.

The Executive Board is in turn held to account by the Board of Trustees.



The Trust regularly reviews its governance structure to ensure continuous improvement and effectiveness. Throughout the accounting period, the Executive Board were in turn held to account by the Strategic Board of Trustees and its central committees. Those central committees comprised of:

- Audit & Risk
- Pay

The committees each have terms of reference setting out their key decisions and responsibilities. The Board of Trustees has approved a Scheme of Delegation and a Financial Scheme of Delegation under which certain powers have been delegated to the CEO, COO, Heads of Department and Academy Headteachers. However, throughout the year, certain key decisions and responsibilities remained with the Board of Trustees, including:

- Monitoring of curriculum and educational standards across the academies.
- Monitoring of the Trust's financial position and the Trust's monthly management information.
- Appointment of new Trustees to the Board.
- Approval of the Trust Budget and Budget Forecast Return.
- Decisions relating to the Trust's financial reserves.
- Decisions relating to amendments to Trust pay scales.
- Approval of the Trust's annual accounts.
- Authorisation of financial commitments over £100,000.
- Approval of certain key policies, including Safeguarding, SEND, Whistleblowing, Health and Safety and Exclusion.

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- Receiving updates and monitoring management of the COVID19 pandemic and the Trust's recovery from this.

The Board of Trustees resolved to also convene a Finance Committee, whose first meeting was held after the end of the accounting period on 11 November 2021.

Arrangements for setting pay and remuneration of key management personnel

The Trust's key management personnel are C Kenna (CEO) and H Cubbage (COO), who together comprise the Trust's Executive Board.

C Kenna is not remunerated for her role as a trustee. However, she is remunerated for her employment as Chief Executive Officer and her remuneration is based upon the Leadership pay scale (STPCD). C Kenna was not awarded any performance related pay awards during the accounting period. However, she was awarded a 2.75% cost of living increment in September 2020 in line with the recommendations set out in the Joint Advice on School Teachers' Pay 2020-21.

H Cubbage was not awarded any performance related pay awards during the accounting period. However, she was awarded a 1.2% cost of living increment in April 2021 in line with the uplift to the Trust's support staff pay scale.

The pay for each Academy Headteacher is initially set by the Executive Board, having regard to the appropriate headteacher group of the academy as set out in the STPCD and the requirements of the role and candidate. Performance related pay increases thereafter are made by the Executive Board and ratified by the Pay Committee in line with the Trust's Performance Review Policy.

Pay for central Trust Heads of Department is set by the Executive Board, having regard to pay advertised for similar roles in other Trusts and the pay scales of other senior Trust employees. Performance related pay increases thereafter are made by the Executive Board and ratified by the Pay Committee in line with the Trust's Performance Review Policy.

Trade union facility time

The Trusts buys into the Local Facilities time arrangements run through the Local Authority. The Trust paid £3,078 for this arrangement during the accounting period. Therefore, the Trust does not need to provide release time for employees to participate in relevant trade union activities as instead, designated local trade union officials deliver the statutory facility time requirements.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

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Percentage of time spent on facilities time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£3,078
Provide the total pay bill	£5,044,734
Provide the percentage of the total pay bill spent	0.06%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Related Parties and other Connected Charities and Organisations

The Trust is not part of a wider network although its academies do continue to work within their local clusters (as allocated by the Local Authority prior to conversion).

Further information on related party transactions is disclosed in Note 29 and displayed on the Trust's website. The Board of Trustees always ensures that relationships with connected parties are properly managed in order to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with its duties under the Academy Trust Handbook and charity law.

Engagement with Employees (including disabled persons)

In order to ensure engagement with all employees, the Trust works closely with the trade unions. Whilst the usual termly JCC meetings have not been possible during the year due to COVID restrictions, the Trust is committed to continuing to work with the trade unions for the benefit of its employees. Throughout the pandemic, the Trust ensured it provided relevant and regular information directly to employees. In addition, the Trust has had discussions with employees directly (through surveys and focus groups) in relation to matters such as performance management and wellbeing.

The Trust is an equal opportunities employer, committed to creating a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment in accordance with its Equal Opportunities and Diversity Policy. This includes supporting the employment of disabled persons, through both recruitment and the retention of employees who become disabled during the course of their employment.

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Engagement with Suppliers, Customers and Others in a Business Relationship with the Trust

The Trust highly values its stakeholder relationships and has particular regard to those relationships with suppliers, pupils and their parents, and employees. The Trust has certain key suppliers who it works closely with on an informal basis to share knowledge and best practice in order to contribute to product enhancement for the benefit of the whole academies sector. Where suppliers do not perform to the standard expected by the Trust, the Trust will challenge this and seek resolution in order to ensure value for money for public funds. During the course of the year, this required the Trust to terminate early a contract with a large regional facilities management company who was not meeting the Trust's expectations in relation to health and safety. In selecting new suppliers, the Trust takes a partnership approach with those it chooses to work with, fostering new relationships that it sees as long term investments in the Trust's future. The Trust also has high expectations of its suppliers in relation to their sustainability goals and those of their wider supply networks.

In relation to pupils and parents, the Trust seeks to obtain feedback in order to provide those "customers" with value. This has included key worker provisions during the lockdowns and reopening wraparound care provisions after pandemic closures.

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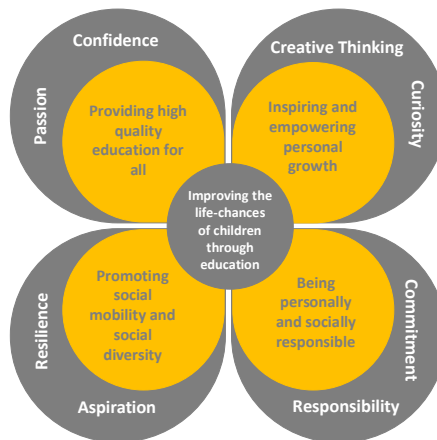
2. Objectives and Activities

Objects and Aims

The Trust's object is set out in Article 4 of the Company's Articles of Association:

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

The Trust's aims are set out in its mission statement, vision and organisational values and behaviours, which are as follows:



Mission

To improve the life-chances of children through education.

Vision

We believe that we are here to provide better life-chances for children. Everything we do is about improving the futures of the most disadvantaged children. We believe in high quality, inclusive education that does not limit aspiration. We constantly focus on personal development, in order to grow children who are resilient, determined and confident. We believe that education extends beyond the classroom, and teach our children to be independent and creative thinkers who are always curious. We want our children to develop a lifetime passion for learning and self-awareness. We aim to provide our children with a toolkit for metacognition and self-improvement that they can utilise in their adult

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life to build better futures for themselves. Our children are the future, and regardless of their starting points in life, they will change the world. We believe it is our role to prepare them for this responsibility by instilling within them a sense of social responsibility that will inspire them to build a more sustainable world for all.

Organisational Values

- Providing high quality education for all
- Inspiring and empowering personal growth
- Promoting social mobility and social diversity
- Being personally and socially responsible

Organisational Behaviours

❖ Passion

Working in education, we have the ability to profoundly change children's lives. With such high stakes, our academies must always be prepared to provide our pupils with the same standards that each member of staff would want for their own children. When teachers are passionate about teaching children become passionate about their learning and apply themselves with enthusiasm and excitement. At the Trust we are passionate about ensuring our children have the best possible education and that they are scaffolded and challenged to challenge limitations and open doors to their future.

❖ Confidence

When people are confident they are not afraid to tackle new challenges and ideas, share their opinions and be innovative but so much of our programming in our early years can limit our confidence as adults leading us to impose limitations on ourselves and curtail our achievements and ambitions. Our goal is to ensure that children grow up with positive self-image by giving them tools to question facts and opinions, make their own judgements and confidently make and stand by their own decisions.

❖ Creative Thinking

We believe that children's learning will be enhanced when leaders and staff evaluate their own performance and are committed to the professional development of themselves and others. This will include Academies keeping abreast of educational research into effective teaching and learning, and continually improving the educational experience of their pupils. The Trust takes an action research approach to innovation and is committed to ensuring our academies are equipped with up to date technology. Our Blended Learning approach is key to our innovation.

❖ Curiosity

Education is the gateway to the future and curiosity stimulates a thirst for education. We believe in a growth mindset for pupils and staff alike. Everyone at the Trust is encouraged to be curious, ask questions, understand the world around them and use that information to grow and develop as a person.

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❖ Commitment

The Trust holds its staff in high regard. We invest heavily in staff training, professional development and staff well-being. We expect staff to be prepared to go the extra mile to provide the best possible education for our pupils and in return we are committed to go the extra mile for our employees.

