

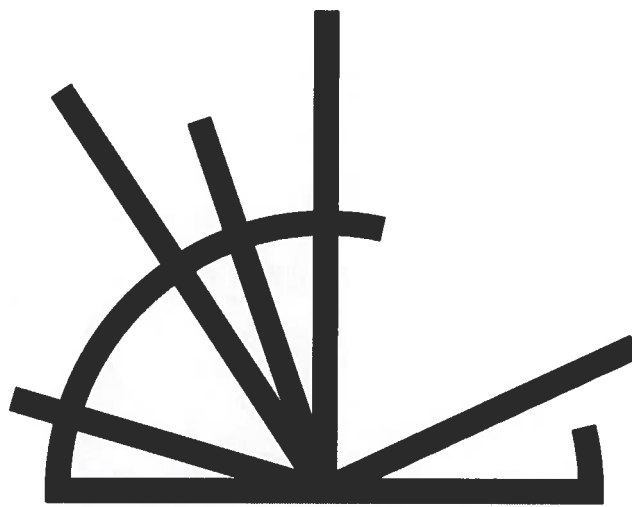
Company Registration No. 07964015 (England and Wales)

HESTON COMMUNITY ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019



Heston

**COMMUNITY
SCHOOL**



HESTON COMMUNITY ACADEMY TRUST

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HESTON COMMUNITY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr Kuldip Sidhu (Chair of Trustees, Co-opted) (Resigned 23 November 2018)
Mr Narinder Phull (Chair of Trustees, Parent)
Mr Ranjit Berdesha (Headteacher & Accounting Officer)
Mr Satpal Grewal (Parent)
Ms Cathy Tilley (Community) (Resigned 30 September 2018)
Mrs Harjinder Johal (Community) (Resigned 31 August 2019)
Mrs Fran Hooker (Vice-Chair, Community)
Mrs Glynis Ross-Wood (Co-opted)
Mr Krishna Ramdeen (Co-opted) (Resigned 31 August 2019)
Mr Bashar Al-Damen (Staff) (Resigned 31 August 2019)
Mrs Vanessa O'Neil (Staff) (Appointed 1 September 2018)
Mr Johnny Kyriacou (Community) (Appointed 27 September 2018)
Mr Qaisar Rizwan (Parent) (Appointed 28 January 2019)
Mrs Nirmala Bali (Appointed 4 July 2019)
Mr Keith Batten (Co-opted) (Appointed 26 September 2019)
Mrs Naveed Sayid (Teacher) (Appointed 1 September 2019)

Members

- Trust Signatory	Mark Crawley
- Vice-Chair of Trustees	Fran Hooker
- Chair of Trustees, Chair of Finance & General Purposes	Narinder Phull
- Chair of Appraisal and Pay	Glynis Ross-wood
- Chair of Teaching and Learning	Johnny Kyriacou

Senior leadership team

- Headteacher	Ranjit Berdesha
- Deputy Headteacher	Mike O'Hagan
- Assistant Headteacher (Safeguarding & SMSC)	Prvhjeet Bassi (Resigned 31 August 2019)
- Assistant Headteacher (SENCO)	Michelle Stone
- Assistant Headteacher (Learning & Teaching)	Ronald Regnier
- Assistant Headteacher (Science)	Bethany Hart (Appointed 1 September 2019)
- Director of Sixth Form	Ingrid Hall
- Academy Business Manager	Saima Dad
- Assistant Headteacher	Margot Currie

Company registration number 07964015 (England and Wales)

HESTON COMMUNITY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Bankers

Lloyds Bank
Corporate Customers
PO Box 72
Bailey Drive
Gillingham
ME8 0LS

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the Financial Statements and Independent Auditor's Report of the Charitable Company for the period 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under Company Law.

The Academy Trust was incorporated on 24 February 2012, in the name of Heston Community Academy Trust, and commenced as an Academy on 1 November 2012.

The Trust operates an Academy serving a catchment area in Hounslow. It has a combined pupil capacity of 1,410 and had a roll of 1,255 in the October 2018 School Census.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Academy Trust was incorporated on 24 February 2012, in the name of Heston Community Academy Trust, and Heston Community School commenced as an Academy on 01 November 2012. The Academy Trust has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate.

The Governors are the Trustees of Heston Community Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Heston Community School.

Details of the Governors who served during the year are included in the Reference and Administrative Details on pages 1 to 2.

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.

Governors' Indemnities

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3 every Trustee or other officer or auditor of the Company and every member of any Local Governing Body and/or Advisory Body (in so far as necessary) shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of Recruitment and Appointment or Election of Governors

The Academy's Governing Body is made up of representatives from staff, parents and the community.

The Secretary of State for Education may appoint Governors in certain circumstances; no such appointments were made in the year under review.

The tenure of office for any Governor shall be four years, save that this time limit shall not apply to either the Headteacher or the Staff Governors. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

A Governor shall cease to hold office if he resigns his office by notice to the Academy (but only if at least three Governors will remain in office when the notice of resignation is to take effect).

A Governor shall cease to hold office if he is removed by the person or persons who appointed him. The Article does not apply in respect of a Parent Governor. Co-opted Governors may be removed by resolution of the Governing Body provided that no Co-opted Governor may vote on the removal of another Co-opted Governor.

Policies and Procedures Adopted for the Induction and Training of Governors

Governors are provided with copies of all essential documentation needed to undertake their role, including the Memorandum and Articles of Association, Academies Financial Handbook and Academy Trust's Funding Agreement.

The Board of Governors subscribes to the Governing Bodies Support Service (GBS) Development and Training provision from the London Borough of Hounslow and in-house training is organised as and when required. Trustees are informed of external training opportunities.

Principal Activities

The Academy's objectives are specifically restricted to the following:

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- b. to promote for the benefit of individuals living in Heston and the surrounding area who have need by reason of their age, affinity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The Board of Governors of Heston Community School is constituted under the Memorandum and Articles of Association. The Board of Trustees is responsible for ensuring high standards of corporate governance are maintained.

The Governors are responsible for the strategic direction of the Academy Trust, setting policy and agreeing the annual budget. Governors are also responsible for monitoring the work of the Academy and ensuring the objectives of the Academy are achieved.

In addition to the full Board of Governors meetings, Heston Community School has a committee structure: the main committees are Finance and General Purposes, Teaching and Learning, and Appraisal and Pay.

