

Company registration number 08161246 (England and Wales)

HAWES SIDE ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

HAWES SIDE ACADEMY

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 44

HAWES SIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Lee Glynn
Dawn Livesey
Kath Corrigan

Trustees

Ms C Boothroyd
Ms J Fleckney
Ms C E Hall
Ms D Hardman
Ms H J Livsey
Mr C McCarthy
Ms M Shaw (Resigned 21 July 2022)
Mrs J Hirst
Mrs K Lord (Appointed 15 March 2022 and resigned 10 June 2022)
Mrs H Moyes (Appointed 6 December 2021)
Mr K Smith (Appointed 6 December 2021 and resigned 28 February 2022)
Mrs E Williams (Appointed 2 July 2022)

Senior management team

- Principal	Mrs C Boothroyd
- Vice Principal	Mrs J Barr
- Business Manager	Mrs R Foxton
- Assistant Principal	Mrs M Beckett

Company secretary

Mrs R L Foxton

Company registration number

08161246 (England and Wales)

Registered office

Johnsville Avenue
Blackpool
FY4 3LN

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

HAWES SIDE ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Structure, governance and management

Constitution

Hawes Side Academy was established in 2012 and is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors act as the trustees for the charitable activities of Hawes Side Academy and are also the directors of the charitable company for the purposes of company law. The charitable company operates as Hawes Side Academy.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details of Page 2.

Members meet annually. Trustees meet twice each term as a Full Governing Board to review curriculum and business and audit matters.

The Pay committee is a separate committee and meets annually.
Trustees also meet at least 6 times in the last financial year

Members' liability

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

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees at a cost of £141.

Method of recruitment and appointment or election of trustees

The Academy's Governing Board is established in accordance with the articles of association, the composition for the financial year 21-22 is shown below. New trustees are recruited through an appropriate process including a review of the skill and capability requirements of the board and the current needs of the academy. Trustees are appointed for a four-year period of office and may be re-appointed.

The Principal is an ex-officio Trustee.

Policies and procedures adopted for the induction and training of trustees

When new trustees join the governing board, they are provided with key reading (e.g. policy, procedure and strategic plans) and the opportunity to meet with the Chair of Trustees, the Principal and senior leaders within the academy to learn more about the mission, vision and values of the academy. Induction training is provided together with support and mentoring from a 'buddy' trustee to give them a good understanding of their governance responsibilities. To support training and development the academy provides all trustees with membership to the National Governance Association which allows access to a wealth of information and training. The induction and training programme of a new trustee may depend upon existing skills and experience. An annual skills audit of trustees is undertaken to inform training needs. The academy also provides at least one annual strategic planning/training session for the full board tailored to the needs at the time. In 21-22 a strategic planning/training session was held to review and consider the strategic direction of the academy for 2022-23. An external review of governance was also held in 21-22 to support development.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Value for money

As Trustees, we accept overall responsibility for ensuring that Hawes Side Academy has an effective and appropriate system of Financial Control. The system is designed to manage risks identified in the Academy's Risk register providing reasonable assurance against misstatement or loss.

The Governing Board has delegated day to day responsibility to the Principal as Accounting officer, ensuring that financial controls conform with the requirements for both propriety and good financial management and in accordance with the requirements and the responsibilities assigned to it within the funding agreement between Hawes Side Academy and the Secretary of State for Education. They are also responsible for reporting any material weakness or breakdown in internal controls.

The Governing Board has reviewed the risks to which the academy might be exposed and implemented financial and operational controls to mitigate those risks. The academy has a system of internal controls based on regular financial information and administrative procedures including the separation of duties and has approved a financial management and procedures manual. The Trustees aim to address and identify weaknesses and ensure ongoing improvement of systems and financial control.

Organisational structure

Members

Mrs A Charleston (until 19/10/2021)
Mrs K Corrigan (appointed 24/08/2020)
Mr L Glynn (appointed 19/10/2021)
Mrs D Livsey (appointed 24/08/2020)

Members have oversight of the governance arrangements, hold the Governing Board to account and have key decision-making responsibilities.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trustees

Mrs J Fleckney (Community)
Miss C E Hall (Parent)
Ms D Hardman (Parent)
Mrs J Hirst (Community)
Mrs H Livsey (Community, Chair)
Mrs K Lord (Community appointed 15/03/2022 until 10/06/2022)
Mr C McCarthy (Community)
Mrs H Moyes (Community appointed 06/12/2021)
Mrs M Shaw (Co-opted until 21/07/2022)
Mr K Smith (Community appointed 06/12/2021 until 28/02/2022)
Mrs E Williams (Parent, appointed 02/07/2022)

Trustees are responsible for ensuring that there is clarity of vision, ethos and strategic direction to achieve the best outcomes for our pupils. Trustees set general policy, approve an annual plan and budget, monitor performance against the plan and budget and make major decisions about the direction of the charitable company, capital expenditure, and senior staff appointments. Trustees are also the directors of the charitable company for the purposes of company law.

The trustees delegate the day-to-day management responsibility to the Principal and the senior and middle management team.

