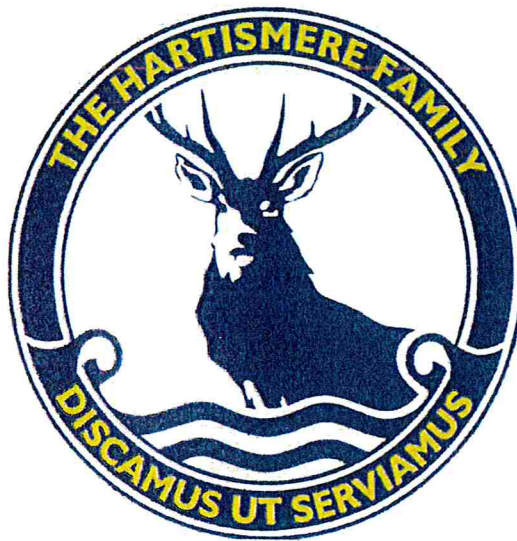


Hartismere Family of Schools
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2020



Company Registration Number: 07341583
(England and Wales)

HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

Members	Marion Ravenhill Barbara Bailey Neil Cave Sara Michell Christopher Aldous
Trustees	Marion Ravenhill, Chair Dr John Battersby Christopher Aldous Simon Hooton Lee Macdonald James McAtear Nicholas Roche
Company registered number	07341583
Company name	Hartismere Family of Schools
Principal and registered office	Castleton Way Eye Suffolk IP23 7BL
Company secretary	Deborah Ebbage
Chief executive officer	James McAtear
Chief finance officer	Deborah Ebbage
Independent auditors	CG LEE LIMITED Chartered Certified Accountants Ingram House Meridian Way Norwich Norfolk NR7 0TA
Bankers	Lloyds Bank Cornhill North Ipswich Branch 13 Cornhill Ipswich IP1 1DG
Solicitors	Stone King LLP Wellington House East Road Cambridge CB1 1BH

HARTISMERE FAMILY OF SCHOOLS
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Hartismere Family of Schools' Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2019 to 31 August 2020. The annual report serves the purpose of both the trustees' report and a directors' report under company law.

Hartismere School gained approval to become a Multi Academy Trust in December 2015 and following this Benjamin Britten Academy of Music and Mathematics joined the trust in May 2016 as a sponsored academy. In April 2018 Woods Loke Primary School also joined the Trust followed by Somerleyton Primary School in January 2019, both as converter academies. The trust currently operates two secondary schools and two primary schools, Hartismere School for pupils aged 11-19, Benjamin Britten Music and Mathematics Academy for pupils aged 11-16, Woods Loke Primary School for pupils aged 3-11 and Somerleyton Primary School for pupils aged 4-11. All schools are located in north Suffolk. Its academies had a combined pupil roll of 2,622 in the school census on 1 October 2020.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee (registration number 07341583) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Hartismere Family of Schools are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hartismere Family of Schools.

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

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.

Trustee's Indemnities

The academies within the trust are covered by the Risk Protection Arrangement scheme through the Education and Skills Funding Agency to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. There were no provisions required for third party indemnity during the period.

Method of Recruitment and Appointment or Election of Trustees

The management of the company is the responsibility of the trustees who are appointed under the terms of the articles of association by the members. Trustees have been elected and co-opted on the basis of their skills and experience.

Trustees are subject to retirement after a term of 4 years, after the term they are eligible for re-election. The make-up of the members and trustees includes experienced professionals, who have an excellent understanding of the operational and legal requirements of running an establishment such as Hartismere Family of Schools.

Policies & Procedures Adopted for the Induction and Training of Trustees

During the period under review, the trustees held 3 full governing body meetings, 3 finance and audit committee meetings and 12 local governor body meetings.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trust ensures that all new trustees receive an induction from the Chair of Trustees and/or the Chief Executive Officer. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Trustees carry out an annual review of the composition of the board in terms of skills, effectiveness, leadership and impact. Any areas of weaknesses identified would be addressed through recruitment, training or other development activities. Training is recorded and reviewed on a regular basis to ensure the appropriate training is arranged for new and existing trustees.

No expenses were claimed during the period.

Organisational Structure

The trust has established a structure which consists of 3 levels: the members; the trustees and local governors. Committees also exist and have clear delegated responsibilities approved by the board on an annual basis. The Chief Executive Officer is the Accounting Officer.

The members:

- are the subscribers to the trust's memorandum of association
- may amend the articles of association subject to any restrictions
- may appoint new members or remove existing members
- have powers to appoint and remove trustees
- may, by special resolution, issue direction to the trustees to take specific action
- appoint the trust's auditor and receive the trust's audited annual accounts
- have the power to change the name of the company and, ultimately, wind up the academy trust

Trustees focus on the three core functions of governance:

- ensuring clarity of vision, ethos and strategic direction
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- overseeing and ensuring effective financial outcomes

Trustees ensure regularity and propriety in the use of the trust's funds, and achieve economy, efficiency and effectiveness – value for money.

The trustees are responsible for setting general policy, adopting an annual plan and balanced budget, monitoring the company's financial performance and educational outcomes, capital expenditure, making senior staff appointments and approving major investment programmes.

The board has delegated functions to the following committees:

- finance and audit
- performance and steering
- hearings
- appeals
- pupil discipline
- admissions

Woods Loke Primary School and Somerleyton Primary School have powers delegated to them for operational and budgetary matters through the Scheme of Delegation which is reviewed at least annually.

The local governing body at each academy is made up of a mix of local people including staff and parents. They have responsibilities delegated to them by the trustees which are detailed in the scheme of delegation document. This allows a focus on achievement and progress at a local level.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Each layer of the organisation is structured according to a set of terms of reference with associated delegation of authority for all decision making matters. Each group meets regularly throughout the academic year through a series of structured and systematic meetings.

There are senior leadership teams at each academy. These teams are responsible for the day to day operation of the academies, in particular organising the teaching staff, facilities and students.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel for the trust are appointed by the trustees. Decisions for setting pay follow a robust evidence based process reflective of the individual's role and responsibilities.