The management structure consists of three levels, the Trust Board, The Governing Body and its Committees and the Senior Leadership Team. The aim of this leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trust is responsible for setting the general direction of the Academy. The Governing Body is responsible for setting general policy, adopting an Annual Plan and Budgets, monitoring the work of the Academy, its use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the Headteacher, one Deputy Headteacher, four Assistant Headteachers and three Directors. These leaders control the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, through appointment panels. Appointments of Headteacher, Deputy Headteacher, Assistant Headteachers and Academy Business Manager will always involve at least one Governor. These leaders are also responsible for the day-to-day operation of the Academy, in particular organising the Teaching Staff, Support Staff, facilities and students.

The Headteacher is the 'Accounting Officer' of Heston Community School. Mr Ranjit Berdesha is the Headteacher and is undertaking the responsibilities of the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governing Body has decided that the Key Management Personnel of Heston Community School comprises the Members, Governors and Senior Leadership Team (SLT). Neither members nor Governors receive any remuneration for this role.

All Teaching Staff are employed in accordance with the provisions of the School Teachers' Pay and Conditions Document (STP&C Document). In reviewing Pay Scales in the future the Governing Body will have regard to any changes to national pay bands contained within the STP&C Document. The following pay arrangements have been agreed by the Governing Body using the flexibilities contained within the STP&C Document. The Governing Body's Appraisal and Pay Committee meet to discuss all staff pay as detailed below. The Governing Body will honour pay awards agreed nationally and will apply such award annually to the pay ranges detailed in this Policy.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Headteacher

The Governing Body will assign a seven point Individual School Group based on the School Group Size, as determined by the STP&C document and ensure that there is no overlap of salary bands between the Headteacher and other leadership posts. The Governing Body will calculate the Headteacher Group Size at the start of each Academic Year and determine the appropriate Individual School Range (ISR) for the year. The Governing Body will determine the Group Size for the School in accordance with the provisions of the School Teachers' Pay and Conditions Document. On appointment, the Headteacher will be appointed on one of the first four points on the ISR. Progression on the ISR for the Headteacher will be subject to a review of the Headteacher's performance set against the annual appraisal review. The Governing Body will award one increment for sustained high quality performance. Where performance has not been of a sustained high quality the Governing Body may decide that there should be no pay progression. The Pay Review for the Headteacher will be completed by 31 December each year. The Governing Body will ensure that reasons for setting the ISR at a given level are recorded and that the process for the determination of the Headteacher's salary is fair and transparent.

Discretionary Payments to the Headteacher

The Governing Body may consider a discretionary payment not exceeding 25% of the Headteacher's salary, as determined above, for reasons not already taken into account in determining the ISR which are detailed in the pay policy.

Other Leadership Posts

The Governing Body will determine a five point pay range for all other Leadership Posts from within the Leadership Scale contained in the STP&C document. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. A post with a designated Deputy role, in the absence of the Headteacher will be remunerated accordingly above the range for other leadership posts. The Governing Body will ensure that there is no overlap of pay points between the Headteacher and any other leadership post. On appointment, a teacher paid on the Leadership Scale will be appointed on one of the first 3 points on the pay range. The pay range for teachers paid on the Leadership Spine will be reviewed on 1 September each year or as soon after this date as possible or at any time during the year where there is a significant permanent change in the duties and responsibilities of the post or where it is necessary to consider a retention payment for a member of staff on the Leadership Spine.

Progression on the pay range for a member of staff paid on the Leadership Scale will be subject to a review of their performance set against the annual appraisal review. The Governing Body will award one increment for sustained high quality performance. Where performance has not been of a sustained high quality, the Governing Body may decide that there should be no pay progression. The pay review will be completed by 31 December.

Staff Governors are paid for their teaching or support staff roles in accordance with their contracts whilst all staff are subject to an annual performance review.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£5.63m
Percentage of the total pay bill spent on facility time	0.07%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related Parties and Other Connected Charities and Organisations

Heston Community School is a standalone Academy and through prudent financial management, reserves and forward planning, retains its independence. It exists as a single entity and is not part of a wider federation of academies. This allows it to retain its unique character as a Community School providing a broad and varied curriculum for all members of the community on a non-selective basis.

The School use services from the Local Authority and receives funding from the Authority for the School's Hearing Impaired Unit.

Kuldip Sidhu, the Chair of Trustees of the Academy (resigned 23 November 2018) is a paid Director of AKS IT Services. The Chair of Trustees has disclosed this to the Trust and this has been recorded within the minutes of Governing Body meetings.

All Governors have disclosed their business and pecuniary interests via the required documentation and this has been recorded within the minutes of the meetings of the Full Governing Body and its Committees. In addition, all staff disclose any business and pecuniary interests at the start of each academic year. New staff on joining the School are also required to declare any business or pecuniary interests.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and Activities

Objects and Aims

The charitable objectives for which the Charitable Company was established are set down in its governing document. These stated aims are:

- To advance, for the public benefit, education in the United Kingdom; in particular, but without prejudice, to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- To promote, for the benefit of individuals living in Heston and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances, or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare, and with the object of improving the condition of life of the inhabitants.

The principal activity of Heston Community Academy Trust is currently to provide the highest quality education it can for young people aged 11 to 19. Following and Ofsted inspection in July 2019, Heston Community School was judged to be a "Good School".

Ofsted commented that "The leadership team has maintained the good quality of education in the school since the last inspection. Based on the evidence gathered during this short inspection, I am of the opinion that the school has demonstrated strong practice and marked improvement in specific areas. This may indicate that the school has improved significantly overall."

Objectives, Strategies and Activities

The School's strategic priorities, agreed with Governors, are:

- To ensure the learning outcomes for students and groups of students are improving and consistently above national benchmarks;
- Serve the community by attracting, developing and retaining students in the community to become positive ambassadors for the School; and
- Ensure all functions of the organisation are effective and deliver best value.

The main priorities of the Senior Leadership Team are:

- To build a Learning Community that believes intelligence and personality can be developed to create a passion for learning through creativity, attitude and deliberate practice;
- To ensure the learning outcomes for students and groups of students are consistently above national benchmarks; and
- To improve student learning and development through high quality marking and feedback, underpinned by an in-depth understanding of assessment.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Equal Opportunities and Disabled Persons Policies (Equalities Policy)

The Academy Trust's policy on equal opportunities outlines the commitment of the Staff and Governors of Heston Community School to ensure that equality of opportunity is available to all members of the Trust community. For our Trust this means not simply treating everybody the same, but understanding and addressing the different barriers which could lead to unequal outcomes for different groups of students in the School. It also means celebrating and valuing the equal opportunity achievements and strengths of all members of the School community. These include:

- Students;
- Teaching staff;
- Support staff;
- Parents/carers;
- Community Governors;
- Multi-agency staff linked to the Trust;
- Visitors to the Trust and Academy; and
- Students on placement.

