

Company Registration No. 10499669 (England and Wales)

**HOULTON CHURCH OF ENGLAND MAT  
(A COMPANY LIMITED BY GUARANTEE)**

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

# HOULTON CHURCH OF ENGLAND MAT

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# HOULTON CHURCH OF ENGLAND MAT

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	Mr C Cocksworth Mr P Tribe Mrs L Wainscot Mr R Coppell Mrs A Gold (Appointed 1 September 2020)
<b>Trustees</b>	Mr P Tribe (Chair of Trustees) Mr A Taylor (Headteacher and Accounting Officer) Mr C Sawtell Mrs J Thomas Dr R Pogson Rev S Gold Mr A O'Brien (Resigned 31 December 2020) Mr D Neeld (Appointed 9 December 2020) Mr T Dedman (Appointed 4 January 2021)
<b>Senior management team</b>	
- Headteacher	Mr A Taylor
- Deputy Headteacher	Mr M McCormick (Appointed 1 September 2021)
- Assistant Headteacher	Mrs B Garner
- Assistant Headteacher	Mrs R Roberts
- Trust Business Manager	Miss S Roberts (Appointed 2 November 2020)
<b>Company registration number</b>	10499669 (England and Wales)
<b>Registered office</b>	St Gabriels C of E Academy Houlton Way Houlton Rugby Warwickshire CV23 1AN
<b>Independent auditor</b>	Ellacotts Audit Services Limited Vantage House 2700 Kettering Parkway Kettering Venture Park Kettering Northamptonshire NN15 6XR

# HOULTON CHURCH OF ENGLAND MAT

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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

The financial statements have been prepared in accordance with the accounting policies on pages 28-31 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) and the Academies Accounts Direction 2020 to 2021.

The academy trust operates an Academy for pupils aged 4-11 serving a catchment area in Houlton, Rugby. It has a pupil capacity of 233 and had a roll of 230 in the school census on 01/10/2021.

#### **Structure, governance and management**

##### Constitution

Houlton Church of England Multi-Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 28 November 2016.

The Trustees and Governors are responsible for the charitable activities of Houlton Church of England Multi-Academy Trust and of the Charitable Company for the purposes of Company Law. The charitable company operates as Houlton Church of England Multi Academy Trust, running St Gabriel's Church of England Academy.

Details of the trustees who served during the year, and to the date these financial statements 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.

##### Trustees' indemnities

In accordance with normal commercial practice, the Academy has purchased insurance via the DfE Risk Protection Arrangement (RPA) scheme to protect the Governors, Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst undertaking Academy business. The insurance provider provides cover up to £10,000,000 in any one claim.

# HOULTON CHURCH OF ENGLAND MAT

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

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### Method of recruitment and appointment or election of trustees

The number of Trustees shall not be less than 3 (unless otherwise determined by ordinary resolution) but shall not be subject to any maximum.

The Trust members may appoint up to 4 Trustees with approval of the Coventry Diocesan Board of Education, Urban & Civic Plc, as a corporate member of the company, may appoint 2 Trustees. The Bishop of Coventry, as a member of the company, may appoint 1 Trustee. The Chief Executive Officer of the company will be a Trustee for as long as they are in office as is listed in the Articles.

In addition to the Trust Governing Body, there is a Local Governing Body in operation for St Gabriel's CofE Academy. The Coventry Diocesan Board of Education may appoint up to five foundation Governors in addition to a local clergy ex officio Governor. Trustees shall appoint a minimum of 2 Parent Governors. Trustees may appoint Staff Governors through such a process as they may determine, provided that the total number of Governors (Including the Headteacher - ex officio) who are employees of the Trust does not exceed one third of the total number of Governors. The members may also appoint two Co-opted Governors.

The term of office for Trustees/Governors is 4 years, however, this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. Any member of the Trust may resign provided that after such resignation, the number of members is not less than three.

Trustee vacancies are advertised using nationally recognised channels such as Inspiring Governance and Academy Ambassadors. Applicants are asked to complete a Skills Matrix and a detailed application form, which is then considered in detail by the Trust Board.

### Policies and procedures adopted for the induction and training of trustees

Following their appointment, trustees receive an introduction to their role from the Chair of Trustees and CEO, a tour of the Academy site and the opportunity to meet members of staff. Trustees complete a details form for information required at Companies house and 'Get Information about Schools' portal. Details are uploaded to the Academy website.

The Trust board at Houlton CofE MAT are committed to providing adequate opportunities for Trustees to receive suitable training so as to enable them to undertake their role more effectively. Training is procured by way of a service level agreement with the Trust Governance service provider, Warwickshire County Council and the Coventry Diocesan Board of Education.

All new Trustees are actively encouraged to undertake training to gain a better understanding of the role and responsibilities. Additionally, Trustees with specific responsibilities are encouraged to undertake specific training.



# HOULTON CHURCH OF ENGLAND MAT

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

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### Organisational structure

The structure of Houlton Church of England Multi Academy Trust consists of 4 senior levels:

1. The Board of Trustees
2. The Local Governing Body
3. The Chief Executive Officer / Headteacher
4. The Senior Leadership Team which consists of the Headteacher, Deputy Headteacher and Assistant Headteachers.

The Trust board is responsible for the strategic direction of the Academy; the approval of the annual budget, the approval of the accounts and audit procedures; oversight of Trust interaction with the Local and National Government and the Diocese as well as holding Senior Leaders to account.

The Local Governing Body is delegated with oversight of the Academy's performance, standards and operation; the approval of Academy policies; admissions; safeguarding and behaviour; provision and staff appointments.

Operational management is the responsibility of the Head Teacher and Senior Leadership Team. Academy policies are developed by senior members of the Academy's staff to reflect both the strategic direction agreed by the Governors and also statutory requirements.