In accordance with the approved terms of reference the performance committee together with the independent School Improvement Partner carry out the CEO's professional development review setting objectives and targets (including financial) for the academic year ahead and ensuring the degree of challenge has been taken into account. The performance committee recommends to the board any proposed pay increase for formal discussion and approval. The board ensures that decisions about executive pay reflect independent and objective scrutiny and that conflicts of interest are avoided. Trustees ensure that the pay of the CEO is defensible relative to the public sector market and that the rationale behind the decision making reflects value for money and is recorded and retained in accordance with the Academies Financial Handbook.

Trade Union Facility Time
Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
None	219.8

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	£7,372,455
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 trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) 100	0%
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Related Parties and other Connected Charities and Organisations

- The trust has continued to work with Schools Direct to provide Initial Teacher Training
- Hartismere School is a National Support School

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

- Hartismere School is a partner of a Teaching School named 'Encompass'
- Hartismere Schools operates as a regional centre for the delivery of NPQ qualifications

Engagement with employees (including disabled persons)

The trust engages with its employees as follows:

- Employees receive regular updates via Leadership communications, staff briefings, emails and by Zoom meetings in the current circumstances to ensure that they are provided with all the information on matters of concern to them
- Staff surveys are carried out on a regular basis so that the views of employees can be considered in making decisions which are likely to affect their interests
- All employees receive a performance development review in the Autumn term each year which gives a constructive and flexible review. This allows employees and managers to identify learning and development opportunities, review progress and plan for future development. The trust has an excellent programme of training opportunities. The performance of employees is key to the success of the trust.
- It is important that employees feel informed and valued. Effective communication helps engage employees and to achieve a common awareness of the factors affecting the performance of the trust.
- The trust has in place an Equality Information and Objectives Statement. We believe that equality in our trust should permeate across all aspects of the trust. Every member of the trust should feel safe, secure, valued and of equal worth. The trust does not discriminate against any disabled person in any situation.

Engagement with suppliers, customers and others in a business relationship with the trust

The trust has due regard for building strong, mutually beneficial business relationships with suppliers, customers and other stakeholders. Core values underpin these relationships – honesty, integrity and respect for people. Good relationships depend on both sides working together to achieve their objectives.

Objectives and Activities

Objects and Aims

The trust aims to provide the best teaching and learning opportunities for the students possible.

It further aims to create opportunities for young people to learn to be givers to their community.

Its objective is to develop well-balanced young people who have their minds as sharp as possible but who recognise their responsibilities to make a real contribution to their communities.

Objectives, Strategies and Activities

The following is a brief summary of some of the main objectives of the trust during the period:

Hartismere Family of Schools

- To complete the bid to open a new free school at Chilton Leys
- To scale up the range of centralised services including finance, computing, legal and site maintenance

Hartismere School

- Raising the funds to implement the plan to erect a squash court for school and community use
- Raising the funds to create a theatre
- Achieving a Progress 8 score in excess of +0.2

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

- Raising the percentage of GCSE 5 - 9 grades for English and Maths to a figure in excess of 65%
- Raising the percentage of GCSE 4 - 9 grades for English and Maths to a figure in excess of 75%
- Maintaining Sixth form numbers in excess of 195
- Implementing curriculum changes in RSE, RE and Cultural Studies

Benjamin Britten Academy

- Raising the Progress 8 score to better than +0.06

Somerleyton Primary

- Installing a preschool provision

Woods Loke Primary

- Installing a Teacher Training Centre

Public Benefit

The trustees apply the highest standards of governance and take full ownership of their duties. Trustees ensure that they comply with the trust's charitable objects, with company and charity law, and with their funding agreement.

A summary of their duties are to:

- act within their powers
- promote the success of the company
- exercise independent judgement
- exercise reasonable care, skill and diligence
- avoid conflicts of interest
- not to accept benefits from third parties
- declare interest in proposed transactions or arrangements

Trustees have due regard at all times to the Charity Commission's published guidance (Charity Commission website at Charities and Public Benefit) on public benefit and refer to this guidance when reviewing our aims, strategies and in planning future activities. All activities undertaken by the Academy are for the public benefit.

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

Strategic Report

The following is a brief summary of some of the main achievements and performance of the trust during the period:

Hartismere Family of Schools

- All schools and the Sixth Form are oversubscribed
- All schools have a positive end of year financial balance
- All schools are Good or Outstanding
- The Trust has been reassigned as the regional provider for the NPQ programmes
- All examination results in all key stages have improved further
- Hartismere School passed a Health and Safety Executive Covid-19 inspection successfully

Achievements and Performance

Key Performance Indicators

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Hartismere School converted to Academy status on 1 September 2010. The school has been rated "outstanding" three times by OFSTED in February 2010, November 2014 and November 2018. Approval was given in December 2015 for the school to become a multi academy trust and at the same time changed its name to Hartismere Family of Schools. Benjamin Britten Academy joined the trust on 1 May 2016, Woods Loke Primary on 1 April 2018 and Somerleyton Primary on 1 January 2019.

The total number of students on roll across the trust in the autumn term 2020 numbered 2,622. For 2020/21 the following PAN (Pupil Admissions Number) applies to the academies within the trust; Hartismere School 147, Benjamin Britten 215, Woods Loke Primary 60 and Somerleyton Primary 8.

Hartismere School

Examination results for 2020 were third highest in Suffolk at GCSE and the best in Suffolk at A level

Benjamin Britten Academy

Examination results for 2020 were much improved on 2019:

- The school had been rated 'Good' with 'Outstanding Leadership' by Ofsted in May 2019
- Expected pupil numbers for 2020 entry are 275

Somerleyton Primary

A recently achieved Ofsted rating of 'Good' has acknowledged the hard work and success of the Headteacher and Governing Body as well as the staff and children at the school

Woods Loke Primary

A recently achieved Ofsted rating of 'Good' has acknowledged the hard work and success of the Headteacher and Governing Body as well as the staff and children at the school

Going Concern

The LGPS is reported in accordance with FRS102 and shows a pension fund deficit at the year end of £3,902,000. This means that there is a deficit on restricted general funds of £3,120,918 on the Balance Sheet. The Trustees have considered this and do not believe that this gives the Trust a going concern problem as it has restricted reserves of £781,082 (excluding the pension reserve) and unrestricted funds of £225,584 at the year end. In addition the Department for Education has guaranteed that any outstanding LGPS liabilities on the closure of an academy will be met by the department. The school budget indicates that it will be able to continue in operation and service its obligations for the foreseeable future.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The Trust has submitted a business case to the ESFA for Estimates funding for 2020/21 to accommodate continued significant increases in numbers at Benjamin Britten.