The Governors believe that equality at the Trust should permeate all aspects of Trust life and is the responsibility of every member of the Trust and wider community. Every member of the Trust community should feel safe, secure, valued and of equal worth.

At Heston Community School, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

Heston Community School is an Equal Opportunities Employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet minimum selection criteria. The Academy Trust provides training and development for all its employees, including people with disabilities, tailored where appropriate to ensure they have the opportunity to achieve their potential. If an Academy Trust employee becomes disabled while in our employment, the Academy Trust will do its best to retain them, including consulting them about their requirements, making reasonable and appropriate adjustments, and providing alternative suitable provisions.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public Benefit

In setting the objectives and planning the activities of the Academy, the Governors have given careful consideration to The Charity Commission's general guidance on public benefit.

Charity laws give a wide meaning to education and does not limit it to education by a teacher in classroom, playground or sports field. Broadly, education in Charity Law means to give knowledge to, or develop the abilities of, somebody by teaching, training or instruction or to bring up children or young people in particular manners, habits or ways of life. Similarly, education might commonly be taken to mean the systematic instruction, schooling or training of children and young people, or by extension, the development of mental or physical powers and the moulding of some aspects of character.

The Governors are required to assess the activities undertaken at Heston Community School and to confirm whether the aims of the Academy are for the public benefit.

Heston Community School plays a key role as a member of the local community and actively seeks to work closely with that community in a variety of ways.

The School gained Academy status in November 2012 and discussions did take place about whether it would be appropriate to change the name of the School to reflect its new status. Governors wanted the School to remain the School of choice for its tight-knit community and its name to reflect that desire as well as its pride in the community.

The Governors, through a framework of senior school leadership and termly committee meetings, discuss the curriculum, local community and school environment and have taken due regard to the Charity Commission guidance. They can demonstrate that the Academy's aims and activities are purely for the advancement of education, the development of the student cohort and the satisfaction of the parent body.

The local community is very important to the School and many links exist including:

- Primary schools whose students move to Heston;
- Local businesses who supply the School and offer work experience for our students;
- Local Charities who are regularly supported either through the fundraising activities at the School or with more practical help from our students' community service work; and
- The wider community who use our facilities, such as the Sports Hall, its grounds, buildings or classrooms or who attend evening or weekend classes.

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Employee Information Policy

Heston Community School includes two staff Governors on its board and has the Headteacher as ex-officio Governor. This ensures that:

- Employees views are taken into account on decisions affecting their interests, and there is a common awareness on the part of all employees of all factors that affect the Academy Trust's performance; and
- Heston Community School also undertakes discussions with employees and their unions when making decisions that affect employee interests to ensure that employees' views are reflected in decisions made and their interests are protected both in their daily working environment and the future direction of the school.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic Report

Achievements and Performance

KS4 Student Outcomes

A relentless focus on the quality of teaching, learning and assessment has ensured that student outcomes are, and will continue to be, outstanding. In all years and in a wide range of subjects, including English, Mathematics and Science, students make substantial and sustained progress, developing excellent knowledge, understanding and skills, considering their different starting points.

Progress of disadvantaged students, disabled students and those with special educational needs currently on roll matches that of other students with the same starting points. From each different starting point, the proportion of students making substantial and sustained progress in English and in Mathematics are high when compared with national figures. The progress of disadvantaged students is significantly above that of other students nationally.

Attainment on entry of this cohort was below the national average, -1.1 in Reading and -0.5 in Mathematics, yet they have made outstanding progress to achieve results above the national average in almost all indicators.

A provisional analysis of examination results using SISRA Data Collaboration shows progress for the cohort is estimated to be well above the national average with a Progress 8 score of +0.80; this indicates that, outcomes are on average, over three quarters of a grade above the A8 estimate, placing the school in the top 5% of schools in England.

All four-qualification groups added value, with the English, Mathematics and EBacc Element above +0.75. The Mathematics element has seen rapid and sustained improvement compared to previous years and scored a P8 score of +0.79. All significant groups achieved a positive P8 score, with strong progress from PA Low, Middle and High students. The gap between disadvantaged and non-disadvantaged has widened over the last three years, however, disadvantaged students achieve significantly above other similar students nationally, suggesting the strategies implemented are having a significant impact.

All significant ethnic groups in the School achieved positive P8 scores.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

PROGRESS 8				
RESULTS				
	2016	2017	2018	2019 (1)
Whole School	0.47	0.90	0.68	0.80
English Element	0.23	0.78	0.63	0.83
Maths Element	0.09	0.78	0.79	0.78
EBACC Element	0.70	0.88	0.93	1.11
Open Element	0.67	1.10	0.39	0.49

Attainment for the cohort was equally strong with an A8 score above the national average. Major elements within the EBACC scored above the national average. The vast majority of groups scored an A8 score above the national average. SEN ST or EHCP and disadvantaged will continue to be a focus to ensure progress and attainment moves significantly above the national average.

ATTAINMENT 8				
RESULTS				
	2016	2017	2018	2019 (2)
Whole School	53.50	52.50	50.46	51.84
English Element	10.85	11.05	10.65	11.16
Maths Element	9.68	9.83	9.94	9.94
EBACC Element	15.44	14.38	14.60	15.83
Open Element	17.53	17.57	14.60	14.92

1. DfE - 2019 School and College Performance Tables Checking Site

2. DfE - 2019 School and College Performance Tables Checking Site

Initiatives that have had a significant impact on raising KS4 Student Outcomes

There was a relentless focus on the quality of Teaching, Learning and Assessment to ensure sustained progress over time.

- Effective Teaching, Learning and Assessment embedded into classroom practice as evidenced by Book Scrutinies, Lesson Observations and Learning Walks

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

- Year 7 Catch-up Fund used to conduct diagnostic assessments for a targeted group of students in Mathematics and English and then provide a bespoke Summer School Programme and in-class support to ensure progress;
- Saturday School used to provide Year 11 PPG and 'academically at risk' students with targeted support in English and Mathematics;
- Consultation of Year 11 targets with individual teachers, using national transition matrices and estimated P8 scores to raise teacher expectations and to encourage transparency and accountability;
- Effective use of Super Learning Days to develop examination skills and revised content in Year 11;
- Easter and Summer Revision Programmes used to provide targeted support to students in all subjects;
- Highly effective CEIAG Programme, including one-to-one interviews with SLT and the use of the "Career Action Planner", to raise student aspirations and develop their understanding of the different pathways available to them at KS4 and Post 16;
- Displays of successful Heston Alumni and current students to raise student aspirations;
- Development of the third wave of the Growth Mindset initiative to foster resilience and independence of learners and to remove the fear of failing;
- Investment in exam board specific CPD to support the delivery of the new GCSE specifications;
- Development of School Partnerships to share good practice;
- Subject specific reviews used to analyse strengths and areas of development for key curriculum areas;
- Refinement of examination analysis and improved use of examinations techniques;
- Implemented the Raising Achievement and Progress group (RAP) to provide one-to-one mentoring to 'academically at risk' More Able students; and
- Dropdown days for Y11.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Post 16 Student Outcomes

Heston has a Sixth Form that is a fully integrated into the School Community providing all students with provision up to the age of 19. The Sixth Form draws students from a diverse range of ethnic and socio-economic backgrounds and regularly recruits between 20 – 50 external students.