Operational management, including the creation of Academy policies, is scrutinised by working committees of Governors who look in detail at all aspects of the Academy's work. The committees of the Board of Trustees are: Finance and Audit Committee & HR and Pay Committee. Recommendations and points of note are shared and approved by the full board of Trustees. Endorsements through the full Governing Body and Trust Board are implemented as procedures, strategy and systems by members of staff.

### Arrangements for setting pay and remuneration of key management personnel

The Trust Board are responsible for setting the pay and remuneration of key management personnel. They ensure that the appropriate arrangements are in place for linking appraisal to pay are applied consistently. The aggregate remuneration and benefits of the personnel for services to St Gabriel's CofE Academy during the year were £232,941 (see note 9).

### Related parties and other connected charities and organisations

The land and buildings are let at a peppercorn rent on a 125-year lease from Warwickshire County Council.

The Coventry Diocesan Board of Education remain a member of the Academy Trust. They have a significant influence in the selection and approval of Trustees and Governors.

The master developer of the site (Houlton, Rugby) Urban&Civic Plc remain a member of the Academy Trust.

Trustees Mrs Johanne Thomas and Mr Christopher Sawtell are employees of Urban&Civic Plc.

Trustee Mrs Johanne Thomas is a Trustee at a local school as part of the Transforming Lives Educational Trust.

Trustee Rev Stephen Gold is spouse to the Director of the Diocesan Board of Education.

# HOULTON CHURCH OF ENGLAND MAT

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

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### **Objectives and activities**

#### Objects and aims

The aims of the Trust rest on the following principle:

- Our guiding Christian value of love drives what we do and in sharing God's love with our community we can inspire each other to flourish and experience fullness of life.

The Trustees, Governors and Staff recognise that this is a Church of England Trust and on these foundations commit to:

- To provide excellent education for the pupils at its schools in the context of a loving, inclusive Christian ethos.
- To ensure its schools have a positive impact on their community.
- To deliver a rich educational opportunity that allows all children to flourish in different ways.
- To develop children's spiritual, moral, social and cultural understanding enabling them to recognise the needs of others, promote kindness and positively contribute to their society.

#### Objectives, strategies and activities

The main objective of the Trust board is to ensure its schools thrive, upholding and developing the ethos, values, standards and achievements of the Academies whilst working to fulfil the Trust's medium and longer term development plans.

The Trust development objectives for the coming year are:

- **Community service growth**  
Develop high-quality, financially sustainable community extended services.  
Utilise existing staff and further recruit to enable the successful provision of a pre-school Nursery class and before and after school services for families. The services will be profitable; they will enhance the Trust's community support and they will be educationally enriching to the children who attend them.
- **Estate growth**  
Ensure successful school building development project.  
Work with developers, architects and contractors to facilitate project for the future benefit of pupils whilst maintaining full school operations.
- **Academy growth**  
Secure sufficient funding and preparation for academy significant change order application to grow two-form of entry school.  
Work with DfE and Local Authority to develop growth plan for academy to account for increasing pupil numbers in the local area over time, securing sufficient growth funding and agreement to become a two-form of entry Academy.
- **MAT growth**  
Develop productive partnership working arrangements with local schools interested in joining the Trust.  
Arrange collaborative working opportunities, exploration and consultation with at least three local schools.
- **Board growth**  
Recruit and develop Trustees to further strengthen three core functions of the board.  
Utilise local and national connections to advertise and recruit for at least two Trustee positions accounting for skills audit and arrange for further development and training opportunities for the board.

# HOULTON CHURCH OF ENGLAND MAT

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

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### Academy Priorities:

- **Educational Excellence**  
Secure excellent standards across all cohorts.  
Utilise external consultant expertise and senior leader training to continue developing leadership capacity, curriculum cohesion and teacher practice. Deploy targeted resources for interventions, and catch-up provision. Enhance learning environments to support and celebrate learning.  
This will be measured by recording high-standards in assessments across the curriculum and external validation inspection reports.
- **Personal Development**  
Promote high-quality holistic development for all pupils to flourish.  
Develop pupil leadership opportunities and respond to pupil voice in school leadership. Utilise enrichment activities and extra-curricular development. Ensure culture and practice supports inclusion, equality and well-being at all levels. Emphasise distinctive Christian ethos and promote high-quality spiritual development opportunities.  
This will be evident in positive pupil participation and feedback and external validation inspection reports.
- **Community Engagement**  
External communication via website, social media and learning platforms enhances parent and community involvement in the life of the school. Community enrichment activities support cultural development and financially benefits the school operations. Leaders including governors actively engage with and support the community. This will be evident in positive parent and community participation and feedback and external validation inspection reports.

### Public benefit

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The key public benefit delivered by the Trust is the provision and development of high quality education at the Academy, to the children of Houlton, Rugby and the surrounding area. In doing this, St Gabriel's CofE Academy not only offers a broad and balanced academic education but aims to educate the whole child, enabling them to flourish in a variety of ways. The Trust works to offer provision for the community in Early Years Pre School education and extended hours childcare whilst the Academy facilities are offered for community use to local groups and St Gabriel's local church.



# HOULTON CHURCH OF ENGLAND MAT

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

### Strategic report

#### Achievements and performance

St Gabriel's CofE Academy has high aspirations for its pupils and a drive for continuous improvement. The analysis of performance is thorough and information is gathered from a range of sources. The leadership team operate a programme of monitoring and self-evaluation, supported by Governors and external consultants.

