

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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HADRIAN ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr A Meadows Miss A Leishman Mr J Chatterley Mrs E Roberts
Trustees	Miss A Leishman, Chair of Trustees Mr A Meadows, Vice Chairman Ms J Pavlovicova, Parent Trustee Miss L Went, Trustee Mrs M Auker, Staff Trustee Mrs L Deyankeson, Staff Trustee Miss E Auker, Staff Trustee Mr J Chatterley, Trustee Miss H Bennett, Principal & Accounting Officer Mrs E Roberts, Trustee Mrs L McGill, Trustee Mr K Watson, Parent Trustee Mr K Flint, Trustee (resigned 29 September 2020) Mrs K Thompson, Trustee (resigned 17 December 2020) Mrs E Faunch, Trustee (appointed 16 March 2021)
Company registered number	07824369
Company name	Hadrian Academy Trust
Principal and registered office	Hadrian Academy Hadrian Avenue Dunstable Bedfordshire LU5 4SR
Company secretary	Mrs J Loisel
Senior management team	Miss H Bennett, Principal Mrs M Auker, Vice Principal
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers	Lloyds Bank plc 12-14 High Street North Dunstable Bedfordshire LU6 1JY
Solicitors	Schofield Sweeney LLP Church Bank House Church Bank Bradford West Yorkshire BD1 4DY

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (also known as Governors) 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 an academy for pupils aged 4 to 11 in Dunstable. It had a roll of 370 in the school census on 7 October 2021.

Structure, governance and management

a. 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 Hadrian Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Hadrian Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst on the Academy's business. The insurance provides cover up to £10 million on any one claim. Further information is given in note 12 to the financial statements.

d. Method of recruitment and appointment or election of Trustees

The articles of association require the charitable company to appoint at least three Governors and are not subject to any maximum number of Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. In accordance with the Articles, the Academy Trust shall have the following Governors. The Articles state that the Members can appoint up to eight Governors. The Secretary of State may also appoint Governors in certain circumstances.

When appointing new Governors, the board will give consideration of the skills and experience mix of existing Governors in order to ensure that the board has the necessary skills to contribute fully to the Academy's development. An annual skills' audit is undertaken by all governors to highlight strengths and areas for development; Governor training will be targeted at those areas where additional skills are required, and recruitment of new Governors will look to address any gaps in the mix of expertise.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

New Trustees are allocated a mentor (a current Trustee) to guide and advise them in their new role. New Trustees are also expected to attend an academies governor induction course offered by the local authority. Hadrian Academy pays an annual subscription each year to benefit from various training sessions held by the local authority.

f. Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Governors establish an overall framework for the governance of the academy and determines membership, terms of reference and procedures of the Finance and General Purpose committee. It receives reports including policies from this sub-committee for ratification. It monitors the activities of this committee through the minutes of their meetings.

The Academy Management Team comprises a Core Leadership Team comprised of the Principal, Vice Principal and Chairman of Directors/Governors. The Senior Leadership Team comprises the Principal and the Vice Principal. The board of governors has devolved responsibility for day to day management of the academy to the Senior Leadership Team.

The Principal is the Accounting Officer.

g. Arrangements for setting pay and remuneration of key management personnel

The Academy has a Pay Policy that is reviewed annually which is in line with the school teachers' pay and conditions document, September 2021, and guidance on school teachers' pay and conditions. This policy relates to staff at all levels of employment. Annually, the Trustees use an external consultant to support the process of Performance Management for the Principal, which is related directly to the school priorities.

h. Related parties and other connected charities and organisations

The Academy Trust is not part of any wider networks and there are no related party relationships with which it cooperates in pursuit of charitable activities.

i. Trade union facility time

There were no trade union officials hired by the Academy during the year to 31 August 2021.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is to advance, for the public benefit, education in the UK, in particular by establishing and operating Hadrian Academy Trust to provide education for students aged 4 to 11.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2021 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To further improve communication and develop practices which support parental involvement further;
- To enrich the curriculum with extra curricular activities;
- To develop strong links within the local and wider community;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

c. Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The Academy Trust promotes education for the benefit of the local community of Dunstable and offers recreational facilities to a variety of local community groups outside of School hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

Strategic report

Achievements and performance

We are producing high levels of standards of music, sport and dramatic arts. Hadrian holds the prestigious Platinum Sing-Up and Gold Arts Mark Award. Year 6 SATs results in 2019 showed that our children were at or above National Reading and Writing but slightly below in Maths.