The great majority of learners and groups of learners following Applied General or Level 2 vocational programmes of study make strong progress from their starting points. Students without GCSE grades 9 to 4 in either English and/or Mathematics follow relevant courses and make strong progress towards a grade 4. Progress on A-Level qualifications in terms of value added is good across a range of subjects and from their starting points. Gaps in the progress or retention of groups with similar starting points are closing. Students complete their study programmes, achieve qualifications relevant to their career aims and move on to sustained education, employment, training or an apprenticeships.

	2016	2017	2018	2019
ALPs BTEC Single Tear T-Score	2	3		4
OFSTED Inspection Dashboard VA score Applied general (3)	0.7	0.6	0.1	0.48 (4)

- Students completing L3 vocational courses achieve significantly above the national average as measured by the three-year ALPs T score and OFSTED Inspection Dashboard.

	2016	2017	2018	2019
OFSTED Inspection Dashboard VA score Applied general FSM (5)	0.5	0.5	0.10	0.82 (6)

- Value added for FSM students completing Level 3 vocational courses remains above the national average
- Students make good progress on Level 2 vocational courses. Attainment is strong with 60% of students achieving a merit grade or above in the last four years. In 2019, 40% of Level 2 students continued to Level 3 qualifications at the school.

	2016	2017	2018	2019
VA Score English retake	0.9	1.1	0.8	0.6 (7)
VA Score Maths retake	0.1	0.8	0.17	0.7

- Students without GCSE grades 9 to 4 in either English and/or Mathematics make exceptionally strong progress towards a grade 4.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

	2016	2017	2018	2019
ALPs A Level T-Score	6	7	2	3
OFSTED Inspection Dashboard VA score Academic – A Level	-0.09	-0.32	0.17	0.14 (8)

Students completing A Level programmes of study achieve above the national average as reported in the Provisional 2018 Schools & College KS4 Performance Tables Checking Site, and significantly above the national average by the ALPs single-year VA score.

	2016	2017	2018	2019
OFSTED Inspection Dashboard VA score FSM	0.00	-0.24	0.28	0.43 (9)

Value added for FSM students completing A Level programmes of study is above the national average and stronger than that of non-FSM.

3 - *IDS*R February 2018

4 - *SISRA* Estimate 2019

5 - *IDS*R February 2018

6 - Estimate 2019

7 - *DfE* - 2019 School and College Performance Tables Checking Site

8 - *SISRA* Estimate 2019

9 - *ISRA* Estimate 2019

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

OFSTED [July 2019]

'the overall progress measure for Year 11 pupils, which is very strong and has been significantly above the national average since 2016. Likewise, pupils with different prior attainment, including disadvantaged pupils, make strong progress between Years 7 and 11 across nearly all subjects. Additionally, the progress made by post-16 students who sat academic A-level examinations increased from significantly below the national average in 2017 to significantly above average in 2018.'

Quality of Teaching, Learning and Assessment

Time in lessons is used productively. Teachers use effective planning to help students learn well. Students focus well on their learning because teachers reinforce expectations for conduct and set clear tasks that challenge students.

Lesson observations, learning walks, book scrutinies and student focus groups demonstrate that within lessons, teachers typically:

- Demonstrate deep knowledge and understanding of the subjects they teach which is used to plan learning that sustains students' interest and challenges their thinking. They use questioning highly effectively to probe students' responses, to deepen the students' knowledge and understanding or to develop the learning further. Misconceptions are automatically challenged and acted upon.
- Plan lessons very effectively, making maximum use of lesson time for students to embed the knowledge, understanding and skills securely. Lessons ensure that students who are falling behind receive effective support to help them to improve their learning.
- Check students' understanding systematically and effectively in lessons, offering clearly directed and timely support.
- Give students accurate and clear feedback in line with the School's Assessment Policy. Students use this feedback effectively and they know what they need to do to improve.
- Have consistently high expectations and are determined that students achieve well. Embracing the Growth Mindset principles, they encourage students to try hard, recognise their efforts and ensure that students take pride in all aspects of their work.
- Set challenging homework that consolidates learning, deepens understanding and prepares students very well for work to come, in line with the School's policy and as appropriate for the age and stage of students.
- Embed reading, writing and communication and, where appropriate, numeracy exceptionally well across the curriculum, equipping all students with the necessary skills to make progress.
- Are prompt to challenge stereotypes and the use of derogatory language in lessons and around the School.
- Ensure that parents are provided with clear and timely information on how well their child is progressing and how they are performing in relation to the standards expected. Parents are given guidance about how to support their child to improve.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Typically, students demonstrate:

- A positive attitude towards the challenge of learning and are resilient to failure. They are curious, interested learners who seek out and use new information to develop, consolidate and deepen their knowledge, understanding and skills, both in lessons and in extra-curricular activities; and
- A commitment to improving their work. They are given time to apply their knowledge and understanding in new ways that stretches their thinking in a wide range of subjects using a variety of key skills.

External validation, from three Borough Subject Reviews, extensive Partnerships with partner schools and an OFSTED inspection in July 2019, have confirmed the School's judgement on teaching, learning and assessment.

Challenge Partners Quality Assurance Review [November 2016]

"Teaching and Learning is on the borderline of outstanding and good"

"Teachers have good subject knowledge and an infectious enthusiasm for their subjects. Lessons are well planned with a variety of well-sequenced activities so that students remain engaged throughout."

"Students have excellent attitudes to learning. They really want to learn and to excel. They take pride in their work and usually present it carefully. They understand the principles behind the 'Growth Mindset' and the importance of resilience."

"Relationships between students and between students and teachers are very good."