Promoting the Success of the Company

The board of trustees has suitable access to the information needed to allow it to make informed business decisions. Trustees have a duty to promote the success of the company in good faith, for the benefit of its members as a whole, and in doing so have due regard for the following:

- The likely consequences in the long term
- The interests of the trust's employees
- The need to foster business relationships with suppliers, customers and others
- The impact of the trust's operations on the community and the environment
- The desirability of the trust maintaining a reputation for high standards

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

- The need to act fairly, within powers and exercise reasonable care, skill and diligence

Financial Review

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education and Skills Funding Agency (ESFA) during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy has also been in receipt of capital grants from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £15,147,006 was covered by recurrent grant funding together with other income. The excess of income over expenditure for the year before pension and restricted fixed assets was £649,713 represented by an increase of restricted general funds of £590,359 (excluding pension reserve) and an increase in unrestricted funds of £59,354.

Reserves balances were held at 31 August 2020 of surplus £781,082 restricted general funds (excluding pension reserve) and surplus £225,583 unrestricted income funds totalling a surplus of £1,006,665.

At 31 August 2020 the net book value of fixed assets was £26,331,634 and movements in intangible and tangible fixed assets are shown within notes 15 and 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS 102, the academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31 August 2020 and supporting note to the accounts number 26.

Reserves Policy

The Academy held fund balances at 31 August 2020 of £23,447,002 comprising of £225,583 in unrestricted funds, £781,082 in restricted general funds, £26,342,337 in the restricted fixed asset fund and a £3,902,000 deficit on the pension fund.

The total of restricted and unrestricted general funds held at 31 August 2020 was a deficit of £2,895,335.

The reserve levels of each academy are closely monitored to ensure that financial commitments can be met. The trust will not allow any bank accounts to go overdrawn.

Investment Policy

The trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations for the direct benefit of its students. Any investments held will be included in the financial statements.

Principal Risks and Uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances. The trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover by opting into the Risk Protection Arrangement scheme operated by the Education and Skills Funding Agency. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The trustees have considered the need for a specific internal audit function and have appointed Schools' Choice as the Responsible Officer. However, the trustees have appointed Schools' Choice as the Responsible Officer. Across the trust six visits per year complete an independent review of the financial systems, and a written report provided giving feedback on how the trust's financial affairs are being discharged. The written report includes action points identifying any areas for improvement and a trust rag rated dashboard.

This provides the trustees with assurance that:

- the financial responsibilities of the trustees are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

As a multi academy trust, the level of financial risk mainly occurs around certainty of year on year funding, cash flow and actuarially assessed pension fund deficit.

The trustees have identified these areas and manage the impact of cash flow by monitoring monthly cash flows projected on a regular basis against actual cash flows and bank balances. Future budgets are monitored in line with staffing levels/costs.

The Covid-19 pandemic has created risks, challenges and significant uncertainties across all areas of the trust during the period. Trustees are satisfied that senior leaders have completed risk assessments specifically for the Covid pandemic and that these will continue to be monitored and acted upon in line with DfE and Government guidelines to mitigate the impact.

Fundraising

Trustees have overall responsibility and accountability for the fundraising within the trust.

Trustees operate effective control by:

- setting the trust's approach to fundraising
- ensuring fundraising conforms to recognised standards
- acting in the best interests of the trust
- having robust financial controls in place and risks managed
- protecting vulnerable people from undue pressure to donate

The students within the trust carry out fundraising activities and the funds are then donated to their chosen charities. Hartismere Family of Schools has now supported more than 100 charities, 'The Hartismere Hundred', with donations of more than £125k. The trust does not work with any commercial participators/professional fundraisers. Trustees refer to the Charity Commission publication "Charity fundraising: a guide to Trustee duties CCC20)" for guidance.

Streamlined Energy and Carbon Reporting

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans For Future Periods

Hartismere Family of Schools

- To ensure that each school sets and achieves a budget with an in-year financial surplus
- To ensure that the Trust, as a whole, achieves an in-year financial surplus
- To ensure that each school achieves an Ofsted grade that is Good or Outstanding
- To achieve positive progress scores in all Trust schools at all Key Stages
- To ensure that all Trust schools are oversubscribed
- To ensure that all aspects of the Trust estate is in adequate to outstanding condition
- To grow to include a fifth school and a total of over 3,000 pupils

Funds Held as Custodian Trustee on Behalf of Others

The Academy trust does not hold any funds on behalf of others.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

Trustees' report, incorporating a strategic report, approved by order of the members of the Board of Trustees
on 15/1/21 and signed on the Board's behalf by:

Signed



M Ravenhill
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the chief executive officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hartismere Family of Schools and the Secretary of State for Education. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Marion Ravenhill, Chair	3	3
Dr John Battersby	3	3
Christopher Aldous	2	3
Simon Hooton	3	3
Lee Macdonald	3	3
James McAtear	3	3
Nicholas Roche	3	3

There were no changes to the board during the period.

The Local Governing Bodies also met during the period and attendance was as follows:

Hartismere School

Local Governor	Meetings attended	Out of a possible
Ian Portway (Chair)	2	3
Christina Odams	2	3
Claire Jones	3	3
Richard Miller	3	3
James McAtear (CEO and Accounting Officer)	2	3
Godfrey Musgrave-Brown	3	3
Richard Hewitt	3	3
Karen Wykkes (appointed 01/02/2020)	2	2

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GOVERNANCE STATEMENT (continued)

Woods Loke Primary

The Local Governing Body at Woods Loke did not meet during the Summer term 2020 due to Covid-19.