In 2019 we were the highest in our cluster for KS1 Phonics screener (84% pass). We are consistently above National Average (4 year data trend).

In EY 2019 our children were above 2018 National average for 4 out of 7 areas of development, this means that more children achieve expected across Prime and Specific subjects than their national peers.

Due to the Coronavirus pandemic these were the last standardised assessments that the children undertook and since then the academy has been working hard to build on previous strengths and fill gaps created by the pandemic. This has included the introduction of 'Power Maths' and Little Wandle phonics scheme.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Academy Trust uses a number of financial key performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set.

Staffing costs are monitored as a percentage of total income. For the year ended 31 August 2021 staffing costs amounted to 79.5% of non capital income (2020 - 80%).

The Academy Trust also monitors its operating surplus or deficit, (excluding restricted fixed assets/depreciation and actuarial losses) as a percentage of total income. For the year ended 31 August 2021 the operating surplus equated to 6.2% of non capital income (2020 - 8.9%).

The Academy Trust also uses a number of non financial key performance indicators to monitor its performance. These include student attendance rates: for the year ended 31 August 2021 student attendance was 95.9% (2020 – 93.8%).

b. 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.

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education and Skills Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2021, revenue expenditure (excluding restricted fixed asset funds) of £1,789,470 (2020 - £1,724,469) was more than covered by recurrent grant funding from the DfE together with other incoming resources.

The excess of expenditure over income for the year (excluding restricted fixed asset funds/depreciation, transfers and other amounts on conversion) was £119,581 (2020 - £124,684).

At 31 August 2021 the net book value of fixed assets was £1,575,702 (2020 - £1,660,764) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Due to COVID-19 Hadrian has had periods of closure throughout 2020/21. It remained open for children of key workers and vulnerable children and opened at the earliest opportunity after each lockdown. Throughout the pandemic staggered start times and additional cleaning was put in place. Children were also educated in 'bubbles' and the playground was divided into zones. These measures occurred additional costs but the academy accounts remain stable. There was also a loss of income, mainly because we had to cancel lettings and our wrap around care continued to operate despite a reduced number of children. Our parents remained supportive but to reduce the likelihood of transmission we had to reduce the number of volunteers that we usually welcome into our building. This included our parent association that usually fundraised through events.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Our core income remained stable and we are aware that we may need to use some of the reserves built up over the last 3 years so that we can continue operating successfully for our beneficiaries in the changing situations that the pandemic has created. COVID-19 Funding that was received was used for our Maths teaching provision as well as used for extra interventions for our children. Hadrian was also very grateful to receive a number of laptops from the DfE scheme.

The pandemic has seen a shift in our risk profile, this is similar to many statistically similar schools and our risk register has been updated to reflect this. There are also additional risk assessments completed to ensure that the school can continue operating in the safest possible way. As the threat of the pandemic is reduced, the academy is gradually returning to a more 'normal' way of operating. Throughout the pandemic, the aims of the trust remain the same as does its' connections with wider networks, to support and educate the children in our care.

a. Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £188,889 (2020 - £162,904). The Academy intends to continue building up free reserves as required.

The Academy held fund balances at 31 August 2021 of £870,289 comprising £356,844 of restricted funds, £1,584,556 of restricted fixed asset funds, £188,889 of unrestricted general funds and a pension reserve deficit of £1,260,000.

Included within restricted funds at 31 August 2021 is the Local Government Pension Scheme deficit of £1,260,000. The pension deficit is viewed as a long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

At 31 August 2021 the total funds comprised:

Unrestricted		188,889
Restricted:	Fixed asset funds	1,584,556
	Pension reserve	(1,260,000)
	Other	356,844

		870,289
		=====

b. Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. As no form of investment has been authorised by the Governors then there is no investment policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

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

Financial – the academy has considerable reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

Reputational – the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

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

Fraud and mismanagement of funds – The academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Trust Handbook.