Challenge Partners Quality Assurance Review [November 2017]

"Teachers are experts in their subjects and exhibit deep knowledge of their specialised areas. They are keen to pass on their expertise. Students are fully focused on their learning because they share the teacher's enthusiasm for the subject."

"Teachers plan exciting and stimulating lessons and students are challenged appropriately. Students have a clear understanding of their target grades and are given the appropriate support to achieve these."

"Student engagement is high in most lessons and no off-task behaviour was observed. In the best lessons, students participate fully in discussions with their teacher and with their peers. Conversations are meaningful"

"Students and teachers enjoy very harmonious relationships in the classroom and there is a positive rapport established, adding to the high engagement. Students are treated as equals but there remains a high degree of mutual respect."

"Most teachers have high expectations of their students, who generally respond well to the demands of the lesson."

"The use of personalised response sheets in the students' folders elicited some very pertinent comments from both teacher and student."

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance & Exclusions

Attendance at the School has improved to be above the national average during the year.

	2016/17		2017/2018		2018/19 (10)	
	School	National	School	National	School	National
% of sessions missed due to Overall Absence	5.3	5.4	5.3	5.5	3.5	--
% Persistent absentees- absent for 10% or more sessions	13.5	12.0	11.3	13.9	5.0	--

Exclusions are broadly in line with the national average (12).

	2016/17		2017/2018 (11)		2018/19 (12)	
	School	National	School	National	School	National
% of sessions missed due to Overall Absence	0.16	0.17	0.5	--	0.21	--
% Persistent absentees- absent for 10% or more sessions	4.99	4.26	4.41	--	3.5	--
% students with more than 1 fixed term exclusion	1.15	1.68	0.4	--	0.37	--

OFSTED [July 2019]

"Pupils appreciate the high aspirations which you and your staff model and expect. They really enjoy being at school. They say that the calm, orderly atmosphere in lessons and around the school supports them to learn well and feel safe. Parents and carers who responded to the online survey were positive about all aspects of the school's work."

"staff are aware of the latest safeguarding procedures because they receive regular training. Parents and staff agree that children are safe at your school. Likewise, pupils who spoke to inspectors said that they feel safe and know who to speak to if they have any concerns."

10 - IDSR 2019

11 - IDSR 2018

12 - In-school data June 2019

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators (KPIs)

The Academy Trust has established KPIs for the financial year ended 31st August 2019. They include:

- Overall percentage of funds spent on staffing remain below 80% of income (excluding Fixed Assets) for 2018 -2019.
- Reduce whole school expenditure (excluding Fixed Assets) through efficiency savings and procurement improvements – for 2018-2019 this has been achieved by maintaining a focus on staffing and other key budget areas and re-tendering key contracts as they arose.

Going Concern

Going Concern is a fundamental accounting concept that underlies the preparation of financial statements of all UK companies. Under the going concern concept it is assumed that a company will continue in operations and that there is neither the intention to liquidate it nor to cease trading. It is a requirement that Governors should make a rigorous assessment of whether the company is a going concern when preparing annual financial statements.

To this end, the Governors have assessed and reviewed the Academy Trust's financial data for the year ended 31st August 2019. In addition, the SLT has prepared and evaluated, and Governors have discussed the Academy Trust's financial plan at the Summer 2019 Finance and General Purposes Committee meeting. After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence in its current format 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 the Statement of Accounting Policies.

Financial Review

Most of the Academy's income is obtained from the Education and Schools Funding Agency (ESFA) formerly known as the Education Funding Agency (EFA). This is in the form of the General Annual Grant [GAG] and related grants, the use of which is restricted to educational expenditure. The grants received from the ESFA during the year ended 31st August 2019 are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2019 total expenditure of £8,291k (2018: £8,241k) was covered by GAG funding from the ESFA together with other incoming resource. The excess of expenditure over income for the year was £47k (2018: £345k). Good financial management along with accurate budgeting and review of the purchasing process all account for the small deficit.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

At 31 August 2019, the net book value of tangible fixed assets was £21,025k (2018: £21,120k). Movements in tangible fixed assets are shown in note 12. The assets are used exclusively for providing education and the associated support services to the students of the Academy.

The net current assets of The Academy at 31st August 2019 were £1,605k (2018: £1,270k) which included a cash balance of £1,700k (2018: £1,318k).

The Academy has received notification from the London Borough of Hounslow that the Local Government Pension Scheme deficit as of 31st August 2019 was valued at £4,559k (2018: £3,663). The Academy inherited a pension deficit from The London Borough of Hounslow relating to its support staff and the Local Government Pension Scheme. The nature of this scheme is such that the deficit is linked to the demographic profile of the staff rather than to individual's liabilities and will change with staff resignations and appointments. The deficit is lower for the Academy as an independent academy than it was for the School when it was part of the local authority, and is not considered a material risk to the Academy.

The Pension Scheme deficit relates solely to the Local Government Pension scheme and is in respect of support staff only. The evaluation provides as at 31 August 2019 calculates the liability based on the demographic profile of the scheme members as well as assumptions on fund returns. The liability is specifically entered onto the balance sheet as a restricted general fund, as it is intended to be funded through a restricted income source, likely to be funding devolved from the ESFA and via increased employer contributions funded directly by the General Annual Grant. Therefore, the liability is a long term one to be repaid.

Reserves Policy

The Governors review the reserve levels of the Academy Trust at each month end when the reports are sent to the Chair of Finance and General Purposes Committee. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of restricted and unrestricted reserves.

The Academy Trust has three types of reserves, namely Unrestricted, Restricted and Restricted Fixed Assets.

The Governors determined that the appropriate level of Unrestricted Reserves should ideally be at least £450,000 with an aim of accumulating reserves to cover one month's total staffing cost. A further £100,000 was committed to reserves during this period. The school was in a position to add an additional £450,000 to these reserves. The reserves balance at 31st August 2019 stands at £1million.

This contingency provides a financial cushion to deal with unexpected emergencies such as urgent maintenance or building works required to keep the Academy operational.

Unrestricted Funds which are surplus funds from fundraising activities outside of grants will be used by the Trust, where necessary, to help fund school improvement projects.

The Academy Trust held fund balances at 31 August 2019 of:

Restricted Funds	£884k (2018: £489k)
Restricted Fixed Assets	£21,475k (2018: £21,584k)
Unrestricted Funds	£721k (2018: £767k)
LGPS Deficit	£4,559k (2018: £3,663k)

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment Policy

While the Academy still requires continual capital investment in its premises and infrastructure, there is unlikely to be any long term build-up of capital. Surpluses, therefore, are only invested in bank deposit accounts and not in other financial instruments.