❖ Responsibility

The time children spend in education is finite. We have a responsibility to ensure that every moment a child spends in one of our Academies is spent productively. Once wasted, a pupil's time is irretrievable. In addition, every member of staff has a personal responsibility to be positive and supportive of each other. This leads to high expectation and a culture where excuses are not tolerated. Everyone is accountable. Everyone must take responsibility. From the earliest age pupils at the Trust are taught that they have choices and that with choices comes responsibility. Pupils are taught to react positively and enthusiastically to challenge and responsibility.

❖ Aspiration

Every person within our Trust, whether staff or pupil, should consistently aim for excellence in their individual roles. We encourage adults and pupils to challenge self and externally imposed restrictions and to hold ambitious and high aspirations.

❖ Resilience

Our past experiences can make or break us. We want children to understand that whilst they may find themselves in challenging situations they always have a choice about how they respond to it. We aim to help them develop the capacity to recover quickly from setbacks and learn from mistakes and negative experience. We encourage children to learn from mistakes and accept that failure is an opportunity for feedback, growth and learning that can make them stronger, wiser and better able to succeed. Enabling children to see challenges as opportunities will develop their skills of endurance and bounce back making them strong leaders and contributors to society. By being resilient themselves staff become role models, therefore outstanding CPD and attention to wellbeing and work life balance are the pillars of our commitment to staff.

Objectives, Strategies and Activities

The Trust's strategic objectives are set out below, together with the strategies for achieving them:

1) Improve financial efficiency

- High quality financial control
- Production of regular and accurate management information
- Ensure value for money in procurement activities
- Tight control of budgets by budget holders, and support of budget holders through regular finance meetings

2) Increase level of unrestricted reserves

- Wraparound care and lettings

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3) Increase high needs and deprivation income

- Develop and run our two internal inclusion units
- Continuous improvement of the quality of our SEND offer to pupils
- Ensure that notional and additional SEND funding is used for the benefit of those pupils for whom it is intended
- Ensure SEND pupils make good progress from their starting points, that needs are identified early and that provision overcomes barriers to learning
- To continue to develop our pupil premium strategy and our enhanced offer around curriculum enrichment

4) Optimise whole staff wellbeing

- Develop and implement a wellbeing strategy that has impact
- Train a significant number of staff in mental health first aid
- Promote flexible working opportunities wherever permitted by business needs
- Reduce staff workload through improved manager accountability
- Improved absence management and access to an Employee Assistance Programme

5) Provide high quality staff development and training

- Redevelop and invest in performance management at all levels
- Continue to develop and implement a Trust wide curriculum strategy and centralised CPD programme in order to advance teaching and learning across the Trust
- Provide opportunities for collaborative working across Trust academies
- Continue to develop training opportunities for early career stage teachers
- Grow and develop school leaders at all levels.

6) High pupil outcomes for disadvantage / SEND

- Continue to develop an outstanding early years provision across the Trust
- Continue to improve Key Stage 2 progress and attainment, Year 1 phonics, GLD and KS1 across all of the Trust academies over the next year
- Maximise the use of our online learning community to enable staff to work together and learn from each other and to maximize children's learning opportunities through our online and blended learning programme
- Continue to improve parental engagement across the Trust

7) Creation of a more sustainable environment

- Maximise the use of our PE Premium grants for the benefit of our pupils
- Reduce inequality through the provision of high quality education to disadvantaged pupils
- Review and reduce our carbon emissions
- Take responsibilities for the suppliers we choose to work with
- Teach our pupils about climate change and our responsibility to the environment

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Public Benefit

The Trust has continued to work towards its charitable object as set out in its Articles of Association. Throughout the period, the Trust has continued to deliver mainstream education to primary aged pupils for the purpose of public benefit. This included a period of remote education during the COVID19 lockdown period in January-February 2021. It has also operated its two nurseries, SRB and recommenced letting out its swimming pool facilities to other local schools and swimming groups (following the pandemic pool closures). The Trust has continued to lease facilities to a local preschool.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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3. Strategic Report

3.1 ACHIEVEMENTS AND PERFORMANCE

Key Performance Indicators

The Executive Board has reported to the Board of Trustees throughout the year in relation to performance against the following areas:

Early Years' GLD

	GLD	Boys	Girls
Heartsease	43.1%	33.3%	54.2%
Lingwood	54.5%	55.6%	53.8%
Henderson Green	42.3%	27.3%	60%
Valley	42.9%	16.7%	77.8%
Consolidated Trust	45.8%		

The period of national lockdown school closures from 23 March 2020 (with a phased return from June until September 2020) and in January 2021 to 8 March 2021 had a severe impact on our Nursery, Year 1 and Year 2 pupils.

45.8% attained a good level of development. 55.3% of children achieved GLD who did not have an identified SEND.

The Reception children in this cohort missed a term of nursery and a half term of Reception. However, the second half of summer term was a phased return. This had a massive impact on speech and language and managing feelings and behaviour. Children in this age group need constant repetition and over learning at this stage and plenty of story, language and vocabulary acquisition but more importantly, they need consistency. Sadly this was severely disrupted for this cohort. As a result much of the prior learning was interrupted and not retained as were the opportunities for children to socialise with each other and develop independence.

Nevertheless much work was done during the periods when the children were in school to fill the gaps, however this will take far longer than one term. Additional speech and communication was in place and a recover curriculum that focused on vocabulary, phonics and continuous provision. Despite a very comprehensive learning package of online learning through the Google Classrooms and paper packs sent home, this was the hardest group to engage during lockdown.

Moving forward additional support is being put in to ensure gaps are filled quickly as they move through year 1 and 2. There is a Trust wide EYFS improvement strategy in place.

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Progress and Attainment Data for Reading and Maths

This data is based on summer term 2021 summative test scores.

Reading:

Year Group	Spring ARE+	Summer ARE +	Heartsease	Henderson Green	Lingwood	Valley
1	49%	65%		+49%	+12%	+42%
2	59%	78%	+18%	+21%	+10%	+21%
3	42%	64%	+11%	+20%	+3%	+54%
4	50%	62%	+15%	+25%	-3%	-7%
5	51%	71%	+26%	+28%	-18%	+47%
6	66%	76%	+6%	+16%	+4%	+23%

Children who finished Year 1 in August 2020 did not take their Phonics Test until December 2020 and results were:

HPA 85%
LPA 88%
VPA 87.5%
HGPA 86%

The average scaled score improved by 2.4 to 98.3

Maths:

Year Group	Spring ARE+	Summer ARE +	HPA	HGPA	LPA	VPA
1	53%	67%	+24%	+13%	+7%	No data
2	64%	69%	+2%	+7%		+13%
3	59%	73%	+1%	+17%	+15%	+31%
4	51%	66%	+18%	+12%	+12%	+12%
5	63%	67%	-2%	+21%	-8%	+30%
6	43%	5%	+9%	+23%	+22%	+9%

Average scaled score increased by 3.5. to 99.9

Pupils made good progress between Spring and Summer as shown by test scores in maths and reading, with good impact from the interventions and COVID Response team. Writing has suffered overall both nationally and within the Trust.

Pupils were due to return to school fully on 7th September 2020. We brought our children back 3 days early, with a full consolidation curriculum in the mornings and PSHE lessons in the afternoons. By 7th, the children returned to a full curriculum timetable.

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We employed a COVID Response team of 6 teachers, 4 full time and 2 part time to provide dedicated interventions across all 4 schools to rapidly fill the gaps for pupils (especially those who had not accessed on line learning regularly during lockdown).

Behaviour and Attendance

	Total Attendance %	Authorised Absence %	Unauthorised Absence %	Persistent Absence %	Fixed Term Exclusions (1/2 day sessions)	No. of pupils (FEX)	Permanent Exclusions
Heartsease	96.53	3.91	1.56	7.23	23	4	0
Lingwood	97.52	2.32	0.99	7.25	19	2	0
Valley	95.64	3.07	1.3	12.42	90	5	2
Henderson Green	96.45	3.62	1.06	9.2	32	4	0

The Local Authority disregarded attendance data prior to 8th March 2021. Attendance from 8 March 2021 (when schools reopened after the second national lockdown) to July 2021 was above national in all schools except Valley who were very close to national. The national average, which the latest published figures for autumn 2020 showed was 96.3% for primary schools.

The fact that attendance was so high was due to confidence that parents had in all four schools and our comprehensive Risk Assessments. We had kept parents informed with regular communications throughout lockdown, phased and full return.