Senior Management Team

Mrs C Boothroyd - Principal
Mrs J Barr– Vice Principal (appointed from 01/01/2022)
Mrs M Beckett - Assistant Principal
Mrs R Glynn– Assistant Principal (appointed from 01/01/2022 until 31/08/2022)
Mrs R Foxton - Business Manager

The Middle Management Team

Mr N Sandwell - Foundation Stage Phase Leader (until 30/04/2022)
Mrs L Garratt - Years 1 and 2 Phase Leader
Mr B Smith - Years 3 and 4 Phase Leader (until 31/12/2021)
Mrs J –L Johnstone - Years 5 and 6 Phase Leader
Miss J Ward - SENCO

The Principal is the Academy Accounting Officer. Financial responsibilities are discharged in line with the scheme of delegation.

No directors receive any remuneration in respect of their duties as Trustees other than Mrs Boothroyd who is remunerated in her position as Principal and Mrs Fleckney in her capacity as Family Support Worker.

Company Name

Hawes Side Academy

Principal and Registered Office

Johnsville Avenue, Blackpool FY4 3LN

Company Registration Number

08161246

Independent Auditor

Moore and Smalley, Fylde House, Skyways Commercial Campus, Amy Johnson Way, Blackpool FY4 3RS

Bankers

HSBC, Oxford Square, Newhouse Road, Blackpool FY4 4YH

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Management of the academy is delegated to the Principal. The senior leadership team meets each week and additionally as and when required, the team also meets with the phase leaders on a weekly basis. Meetings with all teaching staff take place once a week. The Principal is the Academy's Accounting Officer and has overall responsibility for the authorisation and expenditure against all budget headings and for all staff appointments. Budget responsibilities are also delegated to the Vice and Assistant Principals, Phase leaders, SENCO, Subject Leaders, the Facilities Manager and the Office Manager who have a specific responsibility for the purchase of resources. This is supported by the Business Manager to ensure the principle of best value is adopted.

Arrangements for setting pay and remuneration of key management personnel

The academy has a Pay Policy in accordance with the Teachers' Pay and conditions document. Pay is reviewed annually by the Principal and any performance related pay increases proposed are scrutinised by the Pay Committee. This is then reported to the Full Governing Board of the Academy trust.

Trade Union facility time

The trust works with employee trade unions and professional associations and utilises other internally established communication forums to engage the workforce. The trust also works to ensure that consultation is undertaken, as required, on aspects affecting its employees, including financial, operational and economic factors, and that these are communicated, discussed and consulted on with them.

Facility time publication legislation requires public sector employers with more than 49 FTE employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employees' normal role to undertake trade union duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities). The breakdown is below. There were no matters arising within the 21-22 financial year requiring facility time.

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number 1

Percentage of time spent on facility time

Percentage of time Number of employees

0% 0

1%-50% 0

51%-99% 0

100% 0

Percentage of pay bill spent on facility time

Provide the total cost of facility time - 0

Provide the total pay bill - £2,397,263

Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100 - 0

Paid trade union activities

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

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100 - 0

Related parties and other connected charities and organisations

The academy declared one related party transaction in the year ended 31 August 2022 of a value under £20,000. There are no related parties which either control or significantly influence the decisions or operations of Hawes Side Academy. There are no sponsors, connected charities or organisations.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

The trust charitable objects, as laid out within our governing document, are to advance education by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of Blackpool and the surrounding area the provision of facilities for recreation or other leisure time occupation.

At Hawes Side Academy our vision is to be a place where everyone matters, everyone succeeds. We believe in empowering our community with the knowledge, skills and understanding to succeed in our global society. We strive to provide a wide range of experiences to engage, enrich and excite our learners. It is our mission to do this through the promotion of community, learning and creativity in harmony.

Objectives, strategies and activities

The key objectives of the Trust are to ensure that every child has the best possible educational experience so that they achieve the best possible outcomes. The strategies for achieving these objectives are defined in the school development plan. In the 22-23 academic year the key priorities are:

Quality of Education

- Whole curriculum clearly defined with key components clearly sequenced
- A consistent approach to formative and summative assessment is further developed to improve the use of assessment data in informing teaching and learning and in evaluating the impact of the curriculum
- Maths fluency in all pupils is developed to ensure they make accelerated progress to age related expectations

Leadership and Management

- Clearly articulated values that align with the academy vision
- Pupils receive high quality teaching through carefully planned professional development

Personal development

- All pupils have opportunities to take part in a wide variety of extra-curricular activities on offer
- The curriculum is coherently planned with rich enhancement experiences throughout

Behaviour and attitudes

- For all staff to have the same high and consistent expectations for pupils in line with our behaviour policy
- For values to be clearly articulated and visible and 'lived out' by all

Public benefit

In setting the objectives, and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education. The key public benefit delivered by the Academy Trust is high quality educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Trustees receive regular written reports to enable them to monitor the achievements and performance of the academy. Targeted academy visits are also undertaken as part of monitoring and assurance.

Key objectives for the academy in 2021-22 were centered around the safe and productive return of pupils to the academy following periods of disruption caused by the pandemic, recovery and Ofsted areas of improvement.