Local Governor	Meetings attended	Out of a possible
Phil Humphrey	2	2
Cindy Peek	0	2
Shirley Slade	2	2
Sarah Agger	0	2
Nicola Rowland	0	2
Steven Wood	2	2
Alison Norman	2	2
Chris Comyn (resigned 31/01/2020)	1	2
Jo Woolnough (appointed 01/02/2020)	1	2
Joel Crawley (Headteacher)	2	2

Benjamin Britten Academy

Local Governor	Meetings attended	Out of a possible
Melanie Dobromylskyi (appointed 27/02/2020)	2	2
Adam Youngman (appointed 27/02/2020)	2	2
Imogen Thurbon (appointed 27/02/2020)	2	2
Sarah Jarrett (appointed 27/02/2020)	2	2
Julie Hall (appointed 18/03/2020)	2	2
James McAtear (CEO, Accounting Officer and temporary Chair)	2	2

The Local Governing Body at Benjamin Britten was established in Spring term 2020 bringing a wide range of skills sets. Two meetings were held during the period to 31 August 2020. James McAtear is currently acting as temporary Chair whilst the body establishes itself.

Somerleyton Primary

Local Governor	Meetings attended	Out of a possible
Jon Harrowven (Chair)	3	3
Jon Baldry	2	3
Rachael Stanley (was Lewis)	2	3
Chris Reynolds	3	3
Chris Bentley (resigned 08/10/2020)	2	3
Sam Duvall	2	3
Paul Ashdown (resigned 07/05/2019)	0	2
Stuart Ward (resigned 07/05/2019)	0	2
Louise Spall	3	3

Review of Value for Money

As accounting officer, the chief executive officer has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy'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,

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GOVERNANCE STATEMENT (continued)

including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

- ensuring good, robust financial governance and oversight
- regular review of controls and risk management
- maximising income generation
- economic, efficient and effective use of resources
- the avoidance of waste
- prudent and economical administration
- raising student attainment

As a multi academy trust savings have been made using economies of scale with purchases and by centralising the trust's finances. During the period 2019/20 a number of major projects, including CIF funded roof replacements and asbestos removal projects, were completed. All the major projects were subject to the trust's purchasing procedures. In conjunction with Vertas utility costs continue to be monitored with the aim of achieving savings across the trust. A contracts register for all academies within the trust is maintained to ensure that contracts are reviewed on a timely basis ensuring value for money. Toolkits provided by the ESFA have continued to be used and also proved extremely beneficial.

During the Covid-19 pandemic the trust has complied with the Procurement Policy Notes and the supporting guidance notes issued by the ESFA to secure the continuity of crucial services in the medium and long term. The trust will continue to monitor ESFA guidance and comply accordingly.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hartismere Family of Schools for the period 1 September 2019 to 31 August 2020 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 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's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The board of trustees has decided:

- to buy in an internal audit service from Schools Choice

The internal scrutiny arrangements for the trust have not been affected by the requirements of the newly revised FRC Ethical Standard to auditors as School Choice were already appointed to carry out this service.

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

- Payroll
- Purchasing
- Petty Cash
- Income Controls
- Monitoring & Review
- Governance
- Planning Cycle & Budget
- Inventory & Security
- Tax
- Data Security
- Insurance

On a regular basis, Schools Choice reports to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The full schedule had completed during the period to 31st August 2020 except for the final visit to Woods Loke Primary which due to Covid-19 and the school closure during summer term 2020 was not carried out. There were no material control issues arising as a result of the internal auditor's work. A full schedule of visits is planned to be carried out during 2020/21 either remotely or on site.

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 15/11/21 and signed on their behalf, by:

Marion Ravenhill
Chair of Trustees



James McAtear
Accounting Officer



HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hartismere Family of Schools I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust 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 2019.

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.

James McAtear
Accounting Officer



HARTISMERE FAMILY OF SCHOOLS
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

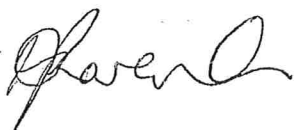
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 15/1/21 and signed on its behalf by:



Marion Ravenhill
Chair of Trustees

HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARTISMERE FAMILY OF SCHOOLS**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

HARTISMERE FAMILY OF SCHOOLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARTISMERE FAMILY OF SCHOOLS**

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

HARTISMERE FAMILY OF SCHOOLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARTISMERE FAMILY OF SCHOOLS**

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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


Graham David Lyon FCCA (Senior statutory auditor)

CG LEE LIMITED

Chartered Certified Accountants
Statutory Auditor

Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

Date: 15 January 2021

HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HARTISMERE FAMILY OF SCHOOLS AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hartismere Family of Schools during the year 1 September 2019 to 31 August 2020 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 Hartismere Family of Schools and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hartismere Family of Schools and the 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 Hartismere Family of Schools and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hartismere Family of Schools' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hartismere Family of Schools's funding agreement with the Secretary of State for Education dated 1 September 2010, and the Academies Financial Handbook extant from 1 September 2018, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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's income and expenditure.

HARTISMERE FAMILY OF SCHOOLS
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HARTISMERE FAMILY OF SCHOOLS AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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 year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

CG Lee Limited

For and on behalf of CG LEE LIMITED

Chartered Certified Accountants
Statutory Auditor

Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

Date: *15 January 2021*

HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	2	10,258	2,200	420,521	432,979	1,327,477
Charitable activities	3	2,237	13,483,152	-	13,485,389	12,484,008
Other trading activities	4	464,561	539,275	-	1,003,836	1,213,857
Investments	5	866	-	-	866	716
Transfer from local authority on conversion		-	-	-	-	386,609
TOTAL INCOME		477,922	14,024,627	420,521	14,923,070	15,412,667
EXPENDITURE ON:						
Raising funds		366,544	149,477	-	516,021	629,938
Charitable activities	6	52,024	13,284,791	1,294,170	14,630,985	13,837,483
TOTAL EXPENDITURE	8	418,568	13,434,268	1,294,170	15,147,006	14,467,421
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	21	59,354	590,359	(873,649)	(223,936)	945,246
		-	(486,891)	486,891	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		59,354	103,468	(386,758)	(223,936)	945,246
Actuarial losses on defined benefit pension schemes	26	-	(704,000)	-	(704,000)	(1,054,000)
NET MOVEMENT IN FUNDS		59,354	(600,532)	(386,758)	(927,936)	(108,754)
RECONCILIATION OF FUNDS:						
Total funds brought forward		166,229	(2,520,386)	26,729,095	24,374,938	24,483,692
TOTAL FUNDS CARRIED FORWARD		225,583	(3,120,918)	26,342,337	23,447,002	24,374,938

HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)
REGISTERED NUMBER: 07341583

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Intangible assets	15		3,651		8,661
Tangible assets	16		26,327,983		26,747,093
			<u>26,331,634</u>		<u>26,755,754</u>
CURRENT ASSETS					
Stocks	17	3,523		4,675	
Debtors	18	371,700		397,855	
Cash at bank and in hand		1,746,232		1,331,012	
		<u>2,121,455</u>		<u>1,733,542</u>	
CREDITORS: amounts falling due within one year	19	(1,104,087)		(1,221,432)	
NET CURRENT ASSETS			<u>1,017,368</u>		<u>512,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,349,002</u>		<u>27,267,864</u>
CREDITORS: amounts falling due after more than one year	20		-		(926)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>27,349,002</u>		<u>27,266,938</u>
Defined benefit pension scheme liability	26		(3,902,000)		(2,892,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>23,447,002</u>		<u>24,374,938</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	781,082		371,614	
Restricted fixed asset funds	21	26,342,337		26,729,095	
Restricted income funds excluding pension liability		<u>27,123,419</u>		<u>27,100,709</u>	
Pension reserve		(3,902,000)		(2,892,000)	
Total restricted income funds			<u>23,221,419</u>		<u>24,208,709</u>
Unrestricted income funds	21		225,583		166,229
TOTAL FUNDS			<u>23,447,002</u>		<u>24,374,938</u>

HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2020

The financial statements on pages 23 to 52 were approved by the trustees, and authorised for issue, on and are signed on their behalf, by:

Marion Ravenhill
Chair of Trustees



HARTISMERE FAMILY OF SCHOOLS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	23	865,342	814,910
Cash flows from investing activities:			
Dividends, interest and rents from investments		866	716
Purchase of tangible fixed assets		(863,453)	(1,318,533)
Capital grants from DfE Group		432,979	1,327,477
Purchase of intangible fixed assets		-	(5,787)
Net cash (used in)/provided by investing activities		(429,608)	3,873
Cash flows from financing activities:			
Repayments of borrowings		(20,514)	(26,358)
Net cash used in financing activities		(20,514)	(26,358)
Change in cash and cash equivalents in the year		415,220	792,425
Cash and cash equivalents brought forward		1,331,012	538,587
Cash and cash equivalents carried forward	24	1,746,232	1,331,012

HARTISMERE FAMILY OF SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hartismere Family of Schools constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence and services its obligations for the foreseeable future. There are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. They are aware that an application has been made to the ESFA for a further year of estimates funding for 95 additional students at Benjamin Britten in 2020/21. An outcome is expected in January 2021.

HARTISMERE FAMILY OF SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure account in the year 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 an entitlement and are not deferred over the life of the asset on which they are expended.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Donations and capital grant income to the net assets received.

HARTISMERE FAMILY OF SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Purchased computer software	-	33%
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1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

HARTISMERE FAMILY OF SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

Freehold Buildings (Hartismere)	-	2%
Freehold Main School Buildings (Hartismere)	-	3.7%
Long Leasehold Buildings (Benjamin Britten)	-	2.85%
Long Leasehold Buildings (Woods Loke)	-	2.44%
Long Leasehold Buildings (Somerleyton)	-	3.33%
Historical Cost Assets (Hartismere)	-	12.5%
Lighting Upgrades (Hartismere)	-	5%
Biomass Boiler (Hartismere)	-	7%
All Weather Surface Pitches	-	10%
Furniture and Equipment	-	10%
Computer Hardware	-	33%
Plant & Machinery (Woods Loke)	-	9.09%
Plant and Machinery (Somerleyton)	-	16.67%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

HARTISMERE FAMILY OF SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

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.

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. 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 instruments.

1.13 Taxation

The academy 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 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.

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1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and Department for Education Group.

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1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2020. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	10,258	2,200	-	12,458	15,630
Grants	-	-	420,521	420,521	1,311,847
	<u>10,258</u>	<u>2,200</u>	<u>420,521</u>	<u>432,979</u>	<u>1,327,477</u>
Total 2019	<u>23,393</u>	<u>(7,763)</u>	<u>1,311,847</u>	<u>1,327,477</u>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	11,622,990	11,622,990	10,890,350
Pupil Premium	-	592,424	592,424	548,557
School Centred Initial Teacher Training	-	700	700	94,228
Rates	-	75,428	75,428	74,043
Year 7 Catch Up Grant	-	31,061	31,061	30,179
Teachers Pay Grant	-	161,449	161,449	99,201
Teaching School Core Grant	-	38,567	38,567	40,000
NPQ Scholarship Grant	-	32,133	32,133	49,500
School Games Organiser	-	23,800	23,800	23,800
FSM Supplementary Grant	-	24,640	24,640	28,160
National Leaders In Education Grant	-	2,000	2,000	9,000
High Tariff Needs Funding	-	108,233	108,233	103,379
Academy Trips	2,237	116,630	118,867	324,533
Teachers' Pension Employer Contribution Grant	-	456,210	456,210	-
PPG LAC Funding	-	10,201	10,201	10,163
Moderation	-	600	600	-
Start Up Grant	-	-	-	9,768
PE and Sports Grant	-	11,340	11,340	80,227
Early Years Funding	-	120,848	120,848	-
Universal Infant Free School Meals	-	53,898	53,898	68,920
	<u>2,237</u>	<u>13,483,152</u>	<u>13,485,389</u>	<u>12,484,008</u>
Other government grants				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other funding				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,237</u>	<u>13,483,152</u>	<u>13,485,389</u>	<u>12,484,008</u>
Total 2019	<u>5,000</u>	<u>12,479,008</u>	<u>12,484,008</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of Facilities	32,215	-	32,215	54,115
Uniform Sales	8,242	-	8,242	10,240
Product Donations	12,330	-	12,330	23,227
Exam Resits	2,430	-	2,430	5,085
Music Services Income	12,003	-	12,003	15,944
Fundraising	12,344	-	12,344	16,352
Catering Income	238,538	-	238,538	327,895
Income from Services Provided	71,828	(9,849)	61,979	81,020
Items Sold	26,994	-	26,994	41,486
Hospitality Income	2	-	2	84
Head Office Recharge	-	549,624	549,624	589,891
Services to Other Schools	10,392	-	10,392	7,257
Nursery Lunches	16,916	(500)	16,416	14,391
Sponsor Income	-	-	-	20
PGCE/Trainee Student Income	20,327	-	20,327	26,850
	<u>464,561</u>	<u>539,275</u>	<u>1,003,836</u>	<u>1,213,857</u>
Total 2019	<u>618,467</u>	<u>595,390</u>	<u>1,213,857</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	866	-	866	716
	<u>866</u>	<u>-</u>	<u>866</u>	<u>716</u>
Total 2019	<u>716</u>	<u>-</u>	<u>716</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Total funds 2020 £	Total funds 2019 £
Academy trust educational operations	52,024	14,578,961	14,630,985	13,837,483
<i>Total 2019</i>	47,736	13,789,747	13,837,483	