The Trustees agree all investments made by the Academy Trust are in line with the Charity Commission guidance.

Financial Risks

The Governors regularly assess the risk to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems and procedures to manage the risk that the Academy faces, especially in key operational areas such as the vetting of new staff, maintenance and supervision of the School site and grounds as well as Health and Safety. Where significant financial or operational risk still remains, the Governors have ensured that there is adequate insurance cover in place.

Given the nature of Heston Community School as an Academy, the financial instruments that the Academy primarily deals with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. Consequently, there are limited risks in the Academy's financial and business activities and they do not materially affect the assessment of the Academy's assets.

Liquidity risks are managed by maintaining sufficient cash reserves to maintain its independence and to deal with unexpected matters arising (see Reserves Policy). Reserves are not invested in volatile instruments in line with its current agreements but in major banks as deposit accounts. The Academy currently has healthy reserves and the liquidity risk credit risk and cash flow risk to the Academy is extremely low.

The Governors maintain an up-to-date Risks Register through which considerable risks to the School are managed.

Plans for Future Periods

The Academy will continue working to improve the levels of performance levels of the students at all levels and will continue to its efforts to ensure all students achieve their potential. The School Development Plan and the Self Evaluation set out the Academy's vision and ambition for the future in terms of teaching and learning.

In addition, the Academy maintains a rigorous Asset Management Plan which outlines the main building and refurbishment projects planned for subsequent years based on a comprehensive and up to date site condition survey.

HESTON COMMUNITY ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019


Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

A resolution proposing that UHY Hacker Young be reappointed as auditor of the Charitable Company will be put to the Members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 12 December 2019 and signed on its behalf by:



Mr Naajinder Phull

Chair of Trustees, Parent

HESTON COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, 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 Heston Community Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

HESTON COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governance

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

Governors	Meetings attended	Out of possible
Mr Ranjit Berdesha [Headteacher]	4	4
Mr Narinder Phull [Chair of Board and Chair FGP Committee]	4	4
Mrs Fran Hooker [Vice Chair]	4	4
Mrs Glynis Ross-Wood [Chair A&P Committee]	4	4
Mr Johnny Kyriacou [Chair T&L Committee]	4	4
Mr Qaisar Rizwan [Appointed 28 January 2019]	4	4
Mr Satpal Grewal	4	4
Mr Krishna Ramdeen [Resigned 31 August 2019]	4	4
Mrs Vanessa O'Neil	4	4
Mrs Nirmala Bali [Appointed 04 July 2019]	1	1
Mrs Cathy Tilley [Resigned 30 September 2018]	0	1
Mr Kuldip Sidhu [Chair] [Resigned 23 November 2018]	1	1
Mr Bashir Al-Damen [Resigned 31 August 2019]	3	4
Mrs Harjinder Johal [Resigned 31 August 2019]	3	4

There have been no structural changes to the Board in the year. There have been several changes to the Board Members in the year; all changes to the board are listed above.

The Finance and General Purposes Committee is a sub-committee of the main Board of Governors.

Attendance at meetings in the year was as follows:

Governor	Finance & General Purposes	
	Attended	Out of ...
Mr Ranjit Berdesha [Headteacher]	3	3
Mr Vanessa O'Neil	3	3
Mr Narinder Phull [Chair FGP Committee]	3	3
Mr Krishna Ramdeen	3	3

HESTON COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring 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 tax payers' resources received.

The Accounting Officer considers how the Trust's use of resources has provided good value good value for money can be used using benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

1. Sustaining High Quality Educational Results

Examination results and the progress of all groups of pupils remains strong within the context of the efficient use of School resources. Heston Community School offers a broad and challenging curriculum across all the school years and this is achieved through close monitoring of the teaching group sizes and staffing costs.

Comparison with similar schools both locally and nationally shows that Heston Community School is performing well confirming the efficiency of this school.

2 Financial Governance and Oversight

The Academy benefits from an internal audit by UHY Hacker Young, its auditors to ensure that its duties and obligations are being correctly fulfilled. UHY Hacker Young reviews key financial policies, systems and procedures including the use of tenders and produces monthly management accounts to the Chair of Finance and General Purposes Committee. The internal audit reports shows that the School has succeeded in its financial aims of compliance and smooth running of the accounts. The monthly management accounts show further improvements in the running of the finances of the School resulting in a healthy operating balance along with significant reserves held in a separate savings account. The high level of communication and exchange of information between the Chair of the Financial and General Purposes committee to ensure openness and accountability in terms of finances is key to this success. Financial procedures and authorisation limits are regularly reviewed by the Governing Body.

3. Ensuring the Operation of the Academy demonstrates good value for money and an efficient use of resources.

Heston Community School uses competitive tendering processes for ensuring value for money when it comes to capital expenditure. The Academy has a strict limit for authorisations. In this financial year, the school obtained permission from the Governing Body to tender for six capital expenditure items to take place; ICT Hardware Replacement, the refurbishment of the Staffroom, refurbishment of the Hogarth toilets, the Schools Reprographics service, the replacement of the floor in the Main Hall and the replacement of the Boilers in the Sutton Block [as part of the Schools' successful CIF bid].

All major projects were subject to the Academy's purchasing procedures with final contracts being awarded after careful consideration by the purchasing group of which one member was a Governor with oversight for Procurement.

In addition, during the course of the year a number of contracts and purchases were reviewed to ensure the existing contracts provided best value for the School.

HESTON COMMUNITY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4. Income Generation

The Sports Hall was brought in house to be managed as a school letting in place of being run as a separate entity in March 2017. The operating model of the Sports Hall was changed from being a fully managed service to a self-service one whereby those who were renting the facilities were to set up and put away themselves. Over the subsequent period the School has managed to increase the Sports Hall income while reducing staffing costs.

School Lettings, have been maintained over the year primarily through classroom rentals and the Main Hall. Further areas for increasing rental income are under consideration including areas such as providing conference room facilities and improving the School Gym in order to bring it up-to-date and suitable for lettings.

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 Heston Community Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Governors 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 Governors 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 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management and administration procedures including the segregation of duties and a system of delegations and accountability. In particular it includes:

- A dedicated Academy Business Manager with responsibility for ensuring compliance, accurate budgeting and accounting and overall financial responsibility in the role of Chief Financial Officer for the Trust in line with the requirements of the Academies Financial Handbook;
- Comprehensive budgeting and monitoring systems with an annual budget, and monthly financial reports which are reviewed by the Chair of Finance and General Purposes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset or capital investment) guidelines; and
- Identification and management of risks.