The key focus areas were to

- Develop capacity in all leaders
- Reshape governance structures in line with academy priorities
- Preparation for Inspection
- Develop bespoke, ambitious curriculum for all
- Embed systematic, strategic structures for early reading
- Develop understanding of metacognition* in order to monitor, evaluate and understand how learners learn
- Further develop understanding of the Code of Practice and areas of need
- Monitor and evaluate the graduated response to SEND to ensure pupils are supported and barriers to learning removed
- Create network of shared responsibility in order to raise academic achievement

Progress against all areas was positive and the academy was inspected by Ofsted in February 2022 and continues to be recognised as a good school. Self-evaluation also remains at least good in all areas. It was identified within the inspection process that 'Pupils are happy at Hawes Side Academy', that 'Leaders have a curriculum that is ambitious and engaging for all pupils, including those with special educational needs and/or disabilities (SEND)', Leaders have effective systems for identifying pupils with SEND and Leaders have created a strong culture focused on pupils' welfare and well-being.

Whilst academy attendance rates were lower than the expectation of 96% at 92.4%. This is being addressed in 2022-3

While the decision to cancel all primary tests make comparisons on academic performance more difficult, we are confident that children have made progress in line with expectations or better than expected in the 20-21 academic year.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

In 21-22 specific KPIs were agreed in relation to financial performance. These are listed below with an indicator of success:

- The academy has a detailed 3-5 year financial plan aligned to the School Development Plan (fully achieved)
- Annual reserves are secured at 5% of GAG (fully achieved)
- A positive cash flow position is maintained (fully achieved)
- Audit reports identify no high-risk aspects (fully achieved)
- A robust Risk Management Strategy is in place, supported by a rigorous Financial Scheme of Delegation and reporting mechanisms (fully achieved)
- All financial returns are submitted on time to the relevant funding agencies accurately and appropriately in line with guidelines (fully achieved)
- Senior and middle leadership teams are highly effective (fully achieved)
- Staffing structures are developed with reference to ICFP (fully achieved)
- Voluntary staff turnover is under 5% (not achieved)
- Absence rates among staff fall year on year (not achieved)
- Spend on supply staffing is reduced year on year (not achieved)
- Staff wellbeing is evidenced as good (Partially achieved)
- The academy has a working estates plan aligned to the School Development Plan (fully achieved).
- Use of the premises to increase community engagement are evidenced (partially achieved).
- Sufficient devices, software and learning models are in place to facilitate development of lifelong skills and develop future employability (fully achieved)
- Sufficient ICT infrastructure is in place and fit for purpose whether in school or working remotely with safety as a priority (fully achieved)
- A clear Scheme of Delegation which is subject to regular consultation and review is in place and fit for purpose (fully achieved)
- A robust framework for evaluating the effectiveness of our Governance arrangements at all levels is evident (fully achieved)
- Attendance at Full Board and Committee meetings to average 90% or higher over the academic year (not achieved)

External Review of Governance

In 21-22 the Trustees entered into an arrangement with SBW Governance to undertake an external review. The purpose of the review was:

- To review the governance arrangements and information published about the academy
- To make recommendations for change or improvement
- To support other internal and external audits and reviews
- To ensure continued governance oversight is embedded in practice

The review was undertaken in three parts;

1. Inquiry based review –websites, documentation, process
2. Questionnaire –the trustees completed a Google form survey
3. Recommendations and feedback, preparation of an action plan for consideration.

The review was undertaken virtually during the summer term 2022, with the final report submitted in September 22 including a small number of recommendations relating to use of resources available, succession planning and developmental suggestions for meetings. These will be addressed by way of a short action plan.

Going concern

After making appropriate enquiries, the Governing Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The academy is prepared for an anticipated reduction in pupil numbers in the south shore area of Blackpool and has reserves to support this. 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.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The Academy's total incoming resources during the period were £3,066,986 (2021: £3,223,035)

The majority of the Academy's income derives from Central Government funding via the Education and Skills Funding Agency in the form of current grants.

Total funding received for the Academy's educational operations in the period was £2,923,053 (2021: £3,012,995) along with £105,804 (2021: £47,229) from other sources.

Total outgoings for the period were £3,199,806 (2021: £3,237,592) a breakdown of this is shown in note 6 and note 7 of the accounts.

During the year ended 31st August 2022, (excluding restricted fixed asset and pension funds) the excess of expenditure over income for the year before transfers was £33,312 (2021: £280,728).

At the period end the Academy's total reserves (excluding a pension deficit included in the restricted funds of £2,206,000) stood at £8,499,704 (2021: £8,480,524) including unrestricted fund of £500,000 (2021: £500,000), restricted funds of £839,143 (2021: £669,565) and restricted asset funds of £7,160,561 (2021: £7,310,959):

On conversion in 2012 the Academy inherited a deficit of £640,000 in respect of the Lancashire County Council Local Government Pension scheme which most of the Support staff (Non-Teaching) belong to. This deficit increased to £656,000 by 31st August 2013, decreased to £523,000 by 31st August 2015, £1,060,000 by 31st August 2016, decreased to £954,000 by 31st August 2017, decreased to £814,000 by 31st August 2018, increased to £1,465,000 by 31st August 2019, £1,814,000 by 31st August 2020, £2,206,000 by 31st August 2021 and decreased to £187,000 by 31st August 2022. This was due to the actuarial assumptions concerning future return on investments and the value of future liabilities to the pension fund.