7. CHARITABLE ACTIVITIES

	Total funds 2020 £	Total funds 2019 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	6,687,805	6,171,071
National insurance	662,857	536,082
Pension cost	1,812,496	1,172,380
Depreciation	1,287,573	1,242,474
Other Support Costs	1,608,571	2,098,847
Subtotal	12,059,302	11,220,854
Other	-	72,042
	12,059,302	11,292,896
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	922,661	884,253
National insurance	61,125	57,580
Pension cost	212,305	205,395
Technology costs	54,844	64,717
Premises costs	896,548	877,810
Other support costs	403,494	433,756
Governance costs	20,706	21,076
	2,571,683	2,544,587
	14,630,985	13,837,483

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. EXPENDITURE

	Staff costs 2020 £	Premises 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading					
Direct costs	-	-	516,021	516,021	629,938
Support costs	-	-	-	-	-
Academy trust educational:					
Direct costs	9,163,158	1,287,573	1,608,571	12,059,302	11,292,896
Support costs	1,196,091	896,654	478,938	2,571,683	2,544,587
	<u>10,359,249</u>	<u>2,184,227</u>	<u>2,603,530</u>	<u>15,147,006</u>	<u>14,467,421</u>
Total 2019	<u>9,098,803</u>	<u>2,120,284</u>	<u>3,248,334</u>	<u>14,467,421</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Academy trust educational operations	<u>12,059,302</u>	<u>2,571,683</u>	<u>14,630,985</u>	<u>13,837,483</u>
Total 2019	<u>11,292,896</u>	<u>2,544,587</u>	<u>13,837,483</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,282,563	1,227,801
Amortisation of intangible fixed assets	5,010	14,672
Auditors' remuneration - audit	15,000	13,500
Operating lease rentals	<u>63,421</u>	<u>73,655</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	7,537,329	6,803,289
Social security costs	723,982	665,703
Operating costs of defined benefit pension schemes	2,024,801	1,377,775
	<u>10,286,112</u>	<u>8,846,767</u>
Agency staff costs	45,537	98,151
Staff restructuring costs	27,600	153,885
	<u>10,359,249</u>	<u>9,098,803</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	27,600	153,885

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £27,600 (2019: £153,885). Individually, the payments were: £23,600, £2,000, £1,000 and £1,000.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	131	117
Administration and support	99	111
Management	8	8
	<u>238</u>	<u>236</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	1

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NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (continued)

In the band £100,001 - £150,000	1	1
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e. Key management personnel

The key management personnel of the academy trust comprises of 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 £282,629 (2019: £269,051).

12. CENTRAL SERVICES

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

- Head office services recharged

The academy charges for these services on the following basis:

The length of time spent per School is apportioned and recharged accordingly.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Hartismere	172,299	254,702
Benjamin Britten	377,325	335,189
	<u>549,624</u>	<u>589,891</u>
Total	<u>549,624</u>	<u>589,891</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
J McAtear (trustee and chief executive officer)	Remuneration	147,512	147,440
	Pension contributions paid	34,931	24,298

During the year ended 31 August 2020, expenses totalling £5,406 (2019 - £5,346) were reimbursed to 1 Trustee (2019 - 1).

J McAtear received remuneration totalling £104,368 (2019: £100,072) in respect of his role as head teacher within the trust, along with £43,144 (2019: £41,368) in respect of his role as chief executive officer within the trust.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim.

15. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2019 and 31 August 2020	59,144
Amortisation	
At 1 September 2019	50,483
Charge for the year	5,010
At 31 August 2020	55,493
Carrying amount	
At 31 August 2020	3,651
At 31 August 2019	8,661

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Computer equipment £
Cost					
At 1 September 2019	8,257,357	18,388,778	3,555,280	1,542,167	583,447
Additions	215,616	162,924	347,961	-	136,952
Disposals	-	-	-	-	(56,414)
At 31 August 2020	8,472,973	18,551,702	3,903,241	1,542,167	663,985
Depreciation					
At 1 September 2019	2,210,550	1,032,541	1,317,348	599,087	420,410
Charge for the year	314,520	399,187	347,030	125,591	96,235
On disposals	-	-	-	-	(56,414)
At 31 August 2020	2,525,070	1,431,728	1,664,378	724,678	460,231
Net book value					
At 31 August 2020	5,947,903	17,119,974	2,238,863	817,489	203,754
At 31 August 2019	6,046,807	17,356,237	2,237,932	943,080	163,037
					Total £
Cost					
At 1 September 2019					32,327,029
Additions					863,453
Disposals					(56,414)
At 31 August 2020					33,134,068
Depreciation					
At 1 September 2019					5,579,936
Charge for the year					1,282,563
On disposals					(56,414)
At 31 August 2020					6,806,085
Net book value					
At 31 August 2020					26,327,983
At 31 August 2019					26,747,093