HESTON COMMUNITY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Governing Body has considered the need for a specific internal audit function and has decided to appoint an external auditor, UHY Hacker Young, to undertake this function. The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current year included:

- A review of the cash and banking procedures;
- A review of the purchasing procedures;
- A review of the asset management procedures; and
- A review of the payroll procedures

There is a standing agenda item on the Full Governing Body for the internal audit items to be reported on receipt of the completed report.

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 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 Full Governing Body in addition to the Finance and General Purposes Committee an on-going plan is already in place continue to address potential weaknesses and to ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 12 December 2019 and signed on its behalf by:



Mr Narinder Phull
Chair of Trustees, Parent



Mr Ranjit Berdesha
Headteacher & Accounting Officer

HESTON COMMUNITY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As Accounting Officer of Heston Community Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and Schools Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2018.

I confirm that I and the Trust's Board of Governors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr Ranjit Berdesha
Accounting Officer

12 December 2019

HESTON COMMUNITY ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who act as Trustees for Heston Community Academy Trust and are also the Directors of Heston Community Academy Trust for the purposes of Company Law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Schools Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the "Going Concern" basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

Approved by order of the members of the Board of Governors on 12 December 2019 and signed on its behalf by:



Mr Narinder Phull
Chair of Trustees, Parent

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HESTON COMMUNITY
ACADEMY TRUST**

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Heston Community Academy Trust for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the accounts 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HESTON COMMUNITY
ACADEMY TRUST (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information. 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.

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 Governors' 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 Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HESTON COMMUNITY
ACADEMY TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2019

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

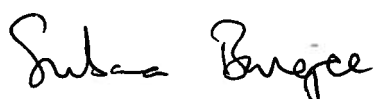
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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 accounts.

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.

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.



**Subarna Banerjee (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

18/12/19.....

**Chartered Accountants
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO HESTON COMMUNITY ACADEMY TRUST AND THE EDUCATION
& SKILLS FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2019**

In accordance with the terms of our engagement letter dated 1 April 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Heston Community Academy Trust during the period 1 September 2018 to 31 August 2019 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 Heston Community Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Heston Community Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Heston Community Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Heston Community Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Heston Community Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO HESTON COMMUNITY ACADEMY TRUST AND THE EDUCATION
& SKILLS FUNDING AGENCY (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The work undertaken to draw to our conclusion includes:

- Review and corroboration of the most recent Financial Management and Governance Evaluation
- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated: ...18/12/19.....

HESTON COMMUNITY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	8	-	273	281	32
Charitable activities:						
- Funding for educational operations	4	105	7,768	-	7,873	7,795
Other trading activities	5	80	-	-	80	65
Investments	6	10	-	-	10	4
Total income and endowments		<u>203</u>	<u>7,768</u>	<u>273</u>	<u>8,244</u>	<u>7,896</u>
Expenditure on:						
Raising funds	7	8	9	-	17	15
Charitable activities:						
- Educational operations	8	195	7,651	428	8,274	8,226
Total expenditure	7	<u>203</u>	<u>7,660</u>	<u>428</u>	<u>8,291</u>	<u>8,241</u>
Net income/(expenditure)		-	108	(155)	(47)	(345)
Transfers between funds		(46)	-	46	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	17	-	(609)	-	(609)	811
Revaluation of investment property	13	-	-	-	-	276
Net movement in funds		<u>(46)</u>	<u>(501)</u>	<u>(109)</u>	<u>(656)</u>	<u>742</u>
Reconciliation of funds						
Total funds brought forward		<u>767</u>	<u>(3,174)</u>	<u>21,584</u>	<u>19,177</u>	<u>18,435</u>
Total funds carried forward		<u>721</u>	<u>(3,675)</u>	<u>21,475</u>	<u>18,521</u>	<u>19,177</u>

HESTON COMMUNITY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	6	-	26	32
Charitable activities:					
- Funding for educational operations	4	139	7,656	-	7,795
Other trading activities	5	65	-	-	65
Investments	6	4	-	-	4
Total income and endowments		<u>214</u>	<u>7,656</u>	<u>26</u>	<u>7,896</u>
Expenditure on:					
Raising funds	7	-	15	-	15
Charitable activities:					
- Educational operations	8	80	7,702	444	8,226
Total expenditure	7	<u>80</u>	<u>7,717</u>	<u>444</u>	<u>8,241</u>
Net income/(expenditure)		134	(61)	(418)	(345)
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	17	-	811	-	811
Revaluation of fixed assets	12	-	-	276	276
Net movement in funds		134	750	(142)	742
Reconciliation of funds					
Total funds brought forward		<u>633</u>	<u>(3,924)</u>	<u>21,726</u>	<u>18,435</u>
Total funds carried forward		<u>767</u>	<u>(3,174)</u>	<u>21,584</u>	<u>19,177</u>

HESTON COMMUNITY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		21,025		21,120
Investment property	13		450		450
			<u>21,475</u>		<u>21,570</u>
Current assets					
Debtors	15	220		224	
Cash at bank and in hand		1,700		1,318	
		<u>1,920</u>		<u>1,542</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(315)		(272)	
		<u></u>		<u></u>	
Net current assets			1,605		1,270
Net assets excluding pension liability			<u>23,080</u>		<u>22,840</u>
Defined benefit pension scheme liability	17		(4,559)		(3,663)
			<u>18,521</u>		<u>19,177</u>
Net assets			<u><u>18,521</u></u>		<u><u>19,177</u></u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			21,475		21,584
- Restricted income funds			884		489
- Pension reserve			(4,559)		(3,663)
			<u>17,800</u>		<u>18,410</u>
Total restricted funds			<u>17,800</u>		<u>18,410</u>
Unrestricted income funds	18		721		767
			<u>18,521</u>		<u>19,177</u>
Total funds			<u><u>18,521</u></u>		<u><u>19,177</u></u>

The accounts set out on 35 and 64 were approved by the Board of Governors and authorised for issue on 12 December 2019 and are signed on it's behalf by:



Mr Narinder Phull
Chair of Trustees, Parent

Company Number 07964015

HESTON COMMUNITY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		432		362
Cash flows from investing activities					
Dividends, interest and rents from investments		10		4	
Capital funding received from sponsors and others		273		26	
Purchase of tangible fixed assets		(333)		(12)	
Net cash (used in)/provided by investing activities			<u>(50)</u>		<u>18</u>
Net increase in cash and cash equivalents in the reporting period			382		380
Cash and cash equivalents at beginning of the year			1,318		938
Cash and cash equivalents at end of the year			<u><u>1,700</u></u>		<u><u>1,318</u></u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Heston Community Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants receivable

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.