RAG Rating of performance indicators

Pupil progress	Strong	Strong in all cohorts despite impact of pandemic
Leadership	Strong	Strong and growing leadership capacity
Teaching and Learning	Strong	Strong teaching and learning in evidence across school
Attainment	Strong	Strong in all cohorts despite impact of pandemic
Provision	Good	Good levels of resource and staffing for pupils
Finance	Strong	Strong position at year end
Estates	Good	High quality building with some work outstanding
Behaviour	Strong	Excellent across school
Governance	Some vacancies	Some vacancies for roles
Safeguarding	Strong	Strong
Attendance	Very high	Very high for Pandemic over 97% average
HR	Strong	Strong staff team
Staffing	Full complement	Full complement, high quality, no vacancies
Professional development	Strong	Strong programme
Admissions	Continued intake	Continued intake, some cohorts full for local pupils
Community impact	Support	Support through pandemic
Growth	School building project	School building project complete and increased pupil no.
Ofsted	Not yet inspected	Not yet inspected
SIAMS	Not yet inspected	Not yet inspected

#### Key performance indicators

The majority of the Trust's income is obtained from the DfE via the ESFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust.

The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the statement of Financial Activities. In accordance with the Charities SORP 2015, the Devolved Formula Capital received is shown in the statement of Financial Activities (SOFA) as Restricted Fixed Asset Funds.

During the year ended 31 August 2021 pupil numbers grew by 13.1%; the Trust operated a surplus.

# HOULTON CHURCH OF ENGLAND MAT

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

### Key Financial performance indicators:

Spend on <b>teaching staff</b> as a percentage of total expenditure	43.5%	Broadly in line with similar schools
Spend on <b>supply staff</b> as a percentage of total expenditure	0.7%	Broadly in line with similar schools
Spend on <b>education support staff</b> as a percentage of total expenditure	18.5%	Middle 20% of similar schools
Spend on <b>administrative and clerical staff</b> as a percentage of total expenditure	8.5%	Highest 10% of similar schools
Spend on <b>other staff costs</b> as a percentage of total expenditure	2.0%	Broadly in line with similar schools
Spend on <b>premises (including staff costs)</b> as a percentage of total expenditure	6.3%	Broadly in line with similar schools
Spend on <b>teaching resources</b> as a percentage of total expenditure	7.3%	Broadly in line with similar schools
Spend on <b>energy</b> as a percentage of total expenditure	1.2%	Broadly in line with similar schools
Other spending as a percentage of total expenditure (balancing line)	12%	N/A
In-year balance as a percentage of total income	2.1%	Low risk
Revenue reserve as a percentage of total income	13.3%	Low risk

### Other Key Performance Indicators

Average teacher cost (£)	£49,682	Middle 20% of similar schools
Senior leaders as a percentage of workforce	16%	Highest 10% of similar schools
Pupil to teacher ratio	21.6	Middle 20% of similar schools
Pupil to adult ratio	8.8	Broadly in line with similar schools
Average class size	28.4	Middle 20% of similar schools

### Going concern

After making appropriate enquiries, the Board of Trustees, including all Committees, 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 Accounting Policies note of the financial statements. The Trust ensures that resources are managed to ensure sustainability.



# HOULTON CHURCH OF ENGLAND MAT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Financial review

During the year ended 31 August 2021, the net movement in funds was £502,643 including depreciation charge and actuarial loss on the Local Government Pension Scheme of £64,000. Revenue funds available (including both restricted and unrestricted funds) increased from £218,876 in August 2020 to £242,713 in August 2021; while the fixed asset fund increased from £4,218,390 to £4,836,196 and the pension deficit increased from (£71,000) to (£210,000).

The improvement in the revenue reserves position of the Trust is in part due to the focus on budget and cost management, with a drive to improve operating efficiency. In addition, the continuing impact of the Covid-19 pandemic has resulted in some planned expenditure being delayed until future years, in particular the supply chain issues affecting several furniture and IT equipment suppliers has caused delays in sourcing equipment to fully furnish new classrooms in the year, while numerous in-year lockdowns resulted in the unfortunate postponement of onsite sports club provisions.

The increase in fixed asset funds is primarily due to a building extension project undertaken in the year to create two new classrooms to house an additional Reception cohort from 2021/22. In addition, a Nursery Canopy erection was completed and capitalised. Total fixed asset funds at 31 August 2021 equates to £4,836,196.

The increase in pension deficit is due to the current service cost of the Local Government Pension Scheme exceeding the employer contributions made in the year and the interest cost and past service cost exceeding the interest income. The value of the pension deficit is based on a valuation report carried out by an independent, qualified pension actuary. The deficit balance is not controllable by Houlton Church of England Multi-Academy Trust, as employer pension contributions are defined by the Local Government Pension Scheme and the valuation of the pension is as stated by the actuary. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

Across the Academy, key ongoing challenges exist around pressures on Government funding streams and the lagged funding model, which has particular impact on the Academy in these years of significant pupil number growth. In order to maintain a healthy reserves level while also balancing the increased demand for resources that come with pupil number growth, careful budget setting and management is essential. The Trustees are aware that robust financial management and controls must underpin Trust activities and so the financial systems are subject to annual external audit, annual reviews from an Internal Scrutineer and management reviews of monthly management accounts. A scheme of delegation setting out responsibilities, accountabilities and segregation of duties is in place. Monthly management accounts are prepared for Trustees to monitor revenue and capital spend and income against budgets, forecasts, funds and cash. In addition to robust scrutiny of financial systems and careful management of budgets, the Trustees support the decision to explore opportunities around generation of unrestricted funding sources to bolster the Academy's income - in 2021/22, the Academy will be opening an onsite Nursery which represents a new opportunity for income generation.

# HOULTON CHURCH OF ENGLAND MAT

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

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### Reserves policy

The Trust has reviewed reserve levels and are confident that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of between four and six weeks working capital as an appropriate cushion. As at the year ended 31 August 2021, the Trust held around 10 weeks of working capital as reserve which is planned for use during the growth phase of the school as funding grants lag behind pupil numbers.