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NOTES TO THE FINANCIAL STATEMENTS
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17. STOCKS

	2020	2019
	£	£
Finished goods and goods for resale	3,523	4,675

18. DEBTORS

	2020	2019
	£	£
Other debtors	14,703	6,219
Prepayments and accrued income	277,215	188,350
VAT recoverable	79,782	203,286
	<u>371,700</u>	<u>397,855</u>

19. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	151,003	372,222
Other taxation and social security	182,434	168,698
Other creditors	207,934	174,794
Accruals and deferred income	562,716	505,718
	<u>1,104,087</u>	<u>1,221,432</u>

	2020	2019
	£	£
Deferred income		
Deferred income at 1 September 2019	251,382	386,046
Resources deferred during the year	350,712	251,382
Amounts released from previous years	(251,382)	(386,046)
Deferred income at 31 August 2020	<u>350,712</u>	<u>251,382</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA rates reimbursed, academy trips and funds received in advance of goods and services.

20. CREDITORS: Amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	-	926

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted Funds						
General Funds	166,229	477,922	(418,568)	-	-	225,583
Restricted General Funds						
General Annual Grant (GAG)	257,224	12,172,114	(10,737,647)	(910,609)	-	781,082
Pupil Premium	-	592,424	(592,424)	-	-	-
Other ESFA/DfE Grants	-	789,087	(789,087)	-	-	-
Other Restricted Funds	114,390	471,002	(581,110)	(4,282)	-	-
Pension reserve	(2,892,000)	-	(734,000)	428,000	(704,000)	(3,902,000)
	<u>(2,520,386)</u>	<u>14,024,627</u>	<u>(13,434,268)</u>	<u>(486,891)</u>	<u>(704,000)</u>	<u>(3,120,918)</u>
Restricted Fixed Asset Funds						
DfE/ESFA Capital Grants	1,432,588	420,521	(1,294,170)	-	-	558,939
Cap Ex from Grants	601,036	-	-	486,891	-	1,087,927
Other Capital Income	590,173	-	-	-	-	590,173
Transfer on Conversion	24,105,298	-	-	-	-	24,105,298
	<u>26,729,095</u>	<u>420,521</u>	<u>(1,294,170)</u>	<u>486,891</u>	<u>-</u>	<u>26,342,337</u>
Total restricted funds	<u>24,208,709</u>	<u>14,445,148</u>	<u>(14,728,438)</u>	<u>-</u>	<u>(704,000)</u>	<u>23,221,419</u>
Total of funds	<u>24,374,938</u>	<u>14,923,070</u>	<u>(15,147,006)</u>	<u>-</u>	<u>(704,000)</u>	<u>23,447,002</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the trust. The following transfers have been made from GAG: £428,000 to the restricted pension fund representing the costs of employer contributions towards the Local Government Pension Scheme and £476,225 to the restricted fixed asset fund for additions.

The trust is carrying a net surplus of £1,000,905 made up of £782,560 on restricted general funds (excluding pension reserve) plus unrestricted funds of £218,345 at 31 August 2020. The trust was successful in their application for estimates funding for Benjamin Britten for 2019/20. The trust has submitted an application for a further year of estimates funding for 2020/21 to the EFSA because of the continued rapid increase in pupil numbers at Benjamin Britten. Trustees will continue to monitor and take action as necessary.

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £	Total 2019 £
Hartismere School	286,923	195,617
Benjamin Britten Academy	293,285	66,530
Woods Loke Primary School	344,449	219,164
Somerleyton Primary School	52,628	19,145
Central Services	29,380	37,388
	<u>1,006,665</u>	<u>537,844</u>
Total before fixed asset fund and pension reserve	1,006,665	537,844
Restricted fixed asset fund	26,342,337	26,729,094
Pension reserve	(3,902,000)	(2,892,000)
Total	<u>23,447,002</u>	<u>24,374,938</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Hartismere School	3,570,876	354,791	335,521	978,002	5,239,190	5,231,135
Benjamin Britten Academy	3,665,525	448,755	348,212	1,320,037	5,782,529	5,259,895
Woods Loke Primary School	1,496,188	158,945	46,463	260,921	1,962,517	1,909,426
Somerleyton Primary School	278,096	22,229	39,466	50,059	389,850	250,751
Central Services	130,179	233,664	28,619	92,883	485,345	573,740
	<u>9,140,864</u>	<u>1,218,384</u>	<u>798,281</u>	<u>2,701,902</u>	<u>13,859,431</u>	<u>13,224,947</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
General funds						
General Funds	16,716	647,576	(498,062)	-	-	166,230

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21. STATEMENT OF FUNDS (continued)

Restricted General Funds

General Annual Grant (GAG)	(148,877)	11,474,751	(10,532,564)	(536,087)	-	257,223
Start Up Grant	-	4,768	(4,768)	-	-	-
Pupil Premium	-	548,557	(548,557)	-	-	-
Other ESFA/DfE Grants	-	314,521	(314,521)	-	-	-
Other Restricted Funds	33,104	724,038	(634,727)	(8,024)	-	114,391
Pension reserve	(1,628,000)	(47,000)	(582,000)	419,000	(1,054,000)	(2,892,000)
	<u>(1,743,773)</u>	<u>13,019,635</u>	<u>(12,617,137)</u>	<u>(125,111)</u>	<u>(1,054,000)</u>	<u>(2,520,386)</u>