Reserves policy

The Directors review the reserve levels of the Academy at the end of each financial year to ensure that there are sufficient funds to meet the monthly commitments of the Academy and to allow for a contingency to cover unexpected emergencies and urgent maintenance and repairs. The Academy will take action to ensure that the reserves are held at a prudent level.

The Academy's minimum current reserves have been set £350,000 (with a £10,000 buffer) The Academy's current free reserves as at 31st August 2022 stood at £1,339,143 £ (2021: £1,169,565).

Unrestricted Reserves

In addition to the restricted reserve which is used for restricted purposes set out in the funding agreement, the academy holds unrestricted reserves which provide additional working capital and are not committed.

The unrestricted reserves as at 31st August 2022 stood at £500,000 (2021: £500,000).

Restricted Reserves

The Trustees have considered the level of restricted reserves that it was felt would be sufficient working capital to any delays between spending and commitments to receipt of grants and any unanticipated revenue or capital costs.

The level of general restricted reserves as at 31st August 2022 stood at £839,143 (2021: £669,565).

Investment policy

The Governing Board adopted a low risk cautious approach to cash investments of both short to medium term investments. Investments are agreed by the Governing Board beforehand.

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The academy has a risk register and assessment cycle which addresses the principal risks and uncertainties facing the academy. The Trustees acknowledge the need to maintain a reserves fund to mitigate any financial risk and ensure the stability of the academy trust

Key areas of financial risk are the anticipated reduction in pupil numbers which is being addressed through careful planning and use of reserves

- uncertainties around funding whilst the new funding formula is implemented and
- uncertainties in relation to rising costs
- the deficit on the local government pension scheme is also an on-going concern.

Fundraising

The trust promotes fundraising activities for local and national charities and works closely with the local community to fundraise to support activities of the academy.

In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the academy complaints procedure

Plans for future periods

The key areas of focus from September 2022 are:
Improve the quality of education by ensuring

- The whole curriculum is clearly defined with key components clearly sequenced.
- A consistent approach to formative and summative assessment is further developed to improve the use of assessment data in informing teaching and learning and in evaluating the impact of the curriculum.
- Maths fluency in all pupils is developed to ensure they make accelerated progress to age related expectations.

Improve the leadership and management by ensuring

- Clearly articulated values that always align with the academy vision.
- Pupils receive high quality teaching through carefully planned professional development.

Improve the personal development by ensuring

- All pupils have opportunities to take part in a wide variety of extra-curricular activities on offer.
- The curriculum is coherently planned with rich enhancement experiences throughout

Improve behaviour and attitudes by ensuring

- All staff have the same high and consistent expectations for pupils in line with our behaviour policy.
- Values are clearly articulated and visible and 'lived out' by all.
- All pupils and staff 'live out' values and know the positive actions that relate to each

HAWES SIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

In so far as the trustees are aware:

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14/12/2022..... and signed on its behalf by:

Helen Livsey

.....
Ms H J Livsey

HAWES SIDE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Trustees, we accept overall responsibility for ensuring Hawes Side Academy has an effective and appropriate system of financial control. The system is designed to manage risks identified in the Academy's risk register providing reasonable assurance against misstatement or loss.

The Governing Board has delegated day to day responsibility to the Principal as the Accounting Officer, ensuring that financial controls conform with the requirements for both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it within the funding agreement between Hawes Side Academy and the Secretary of State for Education. They are also responsible for reporting any material weakness or breakdowns in internal controls.

The Governing Board has reviewed the risks to which the Academy might be exposed and implemented financial and operational controls to mitigate those risks. The Academy has a system of internal controls based on regular financial information and administrative procedures including the separation of duties and has approved a financial management and procedures manual. The Trustees aim to address and identify weaknesses and ensure ongoing improvement of systems and financial control.

As trustees, we acknowledge we have overall responsibility for ensuring that Hawes Side 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.

The Governing Board has delegated the day-to-day responsibility to Mrs Caroline Boothroyd, 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 Hawes Side Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Board 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 Governing Body has formally met at least 6 times during the year. The resources committee also acts as the audit committee. Attendance during the year at meetings of the Governing Board was as follows:

Trustees	Meetings attended	Out of possible
Ms C Boothroyd	11	11
Ms J Fleckney	8	8
Ms C E Hall	5	7
Ms D Hardman	7	8
Ms H J Livsey	11	11
Mr C McCarthy	3	6
Ms M Shaw (Resigned 21 July 2022)	6	6
Mrs J Hirst	5	8
Mrs K Lord (Appointed 15 March 2022 and resigned 10 June 2022)	0	2
Mrs H Moyes (Appointed 6 December 2021)	5	6
Mr K Smith (Appointed 6 December 2021 and resigned 28 February 2022)	2	2
Mrs E Williams (Appointed 2 July 2022)	2	2

HAWES SIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

As accounting officer the company secretary 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 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 available.