The total reserves at 31 August 2021 is £4,868,909, of which £4,836,196 are held as fixed asset funds. The Academy's level of free reserves (total funds less the amount held in fixed assets or pension reserve) as at 31 August 2021 was £242,713 (2020: £218,876). Of free reserves, £2,843 is restricted Pupil Premium funding, £12,047 is restricted UIFSM funding, £5,708 is restricted Covid-catch up funding and £21,748 is restricted Sports Premium funding. There are spending plans in place to utilise these designated funds – some expenditure that was initially planned for 2020/21 was postponed due to the pandemic, in particular the delivery of onsite sporting clubs, which has resulted in a year end reserve balance. There is a comprehensive plan for the spending of the Covid-catch up premium and costs are already committed to spend the remainder of this fund. Additionally, the carry forward of Pupil Premium funds is intentional to cover the costs the incremental pay scale rises for some support staff who carry out reading interventions for Pupil Premium children – pay rises are simply in line with national recommendations and are expected to be backdated after year end. There is also a plan in place to spend the Sports Premium reserves, where planned expenditure in the 2020/21 academic year was unfortunately postponed due to the restrictions imposed by the pandemic on the delivery of face-to-face sports clubs across year group bubbles.

Due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard 102, the Academy is recognising a pension fund deficit at 31 August 2021 of £210,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of the deficit has no direct impact on the free reserves of the Academy Trust.

### Investment policy

Aside from the cash held for the operation of the Academy, the Trust has no realisable investments. With respect to its cash holdings the Trust has adopted a low risk strategy. The Trust maintains a business account generating a market norm level of interest. If at any point cash held in reserve exceeds three months of working capital the Trustees will consider alternative investment solutions.



# HOULTON CHURCH OF ENGLAND MAT

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

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### Principal risks and uncertainties

The principal risks to the future of the Academy have been identified as:

1. Operating a high quality educational provision within the constraints of school funding grants, compounded by the challenges of the lagged funding model.
2. Reputational risk of a poor regulatory grading.
3. Loss of personnel, particularly in the current competitive market for high quality teaching staff.

The Trustees are aware of the need to manage these risks effectively and are keen to ensure there are strategies in place to address risk areas. In order to manage the risks surrounding funding constraints while the Academy is in a growth phase, the Trustees recognise the importance of careful budget setting and management. Robust financial controls are in place and the Finance System are appropriately scrutinised by the annual external audit, the internal scrutineer and management reviews of monthly financial accounts. Further, other income generating opportunities will be explored in order to increase unrestricted income sources and diversify the risks associated with the constraints of finite grant income.

The importance of a positive regulatory grading is understood by the Trustees and appropriate investment is made in staff training and development, as well as ensuring there are strong internal controls in place surrounding staff performance reviews and management.

Loss of personnel remains a key risk in the current competitive market for high-quality teaching staff. In order to promote employee retention, the Trust promotes a culture of wellbeing and support, offering a wellbeing package to all employees. Training and development opportunities are made available to staff and employee feedback is sought and considered. Salaries are considered in line with local markets to remain competitive.

### **Fundraising**

The Trust is keen to support a range of good causes both locally, nationally and internationally and encourages involvement from pupils and the school community to raise funds periodically throughout the school year. The Senior Leadership Team consider causes for support on an annual basis to ensure those charities are appropriate. There is no obligation on pupils, families or the community to support the charities and no pupils are excluded from in-school fundraising events due to any financial constraints. Contributions are always voluntary and 'opt-in'.

The Trust does not operate a regulated fundraising scheme nor does it employ or use the service of a professional fundraiser.

### **Plans for future periods**

The Trust seeks to continue to meet its Academy objectives provide an excellent education, for all pupils to holistically flourish and to support its local community whilst pursuing Trust level objectives for growth and stability.

The Trustees immediate plan for the future direction of the Academy is to ensure the highest standards and by extension receive positive outcomes from external regulators. Gaining this and maintaining a strong financial position will allow the Trust to explore the growth of the MAT and effective partnership working which maintains the aims and ethos of the Trust.

#### Key aims 2021-2022

- Secure highest standards in full one form of entry primary school (210) and Nursery
- Receive positive Ofsted categorisation
- Develop clear partnerships for MAT expansion

#### Key aims 2022-2023

- Formally secure growth for second form of entry Academy
- Secure MAT expansion with partner schools
- Secure highest standards collaboratively across Trust
- Develop further partnerships for MAT expansion

# HOULTON CHURCH OF ENGLAND MAT

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

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### **Funds held as custodian trustee on behalf of others**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

### **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.

Ellacotts Audit Services Limited were appointed as auditor of the charitable company and a resolution that they be reappointed will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13/12/21 and signed on its behalf by:



Mr P Tribe  
**Chair of Trustees**

# HOULTON CHURCH OF ENGLAND MAT

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

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### Scope of responsibility

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

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

The Board has delegated the day-to-day responsibility to the CEO, 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 Houlton Church of England Multi Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year and the Local Governing body has formally met 4 times in the year. Additionally, the finance and audit subcommittee has met 3 times and the performance and standards committee has met 3 times.

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr P Tribe (Chair of Trustees)	4	4
Mr A Taylor (Headteacher and Accounting Officer)	4	4
Mr C Sawtell	4	4
Mrs J Thomas	4	4
Dr R Pogson	3	4
Rev S Gold	4	4
Mr A O'Brien (Resigned 31 December 2020)	1	1
Mr D Neeld (Appointed 9 December 2020)	2	3
Mr T Dedman (Appointed 4 January 2021)	3	3

During the year 2020/21, 2 new Trustees were recruited and appointed to the Board of Trustees. Mr Daniel Neeld was appointed to the Trust Board on 9 December 2020, bringing his experience of business management and education technology to the role. Mr Tim Dedman was appointed to the Trust Board on 4 January 2021, bringing his experience as a HR and Recruitment Manager to the role.