Exclusion rates were for a very small number of pupils who struggled to regulate behaviour on the return to school. These pupils had struggled with behaviour prior to lockdown and the disruption of lockdown exacerbated their needs. Much support was put in for these children and the schools worked with a number of external agencies. Please note the number of fixed term exclusions relate to half days.

All Trust academies maintain a calm and orderly environment and follow the Trust's Behaviour Policy. All Time outs, detentions, internal exclusions, fixed and permanent exclusions are logged on the Trust's MIS software. There are one or two pupils at each academy who are persistently disruptive. These children have behaviour plans in place and appropriate referrals have been made to external agencies such as School to School Support, Benjamin Foundation, educational psychologists, etc. Pupils have regular in-school Thrive sessions (one-to-one) and some pupils attended our temporary nurture provision established at Valley Primary during summer term 2021.

On line Learning

The Trust operated on line classrooms daily for children. Where children did not have access to technology, our IT manager resourced a number of old laptops and purchased a number of USB sticks to convert any laptop that can be turned on into a chrome book. These were sent out to support home learning so that children could access work. In addition, each school received a substantial number of devices from the DfE.

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Online accessibility and Connectivity 20/01/2020

HPA	
No. of children without a device	59
No. of children with connectivity issues	2
No. of laptops allocated by DfE	54
Shortfall	5
HGPA	
No. of children without a device	38
No. of children with connectivity issues	-
No. of laptops allocated by DfE	38
Shortfall	0
LPA	
No. of children without a device	25
No. of children with connectivity issues	-
No. of laptops allocated by DfE	11
Shortfall	14
VPA	
No. of children without a device	49
No. of children with connectivity issues	3
No. of laptops allocated by DfE	38
Shortfall	11
Trust	
No. of children without a device	171
No. of children with connectivity issues	5

In total the DfE provided 141 laptops leaving a shortfall of 30.

Sessions by our speech and language Teaching Assistants and our speech and language SRB teacher operated on line for those that needed it. SEND pupils were supported by Teaching Assistants where possible and those who struggled were supported by CRT in addition to every class teacher running full school days, 5 days per week.

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As a result attendance on Google Classroom was very high. See table below:

Year Group	HPA	HGPA	LPA	VPA
Nursery	8.6%		7.6%	
Reception	48.3%	50.9%	73.0%	46.7%
Year 1	60.0%	61.4%	66.0%	55.7%
Year 2	58.1%	60.5%	80.7%	45.5%
Year 3	56.1%	61.0%	74.0%	67.7%
Year 4	79.6%	46.7%	71.5%	52.2%
Year 5	63.5%	79.1%	58.4%	73.1%
Year 6	82.1%	61.3%	77.1%	72.8%
Moonstone/Launch	24.5%		86.9%	
Ruby	39.9%		56.6%	
Whole School	57.8%		61.7%	
Whole school (NO MOON)	59.2%		64.5%	
Whole School (R-6)	66.3%	60.3%	71.3%	59.4%
Number without access	19	9	5	8

Throughout the lockdown period the schools provided keyworker and vulnerable pupil provision. Moonstone and Launchpad our inclusion units for our children with the highest SEND needs remained open.

Ofsted Gradings

- Henderson Green Primary Academy: Good (2018)
- Heartsease Primary Academy: Outstanding (2016)
- Lingwood Primary Academy: Good (2018)
- Valley Primary Academy: Requires Improvement (2019)

(No Ofsted inspections occurred during the reporting period.)

Kickstart Scheme

We ran a very successful Kickstart team with 30 apprentices. This was a huge success being one of only a small minority of Trust in Norfolk to run the scheme. Participants took part in a week long training induction and gained qualifications in paediatric first aid and PE Instructor Training.

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The Kickstart Scheme provided funding to create new job placements for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. These placements last for six months and over this time the participants gain work experience, develop employability skills and undertake further training and qualifications. Several of the Kickstarters went on to permanent employment within the Trust.

Financial

All the Trust's Academies have increased their revenue reserves position (i.e. excluding fixed asset and pensions reserves) by a combined £234,834. See Note 19 "total funds analysis by academy".

The Trust has maintained its healthy free reserves position, amounting to £2,206,596 as at 31 August 2021 (2020: £2,233,821) and strong cash position, with cash held in the Trust bank accounts amounting to £3,071,409 as at 31 August 2021 (2020: £3,198,565).

Going Concern

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

Promoting the Success of the Company

The Trustees ensure that they act in a way most likely to promote the success of the company. Decisions are made having regard to the long term consequences of that decision, the impact of that decision on stakeholders (including employees and the wider community), the equalities impact of that decision, the environmental impact, and the impact on the Trust's reputation and brand identity. Employees and trustees are expected to make ethical decisions that are always in the best interests of the Trust's pupils, both now and in the future. Such decisions relate to policies, procurement and overall strategy. Examples during the period include:

- When pupils returned to school in September 2020, after the first national lockdown school closure period, a catch-up curriculum was put in place for the first two weeks in relation to maths and reading. From 18 September 2020, the Trust continued to offer its blended curriculum, utilising both face-to-face and online learning through the Google classrooms. This enabled it to ensure that pupils continued to receive their education throughout both the 2021 national lockdown school closure period and any individual periods of COVID related isolation. To achieve this, the Trust invested over £85,000 of its reserves into additional pupil devices and successfully applying for DfE donated IT assets worth over £63,000. The Trust also spent the full amount of its allocated COVID catch up premium (£75,560) on additional staffing, providing interventions and additional support to pupils in order to close the gaps resulting from the 2020 national lockdown school closures.

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- In September 2020 the Trust opened its second inclusion unit (the Launchpad) at Lingwood Primary, to enhance SEND provision to the Trust's pupils and better contribute to its purpose of improving the life chances of children. This was particularly important for the children's transition back to school after the national lockdown school closures, given their high needs.
- At the start of the accounting period and academic year, and in anticipation of further school closures, the Trust implemented electronic software for managing safeguarding concerns at its schools. Along with a centralised Senior Pastoral Manager supporting the schools, this ensured improved oversight and efficiency in the management of safeguarding in order to better support the interests of the Trust's pupils, parents and the wider community.
- The Trust also introduced electronic provision mapping software to better identify the SEND provisions available to each individual pupil, in order to improve the quality and impact of these provisions in relation to the education of SEND pupils.
- From January 2021, the Trust decided to bring its facilities management services back in house to provide higher quality and safer learning environments for its pupils, and an improved working environment for the affected staff members.
- From April 2021, the Trust decided to move its catering contract to a supplier better able to support its sustainability objectives and mitigate its financial risk, whilst providing improved nutritional options for pupils and staff.
- In July 2021, the Trust commenced the process of fully bringing its HR services in house to better have regard to the interests of its employees and promote the Trust's long term growth strategy. This meant a change of legal advisors to a more local firm (Birketts), able to offer employment law advice more cost effectively without the outsourced HR advisory services. This in turn allows the Trust to recruit its own internal HR Manager. The creation of the HR Manager post (expected to commence December 2021) is an integral part of the Trust's HR strategy that will better enable the Trust to achieve its strategic objectives and further its charitable purpose.
- This year, the Trust used its own funds, Salix loans and CIF funding to replace boilers at two of its schools (Valley and Henderson Green) in order to increase energy efficiency and reduce the adverse impact of the school sites on the environment in relation to carbon emissions.

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3.2 FINANCIAL REVIEW

The Trust receives funding directly from the Secretary of State for Education on a monthly basis in the form of the General Annual Grant, in consideration for the Trust undertaking to establish and maintain, and carry on or provide for the carrying on of a number of Academies. Total GAG received for the period was £4,521,287 as shown in the Statement of Financial Activities. The Trust also receives funding from the Local Authority and additional ESFA funding.

The Trust generated a further £33,857 (2020: £40,141) during the period in respect of lettings and £21,419 (2020: £36,051) for services it provided. These revenues were lower than prior year actuals predominantly due a reduction in school club activities during the COVID19 pandemic.

The total income for the year to 31 August 2021 was £6,665,798 and the total expenditure was £6,782,509, which therefore exceeded incoming resources and resulted in a total deficit (before actuarial losses) of £116,711. This deficit includes depreciation charged during the year on fixed assets of £366,205 and actuarial movements on the defined benefit pension scheme of £325,000. Without these charges included, the Trust generated a surplus overall of £574,494. This surplus is reflective of underspends on GAG and other restricted grants as a result of COVID restrictions, as well as significant capital funding utilised for capital purposes and therefore not offset by expenditure in the Statement of Financial Activities.