The Governors have assessed the major risks to which the academy is exposed and have formulated a Risk Register. The register is regularly reviewed in light of any new information and formally reviewed annually.

Fundraising

Staff and Governors acknowledge the importance of giving money to charities and for children to understand the importance too. Therefore every year each group undertakes enterprise activities raising monies for charities such as SigntoSing, Keech Cottage, and Shelter. Unfortunately, enterprise activities did not take place this year due to the COVID-19 Pandemic. Staff and Governors intend for this to resume in the following financial year.

Plans for future periods

The Academy will continue to build on standards so that there is consistency across all core subjects year on year. We aim to embed the whole school programs that were introduced in 2017/18 and create a Creative Curriculum that covers English and Science, as well as the majority of Foundation Subjects.

A new Principal was appointed in September 2017 and the school was OFSTEDed in 2018. The focus of 2021/22 will be embedding the recommendations from OFSTED to ensure that Hadrian Academy continues to go from strength to strength. The school also aims to continue the induction of the staff that completed their NQT year in 2020, this is to ensure that good practice is embedded and consistent across the school.

Although our daily running has been affected by COVID-19 our aim to raise standards and work together with our community has remained the same.

Funds held as custodian on behalf of others

The academy and its Governors do not act as the Custodian Trustees of any other charity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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.

Auditor

The auditor, MHA MacIntyre Hudson, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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

.....
Miss A Leishman
Chair of Trustees

Date 03/12/21

HADRIAN ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Hadrian Academy 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 Principal as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hadrian Academy 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 six times during the year.

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

Trustee	Meetings attended	Out of a possible
Miss A Leishman, Chair of Trustees	6	6
Mr A Meadows, Vice Chairman	6	6
Ms J Pavlovicova, Parent Trustee	6	6
Miss L Went, Trustee	6	6
Mrs M Auker, Staff Trustee	6	6
Mrs L Deyankeson, Staff Trustee	6	6
Miss E Auker, Staff Trustee	6	6
Mr J Chatterley, Trustee	6	6
Miss H Bennett, Principal & Accounting Officer	6	6
Mrs E Roberts, Trustee	6	6
Mrs E Faunch, Trustee (appointed 16 March 2021)	1	2
Mrs K Thompson, Trustee (resigned 17 December 2020)	0	2
Mrs L McGill, Trustee	4	6
Mr K Watson, Parent Trustee	5	6

Hadrian Academy Trust has developed its Governance Review to help Trustees improve the effectiveness of their governance and to ensure that they are compliant with current regulations in all aspects of the trust's activities. A review has been undertaken of the following areas: The Legal Framework (documents in order, relevant and up to date); The Board (skill set of Trustees, awareness of responsibilities and liabilities); Policies and Procedures (reviewed regularly and meet the requirements of current legislation); Finance (control over finances documented and systems employed are secure); Strategy (effective strategy of what is hoped to achieve, how and by when). The board is satisfied that the trust is compliant in these areas.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The finance and general purposes committee is a sub committee of the main board of Trustees and meets four/five times a year. Its purpose is to be responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget in conjunction with the Principal.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Meadows	5	5
Miss H Bennett	5	5
Mr J Chatterley	5	5
Miss A Leishman	3	5
Mr K Watson	1	3
Miss L Went	4	5
Mrs E Roberts	0	3
Mrs K Thompson (resigned 17 December 2020)	2	2

Review of value for money

As Accounting Officer, the Principal 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 where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Improving educational results

- Our diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment (for example offering LAMDA, whole class instrument lessons for years 4, 5 and 6).
- We regularly review the staffing structure to ensure staff are efficiently deployed. This relates to teaching and nonteaching.
- We bring in additional staff to target key curriculum SDP targets, such as providing extra staffing in certain year groups. We also provide targeted support for students as appropriate, such as homework club and holiday club.
- We focus on the differing needs of every individual pupil. This is reflected in the outcomes for G&T and FSM pupils.
- We have good tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- We have produced good outcomes for our students, significantly exceeding national results in the majority of areas. Pupil Premium monies have been allocated to effect, as illustrated by the detailed breakdown on the academy website.