The Trust Board has provided oversight of the activities of the Houlton Church of England Multi Academy Trust in the year 2020/21. The Trust Board was responsible for the review and adoption of Trust policies, as well as the Scheme of Delegation and Terms of Reference. The Trust Board also discusses any matters arising from Safeguarding updates, Health & Safety updates and Premises updates as reported by the CEO and CFO.

The Board continues to oversee financial performance, discussing the findings of Internal Scrutiny visits and that of the annual External Audit. Further, the Trust Board approved the financial budget for 2021/22 as well as the 3-year projections to 2023/24.

Looking forward, the Trust Board has considered and developed the plans for the opening of a new Nursery facility in 2021/22, providing key oversight of this project. Longer term growth of the MAT has also been discussed and explored by the Trust Board, with various options being considered.



# HOULTON CHURCH OF ENGLAND MAT

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Trust Board has managed effective oversight of the Academy Trust throughout 2020/21 with meetings being held regularly and key issues being discussed and considered. Meetings were held remotely due to the ongoing challenges of the pandemic, but meeting attendance has remained strong across the Board.

The Trustees bring a wealth of different skills and knowledge to the Board, with Trustees having experience in education leadership, religious ministry, public relations and communication, accounting and financial management, HR and recruitment and education technology. An annual skills audit was completed over the summer term in an effort to review the skills in place on the Board and identify gaps for future recruitment.

Some Trustees have also conducted Governor visits to review the practices across the Trust and to understand, analyse and critique the processes in place. This is a vital role in order to promote continuing school improvement and ensure governance oversight of key processes is good.

The Board of Trustees is presented data by the CEO and CFO for consideration and analysis at Trust Meetings. Financial data presented is collated by the CFO, who is a qualified accountant, and the financial systems are subject to an annual external audit as well as internal scrutiny visits – on this basis the Trust Board deems the quality of financial data is reliable and acceptable for use. Non-financial data and strategic planning is presented by the CEO who, as Headteacher, leads the day-to-day running of the Academy Trust and therefore has a strong knowledge of the information to be presented – on this basis the Trust deems the quality of non-financial and strategic data is reliable and acceptable for use.

Although the Board of Trustees has met fewer than 6 times in the year, effective oversight has been maintained through the meeting of additional sub-committees and the Local Governing Body. The Board of Trustees has formally met 4 times during the year and the Local Governing body has formally met 4 times in the year. Additionally, the finance and audit subcommittee has met 3 times and the performance and standards committee has met 3 times.

#### Governance review:

- The Chief Executive Officer and Chair of Trustees have reviewed the impact and effectiveness of the board of Trustees during the year. The Diocesan Board of Education have been in consultation with the board and with the Regional Schools Commissioner.
- The board has sufficient financial acumen and educational expertise among Trustees to discharge their duties effectively.
- There is very strong engagement from Trustees around financial management with monthly meetings and the Performance and Standards LGB subcommittee is committed to educational performance reporting.

The board and its committees meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. All Trustees met five times during the year to oversee school and Trust development and the finance committee met a further three times to maintain effective oversight of funds.

#### Review of value for money

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



# HOULTON CHURCH OF ENGLAND MAT

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Tendering and Quotation exercises: purchases from new suppliers over £5,000 have been subject to value for money reviews. Alternative quotations are obtained in line with the procedures set out in the Financial Scheme of Delegation. Value for money is a key factor in determining choice of supplier.
- Budget management: monthly management accounts are produced to compare actual spend against budget. Variances are closely analysed and any overspend is discussed by management, with consideration given as to whether greater value for money can be achieved.

#### **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 Houlton Church Of England MAT for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees. The Academy Trust has an up to date risk register.

#### **The risk and control framework**

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

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

The Board of trustees has decided not to appoint an auditor for this purpose. However, the Trustees have appointed Christopher Sawtell, a Trustee, to carry out a programme of internal checks.

# HOULTON CHURCH OF ENGLAND MAT

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

- Payroll & HR testing
- Charitable income testing
- Fraud risk and review
- Data & IT systems
- Procurement testing
- Trading income testing
- Fixed asset review
- Management Information and Reporting review

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

### Review of effectiveness

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

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

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

Approved by order of the board of trustees on 19/12/21 and signed on its behalf by:



Mr P Tribe  
Chair of Trustees



Mr A Taylor  
Headteacher and Accounting Officer

# HOULTON CHURCH OF ENGLAND MAT

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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As accounting officer of Houlton Church of England MAT, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



Mr A Taylor  
**Accounting Officer**

13/12/2021



# HOULTON CHURCH OF ENGLAND MAT

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees (who are also the directors of Houlton Church of England MAT for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 19/12/21 and signed on its behalf by:



Mr P Tribe  
Chair of Trustees



# HOULTON CHURCH OF ENGLAND MAT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOULTON CHURCH OF ENGLAND MAT

FOR THE YEAR ENDED 31 AUGUST 2021

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### Opinion

We have audited the financial statements of Houlton Church of England MAT for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the 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, which comprises the information included in the annual report other than the financial statements and our auditor's 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 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.