Reserves Policy

The balance sheet as at 31 August 2021 shows that the Trust has total funds of £11,553,922 of which:

- £11,901,219 relates to restricted fixed asset funds
- (£3,386,000) relates to the restricted pension fund
- £688,041 relates to restricted general funds
- £2,350,662 relates to unrestricted general funds, of which £144,066 is the carrying value of tangible fixed assets purchased from the Trust's unrestricted funds during the year

The Trust's reserves policy requires the Trustees to carry forward a prudent level of unrestricted funds for medium to long term requirements of the Trust's Academies and in relation to the Trust's 'staff contingency fund'. The Trustees resolved to hold 3 months' payroll across the Trust in this contingency fund during the accounting period and, on the basis of the budgeted staff costs for the period 1 September 2020 to 31 August 2021, this amounted to a staff contingency fund balance of £1,184,433.

In addition, the Trust has set aside £150,000 of the unrestricted funds in a 'building maintenance contingency fund'. Two of the Trust's schools have very old buildings and the Trust also has a swimming pool. Therefore, the Board has resolved that it is prudent to set aside funds in respect of the ongoing maintenance requirements of these assets in future periods.

During the year, the Trust invested £146,134 of its unrestricted funds in capital projects across the Trust's schools. The remaining unrestricted funds will be spent over future periods for the achievement of the Trust's strategic objectives in order to realise its vision.

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Investment Policy

The Trust will regularly monitor its cashflow and bank accounts to ensure that adequate cash balances are maintained across all of its current accounts to cover the Trust's day-to-day working capital requirements without becoming overdrawn. The Strategic Board may only consider the investment of funds that are surplus to these working capital requirements. The Strategic Board shall only make an investment where it is persuaded that there is no risk of loss in the capital value of any of the cash funds invested.

When considering making an investment, the Strategic Board shall:

- act within its powers to invest as set out in Article 5 of the Trust's Articles of Association;
- exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser or someone experienced in investment matters (unless there is a good reason not to);
- ensure that all investment decisions are in the best interests of the Trust and command broad public support;
- ensure that the investment will achieve value for money for the Trust (within the context of the risk appetite set out in this Investment Policy);
- ensure that the decision follows the Charity Commission's guidance "CC14 Charities and investment matters: A guide for trustees" and the ESFA's Academy Trust Handbook (as amended from time to time).

The Strategic Board will manage, control and track the Trust's financial exposure by reviewing its portfolio of investments at least annually. As part of this review, the Strategic Board shall:

- consider how suitable the investments are for the Trust (both individually and as a whole);
- consider the need to diversify (or further diversify) the investments;
- ensure that the capital value of those invested funds continues to be protected against inflation;
- ensure that the investments continue to optimise returns within the risk appetite identified in this policy;
- ensure that the investments continue to achieve value for money;
- ensure that the investments continue to comply with the Trust's Investment Policy in place at the time of review and any relevant guidance of the ESFA and Charities Commission in effect at that time.

Principle Risks and Uncertainties

The Trust maintains a Risk Register to identify the principal risks and uncertainties to which the Trust is exposed, which is regularly reviewed by management and overseen by the Board of Trustees (via the Audit and Risk Committee) as part of the Trust's ongoing risk management strategy.

The following principal risks and uncertainties have been identified by the Trustees and the following actions have been (or are being) taken to mitigate these:

Finance Risks

- Financial impact of COVID19 on:
 - Long term revenue income – per pupil funding from ESFA may need to be reduced in future years as the UK recovers from the economic impact of COVID19 and Brexit.

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Careful management of the staffing budget and non-pay costs is being carried out to mitigate against future funding uncertainty.

- Short term revenue income – Lettings income from the Trust's swimming pool and self-generated income from its after school and breakfast clubs may reduce if further government guidance in relation to the pandemic leads to the closure of the pool and suspension of wrap-around childcare clubs.
- Increased revenue expenditure. Staff absences due to self-isolation requirements have increased agency supply spend from September 2020. There have also been increased costs around cleaning and hygiene products.
- A declining pupil roll (at Valley Primary Academy and Heartsease Primary Academy in particular) will reduce future revenue income. Action is being taken to increase pupil numbers across the Trust, but the Trust recognises that there is a national decline in primary age pupil numbers that must be addressed.
- There is further future revenue income uncertainty due to the reduction in pupil numbers at Heartsease Primary as a result of its Year 6 moving from 3 form to 2 form entry from September 2020 which has impacted on the 2021/22 GAG income. Careful management of current pay and non-pay costs is being undertaken to mitigate against this risk.
- Budget deficit: The Trust is currently using reserves to support an in year central staffing deficit. Although this is part of the Trust's future growth plans, action is also being taken to ensure staffing arrangements in relation to teaching staff are brought in line with budget before reserves diminish.
- The Trust has a high level of reserves. Therefore, the trustees have a robust reserves policy in place and regularly review the reserves position, ensuring the Executive Board is held to account and that these reserves are applied to further the Trust's charitable objects.

Operation Risks

- National accountability pupil attainment measures and pupil progress. The impact of COVID19 school closures is still being addressed by the academies.
- Schools falling below good during Ofsted Inspection – mainly due to leadership inexperience and embedded systems not being adhered to. Significant leadership support is being provided by the Trust in areas of highest risk. Support is also being provided to the academies to ensure full implementation of the curriculum and to upskill subject specialists.

People Risks

- Over-reliance on a key person. To mitigate against over-reliance of the CEO, the Trust's succession plan names the COO as the CEO's successor. The COO continues to deputise for the CEO in all areas when required and the Trust continues to invest in the professional development of the COO for the CEO role in the future. Over-reliance on the COO has been mitigated through the appointment of central heads for each of the business support departments. However, over-reliance on the Trust's Head of Inclusion poses a risk to the Trust's corporate strategy as no successor has yet been identified. Action will be required to mitigate this risk going forward.
- Academy leadership. Across the academies, heads are being provided additional support in relation to their wider responsibilities, particularly in respect of health and safety, data protection, safeguarding and risk management. Two new headteachers have been appointed and there is some degree of inexperience within the senior management team. The Executive Board is working to support them, with the Head of Quality Assurance providing regular

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feedback. A programme of training including IOSH, DSL, Safer Recruitment and GDPR awareness is being provided.

Governance Risk

- Risk management. The Trust continues to work on formalising its system of risk management and has adopted an internal system of control. The Audit & Risk Committee has met regularly throughout the period and a Finance Committee has now been created to ensure the Audit & Risk Committee has a manageable workload.
- Board effectiveness. Whilst this is positive overall, the Board always seeks improvement and has identified several areas that need to be addressed: the appointment of a professional clerk (completed 1 November 2021); the reestablishment of an ongoing programme of trustee training; the appointment of a second parent trustee; the appointment of a qualified accountant or finance professional as a trustee and Chair of the Finance Committee.

IT & Security Risk

- Risk that Trust is exposed to a cyber-attack resulting in a data breach or loss of key data. The Trust therefore spreads its core data across multiple cloud providers to minimise single point of failure (e.g. finance, payroll, pupil MIS, safeguarding, pupil attainment data). In addition, to back up offered by the various system providers, the Trust has now implemented its own backup server for all its key data.
- Data management risk. With so much personal data held by the Trust in electronic form, there is always a risk that the wrong people may see information they should not. This is mitigated through Google permissions in relation to electronic files, and role permissions in relation to core systems. Improvements are being sought in relation to Google file permissions as management of this is a manual and time-consuming task. Improvements are also required in relation to the management of leavers (in terms of their access being revoked to multiple systems). Again, this is a manual tasks, and single sign on options and systems to centrally control all user accounts are being explored.

Fundraising

Throughout the accounting period, the Trust has periodically facilitated fundraising events for other charitable bodies such the NSPCC. Fundraising on behalf of the schools themselves is carried out by Friends associations and not by the Trust itself. The Trust accepts voluntary donations from parents of its pupils in respect of educational visits and similar activities in line with its Charging and Remissions Policy.

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Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	Current reporting year 2020/21
Energy consumption used to calculate emissions (kWh)	
1902828.006	
Energy Consumption Breakdown (kWh)	
Gas	1538420.051
Electricity	339605.433
Transport Fuel	24802.522
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	283.654
Owned transport – mini-buses	0.425
Total Scope 1	284.079
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	72.108
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	0.049
Total gross emissions in metric tonnes CO2e	356.236
Intensity Ratio Tonnes CO2e per pupil	0.385

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government’s Conversion Factors for Company Reporting.