The academy will always seek to obtain the best pricing through systems of supplier review.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Hawes Side Academy for the year ended 31 August 2022 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. 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 SLT and the trustee with responsibility for Finance of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Trustees have approved a risk register to assist with the control and management of risk in accordance with ESFA guidelines. The Governing Board have appointed an audit and risk committee to support assurance of internal systems of financial control.

Internal systems of financial control have been established to be found in the financial procedures manual which covers the general financial management of the Academy.

The Academy has appointed a Finance Lead within the Governing board who, alongside external independent review provides assurance to the Governing board in relation to financial performance and compliance

HAWES SIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trustees have approved a risk register to assist with the control and management of risk in accordance with ESFA guidelines. The Governing Board have an appointed Finance Trustee to support assurance of internal systems of financial control.

Internal systems of financial control have been established to be found in the financial procedures manual which covers the general financial management of the Academy.

The Academy has appointed a Finance Lead within the Governing Board who, alongside external independent review provides assurance to the Governing Board in relation to financial performance and compliance.

The Governing Board decided to buy in an internal audit service from Shard Business Services to follow an agreed yet responsive audit plan in Term 2 and 3 of 2020-21. This arrangement will continue in 2022-23 with a planned visit each term.

The role of Internal Scrutiny includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Review of data management/Cyber security
- Review of Safeguarding/Whistleblowing
- Review of payroll including the controls in place
- Review of Debt management
- Review of auditors management letter recommendations
- Review of cash and bank
- Review of Fraud, theft and bribery
- Review of procurement
- Review of budget,
- Review Integrated Curriculum & Financial Planning

On a termly basis, reports are provided to the Governing Board, Resources/Audit committee on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year.

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 auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

HAWES SIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

Approved by order of the board of trustees on 14/12/2022 and signed on its behalf by:

C Boothroyd

Ms C Boothroyd

Helen Livsey

Ms H J Livsey

HAWES SIDE ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Hawes Side Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2021.

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

C Boothroyd

Ms C Boothroyd
Accounting Officer

14/12/2022
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HAWES SIDE ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Hawes Side Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on ^{14/12/2022} and signed on its behalf by:

Helen Livsey

Ms H J Livsey

HAWES SIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWES SIDE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Hawes Side Academy for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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.

HAWES SIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWES SIDE ACADEMY (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management, including Trustees, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- 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;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academy Trust Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

HAWES SIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWES SIDE ACADEMY (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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

Use of our report

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

Nicola Mason

**Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

15/12/2022
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HAWES SIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hawes Side Academy during the period 1 September 2021 to 31 August 2022 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 Hawes Side Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hawes Side Academy 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 Hawes Side Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hawes Side Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hawes Side Academy's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 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 an evaluation of the control environment of the School together with enquiry, analytical review, substantive testing of transactions and consideration of governance issues.

HAWES SIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
MHA Moore and Smalley

15/12/2022
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HAWES SIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	1,766	15,792	20,571	38,129	162,811
Charitable activities:						
- Funding for educational operations	4	309	2,922,744	-	2,923,053	3,012,995
Other trading activities	5	105,804	-	-	105,804	47,229
Total		<u>107,879</u>	<u>2,938,536</u>	<u>20,571</u>	<u>3,066,986</u>	<u>3,223,035</u>
Expenditure on:						
Raising funds	6	-	-	-	-	9,289
Charitable activities:						
- Educational operations	7	107,879	2,905,224	186,703	3,199,806	3,228,303
Total	6	<u>107,879</u>	<u>2,905,224</u>	<u>186,703</u>	<u>3,199,806</u>	<u>3,237,592</u>
Net income/(expenditure)		-	33,312	(166,132)	(132,820)	(14,557)
Transfers between funds	15	-	(15,734)	15,734	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	2,171,000	-	2,171,000	(263,000)
Net movement in funds		-	2,188,578	(150,398)	2,038,180	(277,557)
Reconciliation of funds						
Total funds brought forward		<u>500,000</u>	<u>(1,536,435)</u>	<u>7,310,959</u>	<u>6,274,524</u>	<u>6,552,081</u>
Total funds carried forward	15	<u>500,000</u>	<u>652,143</u>	<u>7,160,561</u>	<u>8,312,704</u>	<u>6,274,524</u>

HAWES SIDE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		7,160,561		7,310,959
Current assets					
Debtors	12	116,562		91,710	
Cash at bank and in hand		1,326,354		1,207,470	
		<u>1,442,916</u>		<u>1,299,180</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(103,773)		(129,615)	
Net current assets			<u>1,339,143</u>		<u>1,169,565</u>
Net assets excluding pension liability			<u>8,499,704</u>		<u>8,480,524</u>
Defined benefit pension scheme liability	17		(187,000)		(2,206,000)
Total net assets			<u><u>8,312,704</u></u>		<u><u>6,274,524</u></u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			7,160,561		7,310,959
- Restricted income funds			839,143		669,565
- Pension reserve			(187,000)		(2,206,000)
Total restricted funds			<u>7,812,704</u>		<u>5,774,524</u>
Unrestricted income funds	15		<u>500,000</u>		<u>500,000</u>
Total funds			<u><u>8,312,704</u></u>		<u><u>6,274,524</u></u>