# HOULTON CHURCH OF ENGLAND MAT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOULTON CHURCH OF ENGLAND MAT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



# HOULTON CHURCH OF ENGLAND MAT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOULTON CHURCH OF ENGLAND MAT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### **Auditor's responsibilities for the audit of the financial statements**

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also perform the following procedures:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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



# HOULTON CHURCH OF ENGLAND MAT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOULTON CHURCH OF ENGLAND MAT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Use of our report

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



**Charlotte Toemaes BSc FCA (Senior Statutory Auditor)**  
for and on behalf of Ellacotts Audit Services Limited

### Chartered Accountants

#### Statutory Auditor

Vantage House  
2700 Kettering Parkway  
Kettering Venture Park  
Kettering  
Northamptonshire  
NN15 6XR

14/12/21

# HOULTON CHURCH OF ENGLAND MAT

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOULTON CHURCH OF ENGLAND MAT AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

### **Respective responsibilities of Houlton Church of England MAT's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Houlton Church of England MAT's funding agreement with the Secretary of State for Education dated 1 September 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

# HOULTON CHURCH OF ENGLAND MAT

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOULTON CHURCH OF ENGLAND MAT AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Conclusion

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

*Ellacotts Audit Services Ltd*

### Reporting Accountant

Ellacotts Audit Services Limited  
Vantage House  
2700 Kettering Parkway  
Kettering Venture Park  
Kettering  
Northamptonshire  
NN15 6XR

Dated: 14/12/21



# HOULTON CHURCH OF ENGLAND MAT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	25,624	752,187	777,811	100,906
Charitable activities:						
- Funding for educational operations	4	-	1,008,747	-	1,008,747	860,890
Other trading activities	5	29,280	17,571	-	46,851	29,853
Investments	6	285	-	-	285	271
<b>Total</b>		<u>29,565</u>	<u>1,051,942</u>	<u>752,187</u>	<u>1,833,694</u>	<u>991,920</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	2,141	1,125,981	138,929	1,267,051	959,389
<b>Total</b>	7	<u>2,141</u>	<u>1,125,981</u>	<u>138,929</u>	<u>1,267,051</u>	<u>959,389</u>
<b>Net income/(expenditure)</b>		27,424	(74,039)	613,258	566,643	32,531
Transfers between funds	16	-	(4,548)	4,548	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	18	-	(64,000)	-	(64,000)	(14,000)
<b>Net movement in funds</b>		<u>27,424</u>	<u>(142,587)</u>	<u>617,806</u>	<u>502,643</u>	<u>18,531</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>32,647</u>	<u>115,229</u>	<u>4,218,390</u>	<u>4,366,266</u>	<u>4,347,735</u>
Total funds carried forward		<u>60,071</u>	<u>(27,358)</u>	<u>4,836,196</u>	<u>4,868,909</u>	<u>4,366,266</u>

# HOULTON CHURCH OF ENGLAND MAT

## BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		4,836,196		4,218,390
<b>Current assets</b>					
Debtors	13	42,333		44,319	
Cash at bank and in hand		303,847		228,771	
			<u>346,180</u>		<u>273,090</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(103,467)		(54,214)	
<b>Net current assets</b>			<u>242,713</u>		<u>218,876</u>
<b>Net assets excluding pension liability</b>			<u>5,078,909</u>		<u>4,437,266</u>
Defined benefit pension scheme liability	18		(210,000)		(71,000)
<b>Total net assets</b>			<u><u>4,868,909</u></u>		<u><u>4,366,266</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			4,836,196		4,218,390
- Restricted income funds			182,642		186,229
- Pension reserve			(210,000)		(71,000)
<b>Total restricted funds</b>			<u>4,808,838</u>		<u>4,333,619</u>
<b>Unrestricted income funds</b>	16		60,071		32,647
<b>Total funds</b>			<u><u>4,868,909</u></u>		<u><u>4,366,266</u></u>

The financial statements on pages 25 to 44 were approved by the trustees and authorised for issue on 13/12/21 and are signed on their behalf by:



Mr P Tribe  
Chair of Trustees

Company Number 10499669

# HOULTON CHURCH OF ENGLAND MAT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		79,339		73,682
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		285		271	
Capital grants from DfE Group		697,450		5,057	
Capital funding received from sponsors and others		54,737		76,858	
Purchase of tangible fixed assets		(756,735)		(91,207)	
<b>Net cash used in investing activities</b>			<u>(4,263)</u>		<u>(9,021)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			75,076		64,661
Cash and cash equivalents at beginning of the year			228,771		164,110
<b>Cash and cash equivalents at end of the year</b>			<u>303,847</u>		<u>228,771</u>

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# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Houlton Church of England MAT meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants

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

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

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

###### Sponsorship income

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

###### Donations

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

**HOULTON CHURCH OF ENGLAND MAT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1 Accounting policies**

**(Continued)**

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

**1.5 Tangible fixed assets and depreciation**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset, less their residual value, over its expected useful life, as follows:

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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



# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

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

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

#### 1.11 Fund accounting

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

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

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

#### 2 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	697,450	697,450	-
Capital grants	-	54,737	54,737	81,915
Other donations	-	25,624	25,624	18,991
	<u>-</u>	<u>777,811</u>	<u>777,811</u>	<u>100,906</u>

The income from donations and capital grants was £777,811 (2020: £100,906) of which £25,624 was restricted (2020: £18,991) and £752,187 was restricted fixed assets (2020: £81,915).

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	664,576	664,576	582,002
Other DfE/ESFA grants:				
UIFSM	-	39,353	39,353	30,045
Pupil premium	-	39,635	39,635	30,083
Others	-	69,115	69,115	57,636
	<u>-</u>	<u>812,679</u>	<u>812,679</u>	<u>699,766</u>
<b>Other government grants</b>				
Local authority grants	-	180,588	180,588	161,124
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	15,480	15,480	-
<b>Total funding</b>	<u>-</u>	<u>1,008,747</u>	<u>1,008,747</u>	<u>860,890</u>

The income from funding for educational operations was £1,008,747 (2020: £860,890) of which £1,008,747 was restricted (2020: £860,890).