Intensity Measurement

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

Measures Taken to Improve Energy Efficiency

We have installed new and more energy efficiency boilers at Henderson Green, Valley and Heartsease. We have also moved our electricity supply to a 100% renewable energy service.

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3.3 PLANS FOR FUTURE PERIODS

The Trust has seven strategic objectives across four key perspectives. The Trust's future plans are directly linked to its strategic objectives, in order to enable the Trust to further its corporate strategy and achieve its purpose of improving the life chances of children. Each function and department within the Trust has its own set of strategic objectives cascaded from the corporate level ones, and an associated strategy to achieve these.

The Trust's strategic plans can be summarised as follows:

Trust Perspectives	Corporate Strategic Objectives	Associated Strategic Plans
Finance	Improve financial efficiency	<ul style="list-style-type: none"> • Increase pupil numbers across the academies • Reduce pupil teach ratio by moving non-teaching deputies back into class • Improvements to procurement process to ensure better value for money • Ongoing reduction of waste and duplication in systems and processes. This includes ongoing review of key suppliers to obtain either costs reductions or enhanced quality of service.
	Increase level of unrestricted reserves	<ul style="list-style-type: none"> • Improved debt management, particularly in relation to the Bishy nurseries and staff / pupil meals • Open wrap-around childcare clubs at those schools who do not have them (where this will generate a return)
	Increase high needs and deprivation income	<ul style="list-style-type: none"> • Continue to attract SEND pupils through quality of SEND provision • Continue to provide curriculum enhancement through the Trust's pupil premium strategy
Leadership & People	Optimise whole staff wellbeing	<ul style="list-style-type: none"> • Implement new approach to performance management (including introduction of performance management software) • Continue to make efficiency improvements wherever possible to reduce workload • Continue to facilitate individual professional autonomy

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	Provide high quality staff development and training	<ul style="list-style-type: none"> • Implement new approach to performance management (including introduction of performance management software) • Invest in coaching training for management team • Invest in subject leader training for subject specialists
Quality of Education	High pupil outcomes for disadvantage / SEND	<ul style="list-style-type: none"> • Open another inclusion unit for KS2 SEND pupils • Appoint additional leadership posts in relation to curriculum and assessment • Invest in tools to increase awareness of curriculum progression to key stakeholders • Continue to invest in IT for pupils and staff
Sustainability	Creation of a more sustainable environment	<ul style="list-style-type: none"> • Incorporate sustainability into the curriculum • Incorporate sustainability into performance management • Procure a more sustainable waste management service in order to increase recycling and reduce waste • Explore solar panel installation • Explore EVC points in carpark and salary sacrifice in relation to ULEVs

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not currently hold any funds on behalf of others as a custodian trustee.

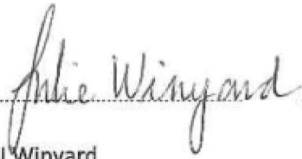
3.4 AUDITOR

Insofar as the trustees are aware:

- there is no relevant audit 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 audit information and to establish that the auditor is aware of that information.

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Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2021 and signed on the board's behalf by:


J Winyard

Chair of Trustees

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Governance Statement

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee Name	No. Meetings Attended
J Winyard	3/3
M Tait	3/6
T Payne	5/6
J Bell	0/1
L Myles	7/7
J Crofts	6/7
D Tibble	1/1
J McAtear	2/2
J Morse	0/1
C Kenna	7/7
J Knowlden	3/4
F Rose	2/3
M Goodman	3/5
R Betts	1/3

Key changes to the Board of Trustees include the return of M Tait to the role of Chair of Trustees in September 2021, with the then Interim Chair (D Tibble) stepping down from the Board. Since the close of the accounting period, the Board elected a new chair (J Winyard) in September 2021, with M Tait taking on the role of Vice Chair. J Knowlden stepped down as a trustee due to a conflict of interest that arose, with the Board and J Knowlden considering this an appropriate action to mitigate the conflict of interest. J McAtear was removed from the Board by a majority resolution of the Board of

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Trustees. J Bell was removed by the Company Members due to non-attendance relating conflicting work commitments during the pandemic. All other trustees who stepped down in year did so through personal choice due to limited time available to discharge their duties effectively.

The Board regularly assesses its own effectiveness and resolved to convene a separate Finance Committee following the close of the accounting period in order to improve financial oversight and efficiency. The biggest challenges for the Board have been

- Recruitment of parent trustees
- Recruitment of a trustee with a financial /accounting background
- Resignation of the Clerk to Trustees in July 2021

The Trust continues to work to meet this challenge. A new Clerk to the Trustees was appointed on 1 November 2021.

The work that the Board carried out during the course of the year is set out in Section 1 of this report under Organisational Structure. The Board is satisfied with the quality of financial data and summative assessment data which are the two sets of data it reviews most regularly. However, the Trust always seeks improvement. Going forward, the Board of Trustees is working towards implementation of a balanced scorecard that will set out the KPIs across the Trust's four strategic perspectives.

The Trust complete two governance reviews – one in the form of an internal audit in relation to compliance with the Academies Financial Handbook (September 2020) and the other was the use of the school resource management self-assessment (SRMSA) tool. The decision to convene the new Finance Committee was a direct consequence of the SRMSA. As a result of the AFH audit, the Trust implemented an Audit Action Tracker, which is a tool used by the Audit & Risk Committee to monitor the progress of actions arising from internal and external audits.

The Audit and Risk Committee is a sub committee of the Board of Trustees. Its purpose is to advise the Board of Trustees on the adequacy of the Trust's financial and other controls and risk management arrangements, and to direct a programme of internal scrutiny and to consider the results and quality of external audit.

Following the resignation of J Knowlden (Chair of Audit and Risk Committee) as trustee, M Goodman was appointed Chair of the Audit and Risk Committee on 20 May 2021. The Audit & Risk Committee met 4 times during the course of the year. Attendance at meetings in the year was as follows:

Member Name	Attendance Ratio
J Knowlden	3/3
J Crofts	3/3
L Myles	2/2
M Goodman	2/2

There were no meetings of the Pay Committee during the accounting period, with the Board of Trustees dealing with pay decisions itself.

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Review of Value for Money

As accounting officer, the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring robust procurement exercises are always undertaken in accordance with the Trust's Financial Scheme of Delegation.
- Maintaining strict fund accounting practices to ensure that all funds are spent for the purposes for which they were received and for the benefit of the particular pupils they were intended (particularly in respect of SEND, LAC and pupil premium funding).
- Ensuring that the Trust's assets are repaired and replaced in order to preserve their value and that robust procurement is undertaken in respect of all capital expenditure in this regard. This includes managing three major CIF projects and various revenue expenditure in respect of planned preventative maintenance and reactive maintenance of assets.

The Trust has also continued to invest substantially in IT equipment and its outdoor areas in order to ensure that its resources have the most educational impact for its pupils, thereby ensuring value for money.

In addition, the Trust has worked to increase its resources by bidding for and receiving a number of grants, especially those from the Norwich Opportunity Area. This has enabled the Trust to enhance its educational provision to its pupils and training to its staff in relation to things such as art therapy, sensory therapy, play therapy and bush craft.

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 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 the trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September

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2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees. May require editing to reflect the circumstances of the individual academy trust. May require editing to reflect the circumstances of the individual academy trust.
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

The board of trustees has decided to continue to buy-in an internal audit service from Price Bailey LLP. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Assessment of compliance with the Academies Financial Handbook 2020 (September 2020)
- Review of payroll processes (December 2020)
- Review of how the Trust addressed the impact of COVID (May 2021)
- Scrutiny of Key financial controls (June 2021), which included checks and tests on
 - Cash handling and bank accounts
 - Income and Expenditure recording
 - Ordering, purchasing and payments
 - Ledger access and control

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

During the accounting period, the internal auditor delivered their schedule of work as planned. No material control issues arose, with the recommendations identified being classed by the internal auditor as low risk. Recommendations and best practice arising from those internal audits has been implemented.

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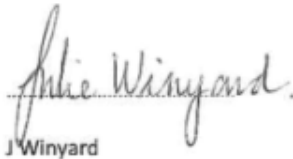
Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the Trust's Executive Board, who have responsibility for the development and maintenance of the internal control framework
- attending the meetings of the Audit and Risk Committee

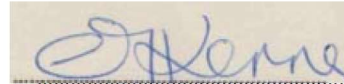
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16 December 2021 and signed on its behalf by:



J Winyard

Chair of Trustees



C Kenna

Accounting Officer

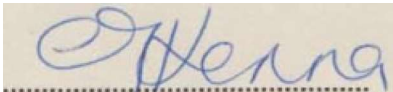
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The HEART Education Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the 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 2020.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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.