Financial Performance

- Financial governance and oversight is strong.
- Management accounts are prepared and issued monthly, to enable regular monitoring to ensure Value for Money.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Spending proposals are costed and presented to Senior leaders / Governors and then challenged appropriately.
- Regular budget updates are provided, including 3 year projections, which enables both short and long term budget decisions to be made appropriately.
- The Company Secretary has been influential in driving down costs through better procurement and negotiation throughout 2021.
- All contracts are reviewed on an annual or set period basis to ensure that they are still fit for purpose and best value for our school.
- School spend is benchmarked against other Academies and areas where we significantly over or under spend have been thoroughly investigated and assurances provided that the spend is appropriate to our school.
- Benchmarking also highlighted that income generation is low for our school and this year additional lettings have been arranged.
- The academy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hadrian Academy 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 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;
- 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; and
- identification and management of risks.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Claire Collins, a qualified Chartered Accountant, to carry out a programme of internal checks.

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

- detailed checking of payments;
- the payroll process;
- the expense payment process;
- bank reconciliation; and
- personnel matters on staff being paid correctly as per their contract, references and checking of SCR.

On a termly basis, the internal reviewer reports to the board of Trustees through the Finance and General Purposes committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The internal reviewer has delivered the schedule of work as planned. There were no material control issues identified.

Review of effectiveness

As Accounting Officer, the Principal 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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


.....
Miss A Leishman
Chair of Trustees

Date: 03/12/21


.....
Miss H Bennett
Principal & Accounting Officer

HADRIAN ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hadrian Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2020.

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



.....
Miss H Bennett
Principal & Accounting Officer

Date: 03/12/21

HADRIAN ACADEMY TRUST
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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:



.....
Miss A Leishman
Chair of Trustees

Date: 03/12/21

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST**

Opinion

We have audited the financial statements of Hadrian Academy Trust (the 'academy 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 Academy 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 Auditor's Report.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST (CONTINUED)**

Use of our report

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



Guy Hodgkinson BA ACA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Northampton

Date: 13 December 2021

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 4 November 2021 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 Hadrian Academy 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 Hadrian Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hadrian Academy 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 Hadrian Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hadrian Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Hadrian Academy Trust's funding agreement with the Secretary of State for Education dated 24 October 2011 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 Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

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.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Northampton

Date: 13 December 2021

HADRIAN ACADEMY 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	48,885	-	8,347	57,232	66,222
Other trading activities	5	30,978	-	-	30,978	60,794
Investments	6	56	-	-	56	175
Charitable activities	4	-	1,829,132	-	1,829,132	1,684,475
Total income		79,919	1,829,132	8,347	1,917,398	1,811,666
Expenditure on:						
Raising funds		53,930	-	-	53,930	110,008
Charitable activities	4	4	1,735,536	123,227	1,858,767	1,735,296
Total expenditure	8	53,934	1,735,536	123,227	1,912,697	1,845,304
Net income/ (expenditure)		25,985	93,596	(114,880)	4,701	(33,638)
Transfers between funds	17	-	(38,166)	38,166	-	-
Net movement in funds before other recognised losses		25,985	55,430	(76,714)	4,701	(33,638)
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	24	-	(176,000)	-	(176,000)	(362,000)
Net movement in funds		25,985	(120,570)	(76,714)	(171,299)	(395,638)

HADRIAN ACADEMY 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 £	Total funds 2020 £
Reconciliation of funds:						
Total funds brought forward		162,904	(782,586)	1,661,270	1,041,588	1,437,226
Net movement in funds		25,985	(120,570)	(76,714)	(171,299)	(395,638)
Total funds carried forward		188,889	(903,156)	1,584,556	870,289	1,041,588

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

The notes on pages 27 to 53 form part of these financial statements.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07824369