The accounts on pages 23 to 44 were approved by the trustees and authorised for issue on 14/12/2022
and are signed on their behalf by:

Helen Livsey
.....
Ms H J Livsey

Company registration number 08161246

HAWES SIDE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		134,618		108,580
Cash flows from investing activities					
Capital grants from DfE Group		20,571		33,698	
Purchase of tangible fixed assets		(36,305)		(50,675)	
Net cash used in investing activities			(15,734)		(16,977)
Net increase in cash and cash equivalents in the reporting period			118,884		91,603
Cash and cash equivalents at beginning of the year			1,207,470		1,115,867
Cash and cash equivalents at end of the year			1,326,354		1,207,470

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Hawes Side Academy is a charitable company. . The academy is a company limited by guarantee and incorporated in England and Wales The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hawes Side Academy meets the definition of a public benefit entity under FRS102. The financial accounts are prepared in sterling, which is the functional currency of the academy. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

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

1.3 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

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.

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	0.8% - 2% p.a. straight line
Leasehold improvements	6.67% p.a. straight line
Computer equipment	33% p.a straight line
Fixtures, fittings & equipment	20% p.a 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.

1.6 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.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

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

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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 15 years for leasehold improvements, 3 years for computer equipment and 5 years for fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Valuation of the Local Government Pension Scheme defined benefit liability

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 17, 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Classification and valuation of land and buildings

The academy's buildings are held under a PFI fund and will be transferred to the academy after a 25 year lease has ended.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	20,571	20,571	33,698
Other donations	1,766	15,792	17,558	129,113
	<u>1,766</u>	<u>36,363</u>	<u>38,129</u>	<u>162,811</u>

The income from donations and capital grants was £38,129 (2021: £162,811) of which £1,766 was unrestricted (2021: £121,824), £15,792 was restricted (2021: £7,289) and £20,571 was restricted fixed assets (2021: £33,698).

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	2,427,826	2,427,826	2,385,286
Other DfE/ESFA grants:				
- UIFSM	-	45,240	45,240	86,116
- Pupil premium	-	278,527	278,527	277,884
- Others	-	125,386	125,386	147,513
	-	2,876,979	2,876,979	2,896,799
Other government grants				
Local authority grants	-	37,339	37,339	55,256
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	44,960
Other incoming resources	309	8,426	8,735	15,980
Total funding	309	2,922,744	2,923,053	3,012,995

The income from funding for educational operations was £2,923,053 (2021: £3,012,995) of which £309 was unrestricted (2021: £5,161) and £2,922,744 was restricted (2021: £3,007,834).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	13,633	-	13,633	12,868
Other income	92,171	-	92,171	34,361
	105,804	-	105,804	47,229

The income from other trading activities was £105,804 (2021: £47,229) of which £105,804 was unrestricted (2021: £47,229).

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds					
- Direct costs	-	-	-	-	9,289
Academy's educational operations					
- Direct costs	1,954,000	20,193	148,990	2,123,183	2,049,322
- Allocated support costs	595,264	318,080	163,279	1,076,623	1,178,981
	<u>2,549,264</u>	<u>338,273</u>	<u>312,269</u>	<u>3,199,806</u>	<u>3,237,592</u>

The expenditure on raising funds was £- (2021: £9,289) of which £- was unrestricted (2021: £9,289).

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	8,740	7,600
- Other services	3,885	2,805
Operating lease rentals	67,554	97,317
Depreciation of tangible fixed assets	186,703	197,462
Net interest on defined benefit pension liability	36,000	31,000
	<u>293,882</u>	<u>306,184</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	1,767	2,121,416	2,123,183	2,049,322
Support costs				
Educational operations	106,112	970,511	1,076,623	1,178,981
	<u>107,879</u>	<u>3,091,927</u>	<u>3,199,806</u>	<u>3,228,303</u>

The expenditure on charitable activities was £3,199,806 (2021: £3,228,303) of which £107,879 was unrestricted (2021: £18,029), £2,905,224 was restricted (2021: £3,012,812) and £186,703 was restricted fixed assets (2021: £197,462).

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

(Continued)

	2022 £	2021 £
Analysis of support costs		
Support staff costs	595,264	581,614
Depreciation	166,510	188,625
Technology costs	-	-
Premises costs	119,368	202,892
Legal costs - conversion	-	-
Legal costs	1,151	1,340
Other support costs	175,289	184,745
Governance costs	19,041	19,765
	<u>1,076,623</u>	<u>1,178,981</u>

8 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	1,667,923	1,757,893
Social security costs	146,359	141,359
Pension costs	517,243	481,742
	<u>2,331,525</u>	<u>2,380,994</u>
Staff costs - employees	2,331,525	2,380,994
Agency staff costs	206,619	158,567
Staff restructuring costs	11,120	-
	<u>2,549,264</u>	<u>2,539,561</u>

Staff restructuring costs comprise:

Severance payments	<u>11,120</u>	<u>-</u>
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Severance payments

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

0 - £25,000

1

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Staff

(Continued)

Staff numbers

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

	2022 Number	2021 Number
Teachers	27	29
Administration and support	47	59
Management	4	4
	<u>78</u>	<u>92</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £318,228 (2021: £305,901).