C Kenna
Accounting Officer

Date: 16 December 2021

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

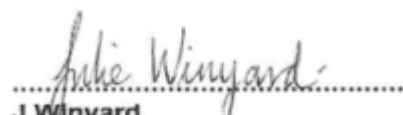
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


.....
J Winyard
Chair of Trustees

Date: 16 December 2021

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEART EDUCATION TRUST**

Opinion

We have audited the financial statements of The HEART Education Trust (the 'trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEART EDUCATION TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEART EDUCATION TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEART EDUCATION TRUST (CONTINUED)**

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Frank Shippam BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MA Partners Audit LLP

Chartered Accountants

Statutory Auditor

21 December 2021

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HEART
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The HEART Education Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The HEART Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The HEART Education Trust's funding agreement with the Secretary of State for Education dated 27 March 2013 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

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

- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefited from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Part 8: Schedule of requirements (the "musts") of the Academies Financial Handbook 2020.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners Audit LLP

MA Partners Audit LLP
Chartered Accountants
Statutory Auditor

Date: 21 December 2021

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	9,457	225,826	235,283	279,677
Other trading activities	5	55,276	-	-	55,276	76,192
Investments	6	975	-	-	975	7,435
Charitable activities	4	67,351	6,306,913	-	6,374,264	5,798,079
Total income		123,602	6,316,370	225,826	6,665,798	6,161,383
Expenditure on:						
Charitable activities	7	6,761	6,411,611	364,137	6,782,509	6,205,748
Total expenditure		6,761	6,411,611	364,137	6,782,509	6,205,748
Net income/(expenditure)		116,841	(95,241)	(138,311)	(116,711)	(44,365)
Transfers between funds	19	-	(111,766)	111,766	-	-
Net movement in funds before other recognised gains/(losses)		116,841	(207,007)	(26,545)	(116,711)	(44,365)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(647,000)	-	(647,000)	(71,000)
Net movement in funds		116,841	(854,007)	(26,545)	(763,711)	(115,365)

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	2,233,821	(1,843,952)	11,927,764	12,317,633	12,432,998
Net movement in funds	116,841	(854,007)	(26,545)	(763,711)	(115,365)
Total funds carried forward	<u><u>2,350,662</u></u>	<u><u>(2,697,959)</u></u>	<u><u>11,901,219</u></u>	<u><u>11,553,922</u></u>	<u><u>12,317,633</u></u>

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

The notes on pages 48 to 80 form part of these financial statements.

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08286818

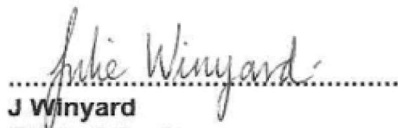
BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	11,909,250	11,542,093
		<u>11,909,250</u>	<u>11,542,093</u>
Current assets			
Stocks	15	14,323	13,043
Debtors	16	359,743	443,327
Cash at bank and in hand		3,071,409	3,198,565
		<u>3,445,475</u>	<u>3,654,935</u>
Creditors: amounts falling due within one year	17	(391,616)	(465,395)
		<u>3,053,859</u>	<u>3,189,540</u>
Net current assets		<u>3,053,859</u>	<u>3,189,540</u>
Total assets less current liabilities		<u>14,963,109</u>	<u>14,731,633</u>
Creditors: amounts falling due after more than one year	18	(23,187)	-
Net assets excluding pension liability		<u>14,939,922</u>	<u>14,731,633</u>
Defined benefit pension scheme liability	25	(3,386,000)	(2,414,000)
Total net assets		<u><u>11,553,922</u></u>	<u><u>12,317,633</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	11,901,219	11,927,764
Restricted income funds	19	688,041	570,048
Pension reserve	19	(3,386,000)	(2,414,000)
Total restricted funds	19	<u>9,203,260</u>	<u>10,083,812</u>
Unrestricted income funds	19	<u>2,350,662</u>	<u>2,233,821</u>
Total funds		<u><u>11,553,922</u></u>	<u><u>12,317,633</u></u>

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08286818

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 43 to 80 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
J Winyard
Chair of Trustees

Date: 16 December 2021

The notes on pages 48 to 80 form part of these financial statements.

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	165,901	361,747
Cash flows from investing activities	22	(293,057)	(375,495)
Change in cash and cash equivalents in the year		(127,156)	(13,748)
Cash and cash equivalents at the beginning of the year		3,198,565	3,212,313
Cash and cash equivalents at the end of the year	23, 24	3,071,409	3,198,565

The notes on pages 48 to 80 form part of these financial statements

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The HEART Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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

1.4 Expenditure

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

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

1.7 Tangible fixed assets

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

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

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

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold buildings	- 50 years straight line
Leasehold land	- 125 years straight line
Furniture and equipment	- 4 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

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

The Trust is party to lease agreements with Norfolk County Council for the school property. The leases are for a period of 125 years and substantially all the risks and rewards of ownership have been transferred to the Trust for £Nil rental. As such, the school properties have been recognised as fixed assets in the balance sheet at a fair value. The fair values are based upon the values written out of Norfolk County Council's financial statements on conversion.

1.8 Stocks

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

1.14 Pensions

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

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

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

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

THE HEART EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.16 Private Finance Initiative (PFI) Schemes

PFI contracts are agreements to receive services, where responsibility for making available property, plant and equipment needed to provide the services passes to the PFI contractor. Heartsease Primary Academy occupies its premises under a PFI scheme. Under the terms of the scheme, the Trust is not considered to have the significant risks and benefits of ownership of the premises, which are not therefore included within the balance sheet.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trust 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	-	9,457	63,007	72,464	1,285
Capital Grants	-	-	162,819	162,819	278,392
	<u>-</u>	<u>9,457</u>	<u>225,826</u>	<u>235,283</u>	<u>279,677</u>
<i>Total 2020</i>	<u>1,285</u>	<u>-</u>	<u>278,392</u>	<u>279,677</u>	

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,521,287	4,521,287	4,282,037
Other DfE/ESFA grants				
Pupil Premium	-	469,706	469,706	473,351
Other DfE/ESFA	-	408,337	408,337	388,312
PE and Sports Premium	-	72,450	72,450	72,220
	-	-	5,471,780	5,215,920
Other Government grants				
SEN	-	223,468	223,468	208,629
Local Authority	-	341,823	341,823	315,186
Other Government Grants	-	169,934	169,934	-
	-	735,225	735,225	523,815
Other income from the Trust's Educational Operations	67,351	-	67,351	58,344
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	75,560	75,560	-
Covid meal grants	-	24,348	24,348	-
	-	99,908	99,908	-
	67,351	6,306,913	6,374,264	5,798,079
<i>Total 2020</i>	54,194	5,743,885	5,798,079	

The academy received £75,560 of funding for catch-up premium and funding for Meal grants of £24,348 and costs incurred in respect of this funding totalled £99,908.

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Letting and hire income	33,857	33,857	40,141
Income from services provided	21,419	21,419	36,051
	<u>55,276</u>	<u>55,276</u>	<u>76,192</u>
<i>Total 2020</i>	<u>76,192</u>	<u>76,192</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	975	975	7,435
	<u>975</u>	<u>975</u>	<u>7,435</u>
<i>Total 2020</i>	<u>7,435</u>	<u>7,435</u>	

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Educational operations:					
Direct costs	4,406,352	91,134	418,631	4,916,117	4,548,574
Support costs	638,382	892,547	335,463	1,866,392	1,657,174
Total 2021	<u>5,044,734</u>	<u>983,681</u>	<u>754,094</u>	<u>6,782,509</u>	<u>6,205,748</u>
<i>Total 2020</i>	<u>4,476,945</u>	<u>1,029,221</u>	<u>699,582</u>	<u>6,205,748</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	4,916,117	1,866,392	6,782,509	6,205,748
<i>Total 2020</i>	<u>4,548,574</u>	<u>1,657,174</u>	<u>6,205,748</u>	

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	4,318,930	<i>4,035,011</i>
Educational support	175,236	<i>156,813</i>
ICT	91,134	<i>67,539</i>
Agency staff	87,422	<i>80,756</i>
Other educational supplies	71,446	<i>41,394</i>
Staff development	68,291	<i>19,031</i>
Pension interest	44,000	<i>42,000</i>
Books, stationery and materials	33,953	<i>68,411</i>
Recruitment	16,330	<i>15,884</i>
Educational visits	9,375	<i>21,735</i>
	4,916,117	<i>4,548,574</i>