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,575,702	1,660,764
		<u>1,575,702</u>	<u>1,660,764</u>
Current assets			
Debtors	14	40,563	35,799
Cash at bank and in hand	22	639,829	427,658
		<u>680,392</u>	<u>463,457</u>
Creditors: amounts falling due within one year	15	(121,011)	(122,252)
Net current assets		<u>559,381</u>	<u>341,205</u>
Total assets less current liabilities		<u>2,135,083</u>	<u>2,001,969</u>
Creditors: amounts falling due after more than one year	16	(4,794)	(14,381)
Net assets excluding pension liability		<u>2,130,289</u>	<u>1,987,588</u>
Defined benefit pension scheme liability	24	(1,260,000)	(946,000)
Total net assets		<u><u>870,289</u></u>	<u><u>1,041,588</u></u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	1,584,556	1,661,270
Restricted income funds	17	356,844	163,414
Restricted funds excluding pension asset	17	1,941,400	1,824,684
Pension reserve	17	(1,260,000)	(946,000)
Total restricted funds	17	681,400	878,684
Unrestricted income funds	17	188,889	162,904
Total funds		870,289	1,041,588

The financial statements on pages 22 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
Miss A Leishman
Chair of Trustees

Date: 03/12/21

The notes on pages 27 to 53 form part of these financial statements.

HADRIAN ACADEMY 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	19	252,822	171,067
Cash flows from investing activities	21	(29,155)	(44,637)
Cash flows from financing activities	20	(11,496)	13,763
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		212,171	140,193
Cash and cash equivalents at the beginning of the year		427,658	287,465
Cash and cash equivalents at the end of the year	22, 23	639,829	427,658
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 53 form part of these financial statements

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

Hadrian Academy Trust is a private company limited by guarantee, incorporated in England. Its registered number and address of registered office are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

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.

The financial statements are prepared in £ sterling, rounded to the nearest £1.

1.1 Basis of preparation of financial statements

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

Hadrian Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.8 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over its expected useful life, on the following bases:

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

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 30 years straight line
Leasehold improvements	- 10 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 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.

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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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 15 and 16. 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

1. Accounting policies (continued)

1.13 Operating leases

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

1.14 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

1.15 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations and parental contributions	48,885	-	48,885	58,034
Capital Grants	-	8,347	8,347	8,188
	<u>48,885</u>	<u>8,347</u>	<u>57,232</u>	<u>66,222</u>

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,503,321	1,503,321	1,406,349
Other DfE/ESFA grants			
Other DfE/ESFA grants	101,408	101,408	96,116
Pupil Premium	71,931	71,931	68,971
UIFSM	65,801	65,801	67,080
	<u>1,742,461</u>	<u>1,742,461</u>	<u>1,638,516</u>
Other Government grants			
Special educational needs	55,631	55,631	45,959
	<u>55,631</u>	<u>55,631</u>	<u>45,959</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	31,040	31,040	-
	<u>31,040</u>	<u>31,040</u>	<u>-</u>
	<u>1,829,132</u>	<u>1,829,132</u>	<u>1,684,475</u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium and Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £31,040 of funding for catch-up premium and costs incurred in respect of this funding totalled £31,040, with no remaining value to be spent in 2021/22.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	-	-	4,140
Contributions towards clubs and educational activities	30,978	30,978	41,956
Catering	-	-	14,698
	<u>30,978</u>	<u>30,978</u>	<u>60,794</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	56	56	175
	<u>56</u>	<u>56</u>	<u>175</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income:					
Direct costs	-	-	23,010	23,010	41,918
Expenditure on fundraising trading activities:					
Direct costs	29,734	-	1,084	30,818	67,988
Expenditure on investment management	-	-	102	102	102
Educational operations:					
Direct costs	1,146,108	-	44,501	1,190,609	1,160,049
Allocated support costs	341,692	182,394	144,072	668,158	575,247
	<u>1,517,534</u>	<u>182,394</u>	<u>212,769</u>	<u>1,912,697</u>	<u>1,845,304</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	<u>1,190,609</u>	<u>668,158</u>	<u>1,858,767</u>	<u>1,735,296</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
LGPS pension costs	14,000	14,000	8,000
Staff costs	341,692	341,692	260,355
Depreciation	122,620	122,620	120,835
Technology costs	34,707	34,707	20,486
Premises costs	59,774	59,774	61,705
Governance costs	8,498	8,498	9,090
Loss on disposal of fixed assets	608	608	-
Other support costs	86,259	86,259	94,776
	668,158	668,158	575,247