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	3,916	-	3,916	8,572
Catering income	-	13,233	13,233	13,402
Staff absence insurance claims	-	4,338	4,338	-
Nursery lettings	24,963	-	24,963	7,879
Photography commission	401	-	401	-
	<u>29,280</u>	<u>17,571</u>	<u>46,851</u>	<u>29,853</u>

The income from other trading activities was £46,851 (2020: £29,853) of which £29,280 was unrestricted (2020: £16,451) and £17,571 was restricted (2020: £13,402).

#### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	285	-	285	271
	<u>285</u>	<u>-</u>	<u>285</u>	<u>271</u>

The income from funding for investment income was £285 (2020: £271) of which £285 was unrestricted (2020: £271).

#### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	545,803	-	46,158	591,961	490,721
- Allocated support costs	325,446	208,579	141,065	675,090	468,668
	<u>871,249</u>	<u>208,579</u>	<u>187,223</u>	<u>1,267,051</u>	<u>959,389</u>

#### Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	5,250	5,150
- Other services	2,000	4,571
Depreciation of tangible fixed assets	138,929	116,305
	<u>145,179</u>	<u>126,026</u>



# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	2,141	589,820	591,961	490,721
<b>Support costs</b>				
Educational operations	-	675,090	675,090	468,668
	<u>2,141</u>	<u>1,264,910</u>	<u>1,267,051</u>	<u>959,389</u>

The expenditure on charitable activities was £1,267,051 (2020: £959,389) of which £2,141 was unrestricted (2020: £-), £1,125,981 was restricted (2020: £843,084) and £138,929 was restricted fixed assets (2020: £116,305).

	2021 £	2020 £
<b>Analysis of support costs</b>		
Support staff costs	325,446	182,910
Depreciation	138,929	116,305
Technology costs	15,303	8,555
Premises costs	69,650	40,712
Other support costs	103,508	104,488
Governance costs	22,254	15,698
	<u>675,090</u>	<u>468,668</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	587,178	451,215
Social security costs	49,633	32,372
Pension costs	201,995	144,484
	<u>838,806</u>	<u>628,071</u>
Staff costs - employees	838,806	628,071
Agency staff costs	6,942	9,693
	<u>845,748</u>	<u>637,764</u>
Staff development and other staff costs	25,501	5,969
	<u>871,249</u>	<u>643,733</u>

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 9 Staff (Continued)

##### Staff numbers

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

	2021 Number	2020 Number
Teachers	8	7
Administration and support	16	11
Management	4	2
	<u>28</u>	<u>20</u>

##### Higher paid staff

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

	2021 Number	2020 Number
£60,000 - £70,000	1	1

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £233,999 (2020: £174,353).

#### 10 Trustees' remuneration and expenses

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

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

Mr A Taylor (Head teacher and Governor)  
Remuneration £65,001 - £70,000 (2020: £60,001 - £65,000)  
Employers pension contributions £15,001 - £20,000 (2020: £5,001 - £10,000)

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance is in place through the DFE risk protection arrangement (RPA) to the value of £2,000,000 for any one claim and in the aggregate in any one period. The cost of this is included within the Statement of Financial Activities.

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	4,297,010	58,015	113,741	4,468,766
Additions	697,450	4,715	54,570	756,735
At 31 August 2021	4,994,460	62,730	168,311	5,225,501
<b>Depreciation</b>				
At 1 September 2020	200,527	32,397	17,452	250,376
Charge for the year	85,939	19,751	33,239	138,929
At 31 August 2021	286,466	52,148	50,691	389,305
<b>Net book value</b>				
At 31 August 2021	4,707,994	10,582	117,620	4,836,196
At 31 August 2020	4,096,483	25,618	96,289	4,218,390

### 13 Debtors

	2021 £	2020 £
Trade debtors	4,223	2,069
VAT recoverable	5,997	24,528
Prepayments and accrued income	32,113	17,722
	42,333	44,319

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	29,277	7,260
Other taxation and social security	28,055	18,678
Other creditors	1,297	-
Accruals and deferred income	44,838	28,276
	103,467	54,214



# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 15 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	30,090	19,282
Deferred income at 1 September 2020	19,282	17,924
Released from previous years	(19,282)	(17,924)
Resources deferred in the year	30,090	19,282
<b>Deferred income at 31 August 2021</b>	<b>30,090</b>	<b>19,282</b>

#### 16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	174,129	664,576	(695,361)	(3,048)	140,296
UIFSM	-	39,353	(27,306)	-	12,047
Pupil premium	-	39,635	(36,792)	-	2,843
Catch-up premium	-	15,480	(9,772)	-	5,708
Other DfE/ESFA grants	12,100	69,115	(57,967)	(1,500)	21,748
Other government grants	-	180,588	(180,588)	-	-
Other restricted funds	-	43,195	(43,195)	-	-
Pension reserve	(71,000)	-	(75,000)	(64,000)	(210,000)
	<u>115,229</u>	<u>1,051,942</u>	<u>(1,125,981)</u>	<u>(68,548)</u>	<u>(27,358)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	4,096,483	-	(85,940)	-	4,010,543
DfE group capital grants	49,239	5,980	(27,171)	-	28,048
Capital expenditure from GAG	72,668	48,757	(25,818)	4,548	100,155
Private sector capital sponsorship	-	697,450	-	-	697,450
	<u>4,218,390</u>	<u>752,187</u>	<u>(138,929)</u>	<u>4,548</u>	<u>4,836,196</u>
<b>Total restricted funds</b>	<u>4,333,619</u>	<u>1,804,129</u>	<u>(1,264,910)</u>	<u>(64,000)</u>	<u>4,808,838</u>
<b>Unrestricted funds</b>					
General funds	32,647	29,565	(2,141)	-	60,071
<b>Total funds</b>	<u>4,366,266</u>	<u>1,833,694</u>	<u>(1,267,051)</u>	<u>(64,000)</u>	<u>4,868,909</u>

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 16 Funds

(Continued)

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

##### **General Annual Grant (GAG)**

The General Annual Grant (GAG) has been provided by the ESFA/DfE in order to fund the normal running costs of the Academy. During the period the Academy's GAG expenditure exceeded GAG income. Where the GAG income exceeds GAG expenditure, the balance will be carried forward to use in future years and enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

##### **Other DfE/ESFA Grants**

This represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy.