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	638,382	361,178
Depreciation	366,205	331,238
Premises maintenance	291,309	438,016
Catering	220,552	221,696
Light and heat	109,282	83,779
Administration	64,285	77,860
Water rates	41,348	40,365
Governance costs	25,654	20,326
School uniforms	21,213	8,092
Insurance	19,577	19,062
Cleaning	17,937	11,029
PFI management fee & affordability gap	46,889	38,192
Professional fees	3,309	2,792
Transport and travel	450	3,549
	<u>1,866,392</u>	<u>1,657,174</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	5,220	4,419
Depreciation of tangible fixed assets	366,205	331,238
Fees paid to auditors for:		
- audit	8,000	7,700
- other services	6,150	5,850
	<u>385,575</u>	<u>389,207</u>

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,648,140	3,201,409
Social security costs	302,781	259,602
Pension costs	991,391	935,178
	<u>4,942,312</u>	<u>4,396,189</u>
Agency staff costs	87,422	80,756
Staff restructuring costs	15,000	-
	<u>5,044,734</u>	<u>4,476,945</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	15,000	-
	<u>15,000</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

One non-statutory/non-contractual severance payment of £15,000 was made in the year.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	56	61
Support & Administration	104	86
Management	2	2
	<u>162</u>	<u>149</u>

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>4</i>
In the band £70,001 - £80,000	1	<i>-</i>
In the band £90,001 - £100,000	-	<i>1</i>
In the band £100,001 - £110,000	1	<i>-</i>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 35. 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 Trust was £221,538 (2020 £213,219).

11. Central Services

The Trust pools its GAG income. A robust appeals mechanism is in place in accordance with the Academy Trust Handbook, should a constituent academy's Headteacher believe that their academy has been unfairly treated. The pooled GAG funds the provision of the central business support units and the services they provide to the academies, as well as School Improvement and Governance (including the Executive Board and Head of Quality Assurance).

In addition to pooling GAG, the Trust recharges those parts of the business that are not funded by GAG. This includes a 15% total income top slice charge to each nursery unit. During 2020/21, this amounted to charges of:

LPA Bishys: £13,513
HPA Bishys: £27,253

The Trust received £100,000 of GAG in respect of its Specialist Resource Base (SRB) at Heartsease Primary Academy, which was not pooled but passed directly to the SRB. Therefore, a 15% top slice charge was also applied to the SRB amounting to £15,000.

The Trust also recharged the academies for the procurement of services and ICT equipment under its Pupil Premium and SEN strategies. The total charges were £160,738 and £53,717 for Pupil Premium and SEN respectively.

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NOTES TO THE FINANCIAL STATEMENTS
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The total charges to individual academies in the year ended 31 August 2021 were therefore as follows:

	2021	2020
	£	£
Heartsease Primary Academy	122,707	51,946
Henderson Green Primary Academy	45,231	9,748
Lingwood Primary Academy	50,890	12,654
Valley Primary Academy	51,393	13,403
	270,221	87,751
	270,221	87,751

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
C Kenna (CEO and Accounting Officer)	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2021, no expenses were reimbursed or paid directly to Trustees (2020: £323 to 1 Trustees).

13. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	12,243,128	363,353	435,819	51,000	13,093,300
Additions	566,038	8,541	158,783	-	733,362
At 31 August 2021	<u>12,809,166</u>	<u>371,894</u>	<u>594,602</u>	<u>51,000</u>	<u>13,826,662</u>
Depreciation					
At 1 September 2020	875,410	316,752	328,445	30,600	1,551,207
Charge for the year	201,771	22,626	131,608	10,200	366,205
At 31 August 2021	<u>1,077,181</u>	<u>339,378</u>	<u>460,053</u>	<u>40,800</u>	<u>1,917,412</u>
Net book value					
At 31 August 2021	<u><u>11,731,985</u></u>	<u><u>32,516</u></u>	<u><u>134,549</u></u>	<u><u>10,200</u></u>	<u><u>11,909,250</u></u>
At 31 August 2020	<u><u>11,367,718</u></u>	<u><u>46,601</u></u>	<u><u>107,374</u></u>	<u><u>20,400</u></u>	<u><u>11,542,093</u></u>

15. Stocks

	2021 £	2020 £
Uniforms	<u><u>14,323</u></u>	<u><u>13,043</u></u>

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	24,554	6,544
Other debtors	244	926
Prepayments and accrued income	288,968	418,146
VAT recoverable	45,977	17,711
	359,743	443,327
	359,743	443,327

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Salix loan	3,312	-
Trade creditors	154,282	173,231
Other creditors	16,577	3,576
Accruals and deferred income	217,445	288,588
	391,616	465,395
	391,616	465,395
Deferred income at 1 September 2020	88,081	74,398
Resources deferred during the year	91,258	88,081
Amounts released from previous periods	(88,081)	(74,398)
	91,258	88,081
	91,258	88,081

Deferred income comprises Universal Infant Free School Meals and Rates grants.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Salix loan	23,187	-

Included within the above are amounts falling due as follows:

	2021	2020
	£	£
Between one and two years		
Salix loan	3,312	-
Between two and five years		
Salix loan	9,938	-
Over five years		
Salix loan	9,937	-

Salix loans totalling £26,499 were provided interest free and are to be repaid by way of deductions from the General Annual Grant.

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	2,233,821	123,602	(6,761)	-	-	2,350,662
Restricted general funds						
General Annual Grant (GAG)	162,055	4,521,287	(4,299,473)	(233,278)	-	150,591
Other DfE/ESFA grants	30,809	508,247	(530,406)	-	-	8,650
Pupil Premium	93,694	469,706	(401,515)	(85,038)	-	76,847
PE and Sport Premium	53,580	72,450	(48,513)	-	-	77,517
SEN cluster funding	134,531	223,468	(158,026)	-	-	199,973
Other grants	95,379	521,212	(435,678)	(6,450)	-	174,463
Pension reserve	(2,414,000)	-	(538,000)	213,000	(647,000)	(3,386,000)
	(1,843,952)	6,316,370	(6,411,611)	(111,766)	(647,000)	(2,697,959)

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Fixed assets on conversion	10,081,803	-	(165,713)	-	-	9,916,090
Capital additions from GAG	231,645	-	(85,362)	20,103	-	166,386
Capital additions from Pupil Premium	24,939	-	(43,085)	85,038	-	66,892
Capital additions from PE and Sport Premium	2,568	-	(1,614)	-	-	954
Capital additions from Early Years grants	9,050	-	(3,017)	-	-	6,033
Capital additions from donations	20,943	-	(8,122)	-	-	12,821
Condition Improvement Fund	1,411,782	135,115	(28,972)	175	-	1,518,100
Devolved Formula Capital	134,834	27,704	-	-	-	162,538
Capital additions from SEN	10,200	-	(5,100)	-	-	5,100
DfE donated assets	-	63,007	(21,002)	-	-	42,005
Assets funded by DWP	-	-	(2,150)	6,450	-	4,300
	<u>11,927,764</u>	<u>225,826</u>	<u>(364,137)</u>	<u>111,766</u>	<u>-</u>	<u>11,901,219</u>
Total Restricted funds	<u>10,083,812</u>	<u>6,542,196</u>	<u>(6,775,748)</u>	<u>-</u>	<u>(647,000)</u>	<u>9,203,260</u>
Total funds	<u><u>12,317,633</u></u>	<u><u>6,665,798</u></u>	<u><u>(6,782,509)</u></u>	<u><u>-</u></u>	<u><u>(647,000)</u></u>	<u><u>11,553,922</u></u>

THE HEART EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

The General Annual Grant (GAG) represents core funding for the educational activities of the schools that has been provided to the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Trust. The following transfers have been made in respect of GAG during the year: £213,000 to the pension reserve in respect of employer contributions to the Local Government Pension Scheme and £20,278 to the restricted fixed asset fund in respect of capital expenditure from the GAG fund.

The pension reserve represents the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The other government grants fund represents restricted grant funding received from the local authority to be used for the purpose of specific projects and assisting with the educational operations.