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	2,276	2,276
Depreciation of tangible fixed assets	122,620	120,835
Loss on disposal of fixed assets	608	-
Fees paid to auditor for:		
- audit	8,600	8,600
- other services	5,155	5,515

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	1,068,774	1,048,209
Social security costs	88,086	85,575
Pension costs	360,674	306,765
	1,517,534	1,440,549

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	17	17
Administration and support	39	40
Management	2	2
	58	59

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	1

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

10. Staff (continued)

c. Higher paid staff (continued)

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for this member of staff amounted to £17,593 (2020: £16,708).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £175,790 (2020: £168,645).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Miss H Bennett, Principal & Accounting Officer	Remuneration	70,000 -	70,000 -
		75,000	75,000
	Pension contributions paid	15,000 -	15,000 -
Mrs M Auker, Staff Trustee		20,000	20,000
	Remuneration	55,000 -	50,000 -
		60,000	55,000
Mrs C Foster (resigned 31 December 2019)	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
	Remuneration	N/A	10,000 -
Miss E Auker, Trustee			15,000
	Pension contributions paid	N/A	0 - 5,000
	Remuneration	40,000 -	35,000 -
Mrs L Deyankeson, Staff Trustee		45,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
	Remuneration	10,000 -	0 - 5,000
		15,000	
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2021, expenses totalling £231 were reimbursed or paid directly to 3 Trustees (2020 - £129 to 3 Trustees).

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12. Trustees' and Officers' insurance

The Academy 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.

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	2,303,310	164,362	130,508	2,598,180
Additions	-	6,000	32,166	38,166
Disposals	-	-	(3,039)	(3,039)
At 31 August 2021	2,303,310	170,362	159,635	2,633,307
Depreciation				
At 1 September 2020	717,857	117,913	101,646	937,416
Charge for the year	96,552	14,983	11,085	122,620
On disposals	-	-	(2,431)	(2,431)
At 31 August 2021	814,409	132,896	110,300	1,057,605
Net book value				
At 31 August 2021	1,488,901	37,466	49,335	1,575,702
At 31 August 2020	1,585,453	46,449	28,862	1,660,764

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14. Debtors

	2021 £	2020 £
Trade debtors	-	915
VAT repayable	3,287	3,425
Prepayments and accrued income	37,276	31,459
	<u>40,563</u>	<u>35,799</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	9,587	11,496
Trade creditors	3,454	3,275
Other taxation and social security	17,686	16,034
Other creditors	25,485	25,258
Accruals and deferred income	64,799	66,189
	<u>121,011</u>	<u>122,252</u>

	2021 £	2020 £
Deferred income at 1 September	55,789	51,667
Resources deferred during the year	54,393	55,789
Amounts released from previous periods	(55,789)	(51,667)
	<u>54,393</u>	<u>55,789</u>

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At the balance sheet date the Academy Trust was holding funds received in advance for the following purposes:

	2021	2020
	£	£
CKC and dinners	11,090	8,944
Formula Capital	4,919	4,834
UIFSM	38,384	39,811
Other amounts	-	2,200
	54,393	55,789

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

	2021	2020
	£	£
Other loans	4,794	14,381

Other loans includes Salix loans of £4,794 (2020 - £14,381).

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	162,904	79,919	(53,934)	-	-	188,889
Restricted general funds						
General Annual Grant (GAG)	159,935	1,503,321	(1,309,390)	(43,662)	-	310,204
Other DfE/ESFA grants	8,461	19,370	(6,151)	(6,000)	-	15,680
Pupil premium	6,033	71,931	(68,229)	-	-	9,735
Miscellaneous restricted	1,127	-	-	-	-	1,127
SEN funding	-	55,631	(55,631)	-	-	-
Salix Loans	(25,876)	-	-	11,496	-	(14,380)
UIFSM	13,734	65,801	(45,057)	-	-	34,478
Other government grants	-	82,038	(82,038)	-	-	-
Catch-up premium	-	31,040	(31,040)	-	-	-
Pension reserve	(946,000)	-	(138,000)	-	(176,000)	(1,260,000)
	(782,586)	1,829,132	(1,735,536)	(38,166)	(176,000)	(903,156)