##### **Other Restricted Funds**

Other Restricted Funds include funding from the sale of uniforms and education related goods, exam fee income and income for educational supplies and services.

##### **Pension Reserve**

The restricted Pension reserve represents the deficit on the Academy's share of the Local Government Pension Scheme as at 31 August 2021.

##### **Restricted Fixed Assets**

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

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 16 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	105,322	582,002	(503,903)	(9,292)	174,129
Pupil premium	-	30,083	(30,083)	-	-
Other DfE/ESFA grants	-	87,681	(75,581)	-	12,100
Other government grants	-	161,124	(161,124)	-	-
Other restricted funds	-	32,393	(32,393)	-	-
Pension reserve	(17,000)	-	(40,000)	(14,000)	(71,000)
	<u>88,322</u>	<u>893,283</u>	<u>(843,084)</u>	<u>(23,292)</u>	<u>115,229</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,182,423	-	(85,940)	-	4,096,483
DfE group capital grants	61,065	81,915	(30,365)	9,292	121,907
	<u>4,243,488</u>	<u>81,915</u>	<u>(116,305)</u>	<u>9,292</u>	<u>4,218,390</u>
<b>Total restricted funds</b>	<u>4,331,810</u>	<u>975,198</u>	<u>(959,389)</u>	<u>(14,000)</u>	<u>4,333,619</u>
<b>Unrestricted funds</b>					
General funds	15,925	16,722	-	-	32,647
	<u>15,925</u>	<u>16,722</u>	<u>-</u>	<u>-</u>	<u>32,647</u>
<b>Total funds</b>	<u>4,347,735</u>	<u>991,920</u>	<u>(959,389)</u>	<u>(14,000)</u>	<u>4,366,266</u>

#### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	4,836,196	4,836,196
Current assets	60,071	286,109	-	346,180
Creditors falling due within one year	-	(103,467)	-	(103,467)
Defined benefit pension liability	-	(210,000)	-	(210,000)
<b>Total net assets</b>	<u>60,071</u>	<u>(27,358)</u>	<u>4,836,196</u>	<u>4,868,909</u>



# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General    Fixed asset £            £		Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	4,218,390	4,218,390
Current assets	32,647	240,443	-	273,090
Creditors falling due within one year	-	(54,214)	-	(54,214)
Defined benefit pension liability	-	(71,000)	-	(71,000)
<b>Total net assets</b>	<b>32,647</b>	<b>115,229</b>	<b>4,218,390</b>	<b>4,366,266</b>

### 18 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £81,781 (2020: £83,080).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below.

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.

<b>Total contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Employer's contributions	46,000	30,000
Employees' contributions	14,000	8,000
Total contributions	<u>60,000</u>	<u>38,000</u>

  

<b>Principal actuarial assumptions</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	<u>1.65</u>	<u>1.7</u>

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Pension and similar obligations

(Continued)

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

	2021 Years	2020 Years
Retiring today		
- Males	21.8	21.6
- Females	24.2	23.8
Retiring in 20 years		
- Males	23	22.5
- Females	26.1	25.4

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

	2021	2020
0.1% decrease in Real Discount Rate	13,000	28,000
0.1% increase in Pension Increase Rate (CPI)	13,000	27,000

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

	2021 Fair value £	2020 Fair value £
Equities	93,620	40,200
Bonds	36,240	16,750
Property	16,610	8,710
Cash	4,530	1,340
Total market value of assets	151,000	67,000

The actual return on scheme assets was £24,000 (2020: £9,000).

#### Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	120,000	70,000
Interest cost	1,000	-
Total operating charge	121,000	70,000



# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

<b>18</b>	<b>Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the present value of defined benefit obligations</b>	<b>2021</b>	
		<b>£</b>	
	At 1 September 2020	138,000	
	Current service cost	120,000	
	Interest cost	3,000	
	Employee contributions	14,000	
	Actuarial loss	86,000	
	At 31 August 2021	<u>361,000</u>	
	<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2021</b>	
		<b>£</b>	
	At 1 September 2020	67,000	
	Interest income	2,000	
	Actuarial gain	22,000	
	Employer contributions	46,000	
	Employee contributions	14,000	
	At 31 August 2021	<u>151,000</u>	
<b>19</b>	<b>Reconciliation of net income to net cash flow from operating activities</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Net income for the reporting period (as per the statement of financial activities)	566,643	32,531
	Adjusted for:		
	Capital grants from DfE and other capital income	(752,187)	(81,915)
	Investment income receivable	(285)	(271)
	Defined benefit pension costs less contributions payable	74,000	40,000
	Defined benefit pension scheme finance cost	1,000	-
	Depreciation of tangible fixed assets	138,929	116,305
	Decrease/(increase) in debtors	1,986	(28,144)
	Increase/(decrease) in creditors	49,253	(4,824)
	<b>Net cash provided by operating activities</b>	<u>79,339</u>	<u>73,682</u>

# HOULTON CHURCH OF ENGLAND MAT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 20 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts due within one year	-	2,912
	<u>          </u>	<u>          </u>

On 22 May 2018 the Academy Trust had committed to a 125 year lease of the land it occupies from Warwickshire County Council for a peppercorn rent.

#### 21 Related party transactions

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

There were no transactions with related parties during the year ended 31 August 2021 which require disclosure.

In the opinion of the Governors, there is no ultimate controlling party.

#### 22 Members' liability

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