The restricted fixed assets fund represents tangible fixed assets gifted to the Trust by the local authority upon conversion and also those purchased by the Trust following conversion that have been funded from GAG and other capital grants and donations. Depreciation charged on those tangible assets is allocated to the fund.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	2,156,665	139,106	(64,845)	2,895	-	2,233,821
Restricted general funds						
General Annual Grant (GAG)	295,966	4,282,037	(4,142,793)	(273,155)	-	162,055
Other DfE/ESFA grants	47,131	388,312	(401,739)	(2,895)	-	30,809
Pupil Premium	-	473,351	(379,657)	-	-	93,694
PE and Sport Premium	22,258	72,220	(40,898)	-	-	53,580
SEN cluster funding	-	208,629	(58,798)	(15,300)	-	134,531
Other grants	60,903	319,336	(279,780)	(5,080)	-	95,379
Pension reserve	(2,015,000)	-	(506,000)	178,000	(71,000)	(2,414,000)
	<u>(1,588,742)</u>	<u>5,743,885</u>	<u>(5,809,665)</u>	<u>(118,430)</u>	<u>(71,000)</u>	<u>(1,843,952)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Restricted fixed asset funds						
Fixed assets on conversion	10,265,473	-	(183,670)	-	-	10,081,803
Capital additions from GAG	227,756	-	(90,818)	94,707	-	231,645
Capital additions from Pupil Premium	39,679	-	(14,740)	-	-	24,939
Capital additions from PE and Sport Premium	4,182	-	(1,614)	-	-	2,568
Capital additions from Early Years grants	12,067	-	(3,017)	-	-	9,050
Capital additions from donations	23,486	-	(8,123)	5,580	-	20,943
Condition Improvement Fund	1,185,152	250,838	(24,156)	(52)	-	1,411,782
Devolved Formula Capital	107,280	27,554	-	-	-	134,834
Capital additions from SEN	-	-	(5,100)	15,300	-	10,200
	<u>11,865,075</u>	<u>278,392</u>	<u>(331,238)</u>	<u>115,535</u>	<u>-</u>	<u>11,927,764</u>
Total Restricted funds	<u>10,276,333</u>	<u>6,022,277</u>	<u>(6,140,903)</u>	<u>(2,895)</u>	<u>(71,000)</u>	<u>10,083,812</u>
Total funds	<u><u>12,432,998</u></u>	<u><u>6,161,383</u></u>	<u><u>(6,205,748)</u></u>	<u><u>-</u></u>	<u><u>(71,000)</u></u>	<u><u>12,317,633</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	<i>2020</i>
	£	£
Heartsease Primary Academy	591,772	492,234
Lingwood Primary Academy	309,637	253,304
Valley Primary Academy	383,679	345,772
Henderson Green Primary Academy	314,983	281,961
Central Services	1,438,632	1,430,598
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,038,703	2,803,869
Restricted fixed asset fund	11,901,219	11,927,764
Pension reserve	(3,386,000)	(2,414,000)
	<hr/>	<hr/>
Total	11,553,922	12,317,633
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Heartsease Primary Academy	1,546,957	54,815	72,685	405,266	2,079,723	2,071,481
Lingwood Primary Academy	673,786	22,148	42,301	7,675	745,910	676,408
Valley Primary Academy	700,767	27,238	45,881	79,082	852,968	816,647
Henderson Green Primary Academy	632,924	22,000	49,278	80,847	785,049	743,074
Central Services	851,918	512,181	79,865	508,690	1,952,654	1,566,900
Trust	4,406,352	638,382	290,010	1,081,560	6,416,304	5,874,510

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	144,066	-	11,765,184	11,909,250
Current assets	2,206,596	1,076,345	162,534	3,445,475
Creditors due within one year	-	(388,304)	(3,312)	(391,616)
Creditors due in more than one year	-	-	(23,187)	(23,187)
Provisions for liabilities and charges	-	(3,386,000)	-	(3,386,000)
Total	2,350,662	(2,697,959)	11,901,219	11,553,922

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	11,542,093	11,542,093
Current assets	2,233,821	1,035,443	385,671	3,654,935
Creditors due within one year	-	(465,395)	-	(465,395)
Provisions for liabilities and charges	-	(2,414,000)	-	(2,414,000)
Total	2,233,821	(1,843,952)	11,927,764	12,317,633

21. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(116,711)	(44,365)
Adjustments for:		
Depreciation	366,205	331,238
Capital grants from DfE and other capital income	(162,819)	(278,392)
Interest receivable	(975)	(7,435)
Defined benefit pension scheme cost less contributions payable	281,000	286,000
Defined benefit pension scheme finance cost	44,000	42,000
Increase in stocks	(1,280)	(943)
(Increase)/decrease in debtors	(90,063)	48,963
Decrease in creditors	(153,456)	(15,319)
Net cash provided by operating activities	165,901	361,747

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NOTES TO THE FINANCIAL STATEMENTS
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22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	975	7,435
Purchase of tangible fixed assets	(656,997)	(609,220)
Capital grants from DfE Group	362,965	226,290
Net cash used in investing activities	(293,057)	(375,495)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,568,905	1,696,851
Notice deposits (less than 3 months)	1,502,504	1,501,714
Total cash and cash equivalents	3,071,409	3,198,565

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	New loans £	At 31 August 2021 £
Cash at bank and in hand	3,198,565	(127,156)	-	3,071,409
Debt due within 1 year	-	-	(3,312)	(3,312)
Debt due after 1 year	-	-	(23,187)	(23,187)
	3,198,565	(127,156)	(26,499)	3,044,910

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments

The 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 Norfolk County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to Nil were payable to the schemes at 31 August 2021 (2020 - Nil) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £497,391 (2020 - £471,178).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £276,000 (2020 - £230,000), of which employer's contributions totalled £213,000 (2020 - £178,000) and employees' contributions totalled £63,000 (2020 - £52,000). The agreed contribution rates for future years are 17 - 19.3 per cent for employers and 5.5 - 12.5% per cent for employees.

As described in note 1.14 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

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

	2021	<i>2020</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	21.9	<i>21.7</i>
Females	24.3	<i>23.9</i>
<i>Retiring in 20 years</i>		
Males	23.2	<i>22.8</i>
Females	26.2	<i>25.5</i>

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate -0.5%	815	<i>622</i>
Salary rate +0.5%	60	<i>53</i>
Pension rate +0.5%	740	<i>559</i>

Share of scheme assets

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

	2021	<i>2020</i>
	£	<i>£</i>
Equities	1,679,430	<i>1,271,500</i>
Corporate bonds	1,119,620	<i>890,050</i>
Property	362,230	<i>279,730</i>
Cash and other liquid assets	131,720	<i>101,720</i>
Total market value of assets	3,293,000	<i>2,543,000</i>

The actual return on scheme assets was £499,000 (2020 - £163,000).

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(494,000)	(464,000)
Interest income	45,000	43,000
Interest cost	(89,000)	(85,000)
Total amount recognised in the Statement of Financial Activities	(538,000)	(506,000)

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

	2021 £	2020 £
At 1 September	4,957,000	4,201,000
Current service cost	494,000	464,000
Interest cost	89,000	85,000
Employee contributions	63,000	52,000
Actuarial losses	1,093,000	191,000
Benefits paid	(36,000)	(36,000)
Effect of business combinations and disposals	19,000	-
At 31 August	6,679,000	4,957,000

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

	2021 £	2020 £
At 1 September	2,543,000	2,186,000
Interest income	45,000	43,000
Actuarial gains	454,000	120,000
Employer contributions	213,000	178,000
Employee contributions	63,000	52,000
Benefits paid	(36,000)	(36,000)
Effect of business combinations and disposals	11,000	-
At 31 August	3,293,000	2,543,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	5,220	5,220
Later than 1 year and not later than 5 years	2,610	7,289
	<u>7,830</u>	<u>12,509</u>

27. Other financial commitments

The Trust maintains some of its assets under a PFI agreement. The amount due for the following financial year under this agreement is estimated to be **£270,449** (2020: £263,801). The cost of the PFI agreement changes annually in line with the Retail Price Index. As such, the cost of the PFI agreement for the remainder of the 25 year term would total approximately **£3,376,137** (2020: £3,639,279).

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Related party transactions

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

During the year the daughter of C Kenna (Chief Executive Officer and Accounting Officer) continued to be employed as the Trust's Chief Operating Officer. Her appointment was made in open competition and C Kenna was not involved in the decision making process regarding her family member's appointment. The Chief Operating Officer is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to C Kenna.

During the year the spouse of M Porter, a Member of the Trust, was employed by the Trust as Head of Quality Assurance. Her appointment was made in open competition and M Porter was not involved in the decision making process regarding his spouse's appointment. The Head of Quality Assurance is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to M Porter.

During the year, the Trust sold services to Inspiration Trust. J Knowlden, a Trustee of the Trust, was acting CFO of Inspiration Trust in the year. The total amount invoiced by The Heart Education Trust to Inspiration Trust whilst J Knowlden was a Trustee was £1,119.