9 Trustees' remuneration and expenses

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

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

Mrs J Fleckney (Staff Trustee):

Remuneration: £25,000 - £30,000 (2021: £25,000 - £30,000)

Employers pension contributions £nil - £5,000 (2021: £nil - £5,000)

Mrs C Boothroyd (Principal):

Remuneration: £70,000-75,000 (2021: £70,000 - £75,000)

Employers pension contributions £10,001 - £15,000 (2021: £10,000 - £15,000)

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2021	7,997,500	95,847	413,216	270,440	8,777,003
Additions	-	-	30,445	5,860	36,305
At 31 August 2022	7,997,500	95,847	443,661	276,300	8,813,308
Depreciation					
At 1 September 2021	794,804	31,938	371,378	267,924	1,466,044
Charge for the year	158,304	6,384	20,193	1,822	186,703
At 31 August 2022	953,108	38,322	391,571	269,746	1,652,747
Net book value					
At 31 August 2022	7,044,392	57,525	52,090	6,554	7,160,561
At 31 August 2021	7,202,696	63,909	41,838	2,516	7,310,959

During 2016/17 year the original leasehold building was demolished and written off. The replacement building is financed externally by a Private Funding Initiative under the Priority School Building Programme. The building has been recognised in the accounts as an asset of the Trust.

12 Debtors

	2022 £	2021 £
VAT recoverable	7,891	4,801
Prepayments and accrued income	108,671	86,909
	116,562	91,710

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	25,065
Other taxation and social security	35,129	33,424
Other creditors	12,497	14,246
Accruals and deferred income	56,147	56,880
	<u>103,773</u>	<u>129,615</u>

14 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	<u>26,845</u>	<u>35,531</u>
Deferred income at 1 September 2021	35,531	45,516
Released from previous years	(35,531)	(45,516)
Resources deferred in the year	<u>26,845</u>	<u>35,531</u>
Deferred income at 31 August 2022	<u>26,845</u>	<u>35,531</u>

At the balance sheet date the academy was holding funds received in advance for universal free infant school meals.

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	662,603	2,427,826	(2,235,552)	(15,734)	839,143
UIFSM	-	45,240	(45,240)	-	-
Pupil premium	-	278,527	(278,527)	-	-
Other DfE/ESFA grants	-	125,386	(125,386)	-	-
Other government grants	-	37,339	(37,339)	-	-
Other restricted funds	6,962	24,218	(31,180)	-	-
Pension reserve	(2,206,000)	-	(152,000)	2,171,000	(187,000)
	<u>(1,536,435)</u>	<u>2,938,536</u>	<u>(2,905,224)</u>	<u>2,155,266</u>	<u>652,143</u>
Restricted fixed asset funds					
DfE group capital grants	81,049	20,571	(17,439)	(10,379)	73,802
Capital expenditure from GAG	7,229,910	-	(169,264)	26,113	7,086,759
	<u>7,310,959</u>	<u>20,571</u>	<u>(186,703)</u>	<u>15,734</u>	<u>7,160,561</u>
Total restricted funds	<u>5,774,524</u>	<u>2,959,107</u>	<u>(3,091,927)</u>	<u>2,171,000</u>	<u>7,812,704</u>
Unrestricted funds					
General funds	<u>500,000</u>	<u>107,879</u>	<u>(107,879)</u>	<u>-</u>	<u>500,000</u>
Total funds	<u>6,274,524</u>	<u>3,066,986</u>	<u>(3,199,806)</u>	<u>2,171,000</u>	<u>8,312,704</u>

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

General Annual Grant must be used for the normal running expenses of the academy and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Educational Needs which was fully expended in the year.

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure.