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NOTES TO THE FINANCIAL STATEMENTS
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17. 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						
DfE/ESFA capital grants	145,581	-	(23,636)	-	-	121,945
Capital expenditure from GAG	242,085	-	(54,878)	38,166	-	225,373
Other miscellaneous	28,207	-	-	-	-	28,207
Transfer from LA	1,244,891	-	(44,713)	-	-	1,200,178
Unspent capital funds	506	8,347	-	-	-	8,853
	<u>1,661,270</u>	<u>8,347</u>	<u>(123,227)</u>	<u>38,166</u>	<u>-</u>	<u>1,584,556</u>
Total Restricted funds	<u>878,684</u>	<u>1,837,479</u>	<u>(1,858,763)</u>	<u>-</u>	<u>(176,000)</u>	<u>681,400</u>
Total funds	<u>1,041,588</u>	<u>1,917,398</u>	<u>(1,912,697)</u>	<u>-</u>	<u>(176,000)</u>	<u>870,289</u>

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement in the ESFA.

Restricted fixed asset funds amounting to £1,575,702 will be reserved against future depreciation charges. The remainder of £8,854 relates to unspent capital grants which will be used to enhance the Academy's facilities.

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

Unrestricted funds are for charitable expenditure at the discretion of the Trustees.

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General unrestricted funds	153,909	119,003	(110,008)	-	-	162,904
Restricted general funds						
General Annual Grant (GAG)	67,298	1,406,349	(1,284,350)	(29,362)	-	159,935
Other DfE/ESFA grants	12,390	96,116	(80,586)	(19,459)	-	8,461
Pupil premium	4,282	68,971	(67,220)	-	-	6,033
Miscellaneous restricted	1,127	-	-	-	-	1,127
SEN funding	-	45,959	(45,959)	-	-	-
Salix Loans	(37,372)	-	-	11,496	-	(25,876)
UIFSM	-	67,080	(53,346)	-	-	13,734
Pension reserve	(501,000)	-	(83,000)	-	(362,000)	(946,000)
	<u>(453,275)</u>	<u>1,684,475</u>	<u>(1,614,461)</u>	<u>(37,325)</u>	<u>(362,000)</u>	<u>(782,586)</u>

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18. 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	-	-	1,575,702	1,575,702
Current assets	188,889	482,649	8,854	680,392
Creditors due within one year	-	(121,011)	-	(121,011)
Creditors due in more than one year	-	(4,794)	-	(4,794)
Pension scheme liability	-	(1,260,000)	-	(1,260,000)
Total	188,889	(903,156)	1,584,556	870,289

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	1,660,764	1,660,764
Current assets	162,904	300,047	506	463,457
Creditors due within one year	-	(122,252)	-	(122,252)
Creditors due in more than one year	-	(14,381)	-	(14,381)
Pension scheme liability	-	(946,000)	-	(946,000)
Total	162,904	(782,586)	1,661,270	1,041,588

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
DfE/ESFA capital grants	135,835	-	(5,929)	15,675	-	145,581
Capital expenditure from GAG	287,655	-	(63,436)	17,866	-	242,085
Other miscellaneous	15,505	-	(6,757)	19,459	-	28,207
Transfer from LA	1,289,604	-	(44,713)	-	-	1,244,891
Unspent capital funds	7,993	8,188	-	(15,675)	-	506
	<u>1,736,592</u>	<u>8,188</u>	<u>(120,835)</u>	<u>37,325</u>	<u>-</u>	<u>1,661,270</u>
Total Restricted funds	<u>1,283,317</u>	<u>1,692,663</u>	<u>(1,735,296)</u>	<u>-</u>	<u>(362,000)</u>	<u>878,684</u>
Total funds	<u><u>1,437,226</u></u>	<u><u>1,811,666</u></u>	<u><u>(1,845,304)</u></u>	<u><u>-</u></u>	<u><u>(362,000)</u></u>	<u><u>1,041,588</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	4,701	(33,638)
Adjustments for:		
Depreciation	122,620	120,835
Capital grants from DfE and other capital income	(8,347)	(8,188)
Interest receivable	(56)	(175)
Defined benefit pension scheme cost less contributions payable	124,000	75,000
Defined benefit pension scheme finance cost	14,000	8,000
(Increase)/decrease in debtors	(4,764)	24,535
Increase/(decrease) in creditors	668	(15,302)
Net cash provided by operating activities	252,822	171,067

20. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(11,496)	(11,237)
New loan	-	25,000
Net cash (used in)/provided by financing activities	(11,496)	13,763

21. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	56	175
Purchase of tangible fixed assets	(38,166)	(53,000)
Profit on sale of assets	608	-
Capital grants from DfE Group	8,347	8,188
Net cash used in investing activities	(29,155)	(44,637)

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	639,829	427,658
Total cash and cash equivalents	639,829	427,658

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	427,658	212,171	639,829
Debt due within 1 year	(11,496)	1,909	(9,587)
Debt due after 1 year	(14,381)	9,587	(4,794)
	401,781	223,667	625,448

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are multiemployer 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

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

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 2023.

The employer's pension costs paid to TPS in the year amounted to £151,674 (2020 - £145,765).

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 Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £110,000 (2020 - £110,000), of which employer's contributions totalled £86,000 (2020 - £87,000) and employees' contributions totalled £ 24,000 (2020 - £23,000). The agreed contribution rates for future years are 22.7 per cent for employers and 5.5 per cent for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Commutation of pensions to lump sums	50.00	50.00
Expected return on scheme assets at 31 August	1.65	1.60

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

	2021	2020
	Years	Years
Retiring today		
Males	21.9	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	22.9	23.4
Females	26.0	26.1

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	69	55
Discount rate -0.1%	(70)	(56)
Mortality assumption - 1 year increase	116	74
Mortality assumption - 1 year decrease	(112)	(71)
CPI rate +0.1%	63	50
CPI rate -0.1%	(62)	(49)

Share of scheme assets

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24. Pension commitments (continued)

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

	2021 £	2020 £
Equities	1,039,000	855,000
Corporate bonds	278,000	203,000
Property	139,000	119,000
Cash and other liquid assets	33,000	76,000
Total market value of assets	1,489,000	1,253,000

The actual return on scheme assets was £148,000 (2020 - £135,000).

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

	2021 £	2020 £
Current service cost	(209,000)	(161,000)
Interest income	21,000	20,000
Interest cost	(35,000)	(28,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of Financial Activities	(224,000)	(170,000)

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

	2021 £	2020 £
At 1 September	2,199,000	1,519,000
Interest cost	35,000	28,000
Employee contributions	24,000	23,000
Actuarial losses	303,000	477,000
Benefits paid	(21,000)	(9,000)
Current service cost	209,000	161,000
At 31 August	2,749,000	2,199,000

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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	1,253,000	1,018,000
Interest income	21,000	20,000
Actuarial gains	127,000	115,000
Employer contributions	86,000	87,000
Employee contributions	24,000	23,000
Benefits paid	(21,000)	(9,000)
Administrative expenses	(1,000)	(1,000)
At 31 August	1,489,000	1,253,000

The amounts recognised in the Balance Sheet are as follows:

	2021 £	2020 £
Closing defined benefit obligation	(2,749,000)	(2,199,000)
Closing fair value of scheme assets	1,489,000	1,253,000
Net defined benefit pension scheme liability	(1,260,000)	(946,000)

Total remeasurements recognised in Other Comprehensive income:

	2021 £	2020 £
Changes in financial assumptions	(369,000)	(198,000)
Changes in demographic assumptions	25,000	(100,000)
Other remeasurements	168,000	(64,000)
	(176,000)	(362,000)

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FOR THE YEAR ENDED 31 AUGUST 2021

Other finance income

	2021	2020
	£	£
Interest income on pension scheme assets	21,000	20,000
Interest on pension scheme liabilities	(35,000)	(28,000)
	(14,000)	(8,000)

25. Operating lease commitments

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

	2021	2020
	£	£
Not later than 1 year	400	-
Later than 1 year and not later than 5 years	400	-
	800	-

26. 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.

27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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 Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year, other than certain Trustee's remuneration and expenses as disclosed in Note 11.