Restricted Fixed Asset Funds

DfE/ESFA Capital Grants	1,472,964	1,311,847	(1,352,222)	-	-	1,432,589
Cap Ex from Grants	475,925	-	-	125,111	-	601,036
Other Capital Income	590,172	-	-	-	-	590,172
Transfer on Conversion	23,671,689	433,609	-	-	-	24,105,298
	<u>26,210,750</u>	<u>1,745,456</u>	<u>(1,352,222)</u>	<u>125,111</u>	<u>-</u>	<u>26,729,095</u>
Total restricted funds	<u>24,466,977</u>	<u>14,765,091</u>	<u>(13,969,359)</u>	<u>-</u>	<u>(1,054,000)</u>	<u>24,208,709</u>
Total of funds	<u>24,483,693</u>	<u>15,412,667</u>	<u>(14,467,421)</u>	<u>-</u>	<u>(1,054,000)</u>	<u>24,374,939</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Intangible fixed assets	-	-	3,651	3,651
Tangible fixed assets	-	-	26,327,984	26,327,984
Current assets	269,949	1,828,582	22,923	2,121,454
Creditors due within one year	(44,367)	(1,047,500)	(12,220)	(1,104,087)
Provisions for liabilities and charges	-	(3,902,000)	-	(3,902,000)
	<u>225,583</u>	<u>(3,120,918)</u>	<u>26,342,337</u>	<u>23,447,002</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted general funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2019	2019	2019	2019
	£	£	£	£
Intangible fixed assets	-	-	8,661	8,661
Tangible fixed assets	-	-	26,747,094	26,747,092
Current assets	208,477	1,530,285	(5,220)	1,733,543
Creditors due within one year	(42,248)	(1,158,671)	(20,514)	(1,221,432)
Creditors due in more than one year	-	-	(926)	(926)
Provisions for liabilities and charges	-	(2,892,000)	-	(2,892,000)
	<u>166,229</u>	<u>(2,520,386)</u>	<u>26,729,095</u>	<u>24,374,938</u>

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(223,936)	945,246
Adjustment for:		
Depreciation charges	1,282,563	1,227,801
Interest receivable	(866)	(716)
(Increase) / decrease in stocks	1,152	9,204
(Increase) / decrease in debtors	26,155	(54,470)
Increase / (decrease) in creditors	(97,757)	220,649
Capital grants from DfE and other capital income	(432,979)	(1,327,477)
Defined benefit pension scheme obligation inherited	-	47,000
Defined benefit pension scheme cost less contributions payable	251,000	115,000
Defined benefit pension scheme finance cost	55,000	48,000
Fixed assets transferred from local authority on conversion	-	(430,000)
Amortisation	5,010	14,673
Net cash provided by operating activities	<u>865,342</u>	<u>814,910</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash in hand	1,746,232	1,331,012
Total	<u>1,746,232</u>	<u>1,331,012</u>

25. CAPITAL COMMITMENTS

At 31 August 2020 the academy had capital commitments as follows:

	2020	2019
	£	£
Contracted for but not provided in these financial statements	<u>138,802</u>	<u>103,826</u>

26. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2019.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,350,438 (2019 - £844,827).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £517,000 (2019 - £503,000), of which

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FOR THE YEAR ENDED 31 AUGUST 2020

26. PENSION COMMITMENTS (continued)

employer's contributions totalled £428,000 (2019 - £419,000) and employees' contributions totalled £89,000 (2019 - £84,000). The agreed contribution rates for future years are 27.7% from 1 April 2019 for Hartismere School, 31.0% for both Benjamin Britten Academy and Woods Loke Primary School and 28.0% for Somerleyton Primary School for employers and future years from 2020/21 will be determined by the funding strategy following the actuarial valuation at March 2016. The contribution rate for employees will be a variable % dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £14,600	5.50%
£14,601 to £22,800	5.80%
£22,801 to £37,100	6.50%
£37,101 to £46,900	6.80%
£46,901 to £65,600	8.50%
£65,601 to £93,000	9.90%
£93,001 to £109,500	10.50%

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

	2020	2019
Discount rate for scheme liabilities	1.70 %	1.80 %
Rate of increase in salaries	3.00 %	2.60 %
Rate of increase for pensions in payment / inflation	2.30 %	2.30 %
Inflation assumption (CPI)	2.10 %	2.50 %
Commutation of pensions to lump sums	63.00 %	63.00 %

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

	2020	2019
Retiring today		
Males	21.9	21.3
Females	24.1	23.5
Retiring in 20 years		
Males	22.7	22.3
Females	25.6	24.9

Sensitivity analysis	At 31 August 2020 £'000	At 31 August 2019 £'000
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FOR THE YEAR ENDED 31 AUGUST 2020

26. PENSION COMMITMENTS (continued)

0.5% decrease in Real Discount Rate	423	392
0.5% increase in the Salary Increase Rate	35	46
0.5% increase in the Pension Increase Rate	380	339

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equity instruments	3,182,460	2,508,180
Debt instruments	1,402,440	1,327,860
Property	485,460	1,081,960
Cash and other liquid assets	323,640	-
Total market value of assets	<u>5,394,000</u>	<u>4,918,000</u>

The actual return on scheme assets was £-48000 (2019 - £114,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2020 £	2019 £
Net interest cost	(55,000)	(48,000)
Current service cost (net of employee contributions)	(679,000)	(505,000)
Total	<u>(734,000)</u>	<u>(553,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	7,810,000	5,767,000
Upon conversion	-	138,000
Current service cost	679,000	505,000
Interest cost	151,000	171,000
Actuarial losses	704,000	1,054,000
Benefits paid	(89,000)	(52,000)
Employee contributions	89,000	84,000
Past service costs	-	29,000
Other remeasurements	(48,000)	114,000
Closing defined benefit obligation	<u>9,296,000</u>	<u>7,810,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2020 £	2019 £
Opening fair value of scheme assets	4,918,000	4,139,000
Upon conversion	-	91,000
Employer contributions	428,000	419,000
Employee contributions	89,000	84,000
Interest income	96,000	123,000
Benefits paid	(89,000)	(52,000)
Actuarial gain / (loss)	(48,000)	114,000
Closing fair value of scheme assets	<u>5,394,000</u>	<u>4,918,000</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2020 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	48,036	60,021
Between 1 and 5 years	29,568	67,144
Total	<u>77,604</u>	<u>127,165</u>

28. MEMBERS' LIABILITY

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The academy trust paid £13,034 to G A Marshall, a builders merchants owned by the spouse of S Marshall, an employee of the academy trust.

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29. RELATED PARTY TRANSACTIONS (continued)

The academy trust paid £3,391 to J & R Services, a garage services owned by the spouse of S Rhodes, an employee of the academy trust.

The academy trust paid £3,454 to Capelli Salon Supplies, a salon owned by V Rogers, an employee of the academy trust.