The pension reserve represents the value of the academy's share of the deficit in the Local Government Pension Scheme.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	518,311	2,385,286	(2,243,515)	2,521	662,603
UIFSM	4,186	86,116	(90,302)	-	-
Pupil premium	-	277,884	(277,884)	-	-
Other DfE/ESFA COVID-19 funding	-	44,960	(44,960)	-	-
Other DfE/ESFA grants	5,850	147,513	(153,363)	-	-
Other government grants	-	55,256	(55,256)	-	-
Other restricted funds	7,386	18,108	(18,532)	-	6,962
Pension reserve	(1,814,000)	-	(129,000)	(263,000)	(2,206,000)
	<u>(1,278,267)</u>	<u>3,015,123</u>	<u>(3,012,812)</u>	<u>(260,479)</u>	<u>(1,536,435)</u>
Restricted fixed asset funds					
DfE group capital grants	89,020	33,698	(11,353)	(30,316)	81,049
Capital expenditure from GAG	7,388,224	-	(186,109)	27,795	7,229,910
	<u>7,477,244</u>	<u>33,698</u>	<u>(197,462)</u>	<u>(2,521)</u>	<u>7,310,959</u>
Total restricted funds	<u>6,198,977</u>	<u>3,048,821</u>	<u>(3,210,274)</u>	<u>(263,000)</u>	<u>5,774,524</u>
Unrestricted funds					
General funds	<u>353,104</u>	<u>174,214</u>	<u>(27,318)</u>	<u>-</u>	<u>500,000</u>
Total funds	<u>6,552,081</u>	<u>3,223,035</u>	<u>(3,237,592)</u>	<u>(263,000)</u>	<u>6,274,524</u>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	7,160,561	7,160,561
Current assets	500,000	942,916	-	1,442,916
Current liabilities	-	(103,773)	-	(103,773)
Pension scheme liability	-	(187,000)	-	(187,000)
Total net assets	<u>500,000</u>	<u>652,143</u>	<u>7,160,561</u>	<u>8,312,704</u>

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	7,310,959	7,310,959
Current assets	500,000	799,180	-	1,299,180
Current liabilities	-	(129,615)	-	(129,615)
Pension scheme liability	-	(2,206,000)	-	(2,206,000)
Total net assets	500,000	(1,536,435)	7,310,959	6,274,524

17 Pension and similar obligations

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

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

Contributions amounting to £12,497 were payable to the schemes at 31 August 2022 (2021: £13,417 and are included within creditors).

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £266,135 (2021: £296,388).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19% for employers and 5.5%-12.5% for employees.

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

Total contributions made	2022 £	2021 £
Employer's contributions	127,000	137,000
Employees' contributions	30,000	33,000
	<hr/>	<hr/>
Total contributions	157,000	170,000
	<hr/>	<hr/>

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.3	4.3
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.8	2.8
	<hr/>	<hr/>

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations

(Continued)

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

	2022 Years	2021 Years
Retiring today		
- Males	22.3	22.4
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.7	23.9
- Females	26.8	26.9

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

	2022 £	2021 £
Discount rate + 0.1%	(63,000)	(100,000)
Discount rate - 0.1%	64,000	102,000
Mortality assumption + 1 year	59,000	147,000
Mortality assumption - 1 year	(58,000)	-142,000
CPI rate + 0.1%	64,000	103,000
CPI rate - 0.1%	(63,000)	(101,000)

Defined benefit pension scheme net liability

	2022 £	2021 £
Scheme assets	2,676,000	2,364,000
Scheme obligations	(2,863,000)	(4,570,000)
Net liability	(187,000)	(2,206,000)

The academy trust's share of the assets in the scheme

	2022 Fair value £	2021 Fair value £
Equities	1,262,000	1,194,000
Bonds	118,000	125,000
Cash	43,000	50,000
Property	292,000	236,000
Other assets	961,000	759,000
Total market value of assets	2,676,000	2,364,000

The actual return on scheme assets was £182,000 (2021: £280,000).

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2022 £	2021 £
Current service cost	240,000	232,000
Interest income	(41,000)	(36,000)
Interest cost	77,000	67,000
Administration expenses	3,000	3,000
Total operating charge	279,000	266,000
Changes in the present value of defined benefit obligations	2022 £	2021 £
At 1 September 2021	4,570,000	3,754,000
Current service cost	240,000	232,000
Interest cost	77,000	67,000
Employee contributions	30,000	33,000
Actuarial (gain)/loss	(2,030,000)	507,000
Benefits paid	(24,000)	(23,000)
At 31 August 2022	2,863,000	4,570,000
Changes in the fair value of the academy trust's share of scheme assets	2022 £	2021 £
At 1 September 2021	2,364,000	1,940,000
Interest income	41,000	36,000
Actuarial gain	141,000	244,000
Employer contributions	127,000	137,000
Employee contributions	30,000	33,000
Benefits paid	(24,000)	(23,000)
Effect of non-routine settlements and administration expenses	(3,000)	(3,000)
At 31 August 2022	2,676,000	2,364,000

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(132,820)	(14,557)
Adjusted for:			
Capital grants from DfE and other capital income		(20,571)	(33,698)
Defined benefit pension costs less contributions payable	17	116,000	98,000
Defined benefit pension scheme finance cost	17	36,000	31,000
Depreciation of tangible fixed assets		186,703	197,462
(Increase)/decrease in debtors		(24,852)	1,508
(Decrease) in creditors		(25,842)	(171,135)
Net cash provided by operating activities		134,618	108,580

19 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	1,207,470	118,884	1,326,354

20 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	67,438	67,554
Amounts due in two and five years	227,218	168,096
Amounts due after five years	504,288	630,360
	798,944	866,010

21 Related party transactions

A Fleckney, son of J Fleckney, a trustee, is employed by the academy trust as a teacher. A Fleckney's appointment was made in open competition and J Fleckney was not involved in the decision-making process regarding appointment. A Fleckney is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

HAWES SIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Members' liability

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