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.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

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.

On becoming an academy, the land and property of the predecessor school was transferred to the academy for £nil consideration. The valuation of the land and buildings as at the date of conversion was prepared by DVS Property Specialists.

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.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Governors' meetings and reimbursed expenses.

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	10 to 50 years
Plant and machinery	5 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	5 years

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 Investment property

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience, and rent levels and cash flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself. Given the Trustees' knowledge of local market conditions, no third party valuation has been considered necessary.

1.7 Liabilities

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

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 Governors.

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.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.12 Financial instruments

The Academy Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's statement of financial position when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Financial assets

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.14 Financial liabilities

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities.

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 assumptions for LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement"

This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by a percentage of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 17.

(2) Guaranteed Minimum Pension (GMP)

GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates

There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

(4) Mortality assumptions

Details of the changes in mortality assumptions are shown in note 17. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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.

Depreciation

The Trustees estimate the useful economic lives and residual values of Plant and machinery, Computer equipment, Fixtures and fittings & equipment and Motor vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Financial Activities and the balance sheet.

Investment property valuation

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical knowledge and rent levels and flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself. Given the property market knowledge and expertise of the trustees, no third party valuation has been considered necessary.

Critical areas of judgement

The trustees consider that they have not made any critical judgements in the preparation of the financial statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	273	273	26
Other donations	8	-	8	6
	<u>8</u>	<u>273</u>	<u>281</u>	<u>32</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	6,948	6,948	6,997
Other DfE group grants	-	292	292	-
	<u>-</u>	<u>7,240</u>	<u>7,240</u>	<u>6,997</u>
Other government grants				
Local authority grants	-	452	452	305
Special educational projects	-	76	76	354
	<u>-</u>	<u>528</u>	<u>528</u>	<u>659</u>
Other funding				
Other incoming resources	105	-	105	139
	<u>105</u>	<u>-</u>	<u>105</u>	<u>139</u>
Total funding	<u>105</u>	<u>7,768</u>	<u>7,873</u>	<u>7,795</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	78	-	78	64
Catering income	1	-	1	1
Other income	1	-	1	-
	<u>80</u>	<u>-</u>	<u>80</u>	<u>65</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	10	-	10	4
	<u>10</u>	<u>-</u>	<u>10</u>	<u>4</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	4,925	-	371	5,296	5,517
- Allocated support costs	1,393	655	930	2,978	2,709
	<u>6,318</u>	<u>655</u>	<u>1,301</u>	<u>8,274</u>	<u>8,226</u>
Other expenditure					
Raising funds	-	-	17	17	15
	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>	<u>15</u>
Total expenditure	<u>6,318</u>	<u>655</u>	<u>1,318</u>	<u>8,291</u>	<u>8,241</u>
Net income/(expenditure) for the year includes:				2019	2018
				£'000	£'000
Fees paid to auditor for audit services				15	14
Operating lease rentals				30	33
Depreciation of tangible fixed assets				428	444
				<u>473</u>	<u>491</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs - educational operations	-	5,296	5,296	5,517
Support costs - educational operations	195	2,783	2,978	2,709
	<u>195</u>	<u>8,079</u>	<u>8,274</u>	<u>8,226</u>
			2019	2018
			£'000	£'000
Analysis of support costs				
Support staff costs			1,393	1,359
Depreciation and amortisation			428	444
Technology costs			202	101
Premises costs			503	410
Other support costs			407	356
Governance costs			45	39
			<u>2,978</u>	<u>2,709</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	4,411	4,468
Social security costs	467	460
Pension costs	851	911
	<u>5,729</u>	<u>5,839</u>
Staff costs	5,729	5,839
Agency staff costs	325	365
Staff development and other staff costs	264	115
	<u>6,318</u>	<u>6,319</u>
Total staff expenditure	<u>6,318</u>	<u>6,319</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	80	80
Administration and support	88	91
Management	6	6
	<u>174</u>	<u>177</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	4	7
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u>6</u>	<u>9</u>

Key management personnel

The Academy Trust is governed by the Board of Governors who are responsible for setting the general direction of the Academy, monitoring the work of the Academy and ensuring the objectives of the Academy are achieved. The key management personnel of the Academy Trust is the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £560,764 (2018 - £699,046).

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Governors' remuneration and expenses

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

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

Ranjit Berdesha (Headteacher)	Remuneration:	£90,000 - £95,000	(2018: £85,000 - £90,000)
	Pension:	£15,000 - £20,000	(2018: £10,000 - £15,000)
Venessa O'Neil (Staff)	Remuneration:	£30,000 - £35,000	(2018: £30,000 - £35,000)
	Pension:	£0,000 - £5,000	(2018: £0,000 - £5,000)
Bashar Al-Daman (Teacher)	Remuneration:	£25,000 - £30,000	(2018: £30,000 - £35,000)
	Pension:	£0,000 - £5,000	(2018: £0,000 - £5,000)

During the year, travel and subsistence for the trustees totalled £nil (2018 - £nil).

11 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was not separately identifiable and has been included in the total insurance cost.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2018	22,946	113	456	388	23	23,926
Additions	-	116	77	140	-	333
Disposals	-	-	(7)	-	-	(7)
At 31 August 2019	22,946	229	526	528	23	24,252
Depreciation						
At 1 September 2018	1,929	113	443	298	23	2,806
On disposals	-	-	(7)	-	-	(7)
Charge for the year	327	3	18	80	-	428
At 31 August 2019	2,256	116	454	378	23	3,227
Net book value						
At 31 August 2019	20,690	113	72	150	-	21,025
At 31 August 2018	21,017	-	13	90	-	21,120

The net book value of land and buildings comprises:

	2019 £'000	2018 £'000
Freeholds	7,918	7,920
Long leaseholds (over 50 years)	12,772	13,097
	20,690	21,017

13 Investment Property

	£'000
Market value	
At 1 September 2018 and at 31 August 2019	450

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Investment Property

(Continued)

In 2018, the Governors designated a non-educational residential building on the school site to be used for the purposes of rental income and capital appreciation. The building and attached land have been transferred from tangible fixed assets at net book value, and revalued to fair value as at 31 August 2018. The fair value gain was recognised in the Statement of Financial Activities.

The fair value of the investment property has been arrived at on the basis of a professional valuation carried out on 9 October 2018.

The historical cost of the property is estimated to be £173,580 on the basis of the ESFA's valuation of the Academy's land and buildings.

14 Financial instruments

	2019 £'000	2018 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	124	162
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	314	271
	<u> </u>	<u> </u>

The trustees have considered the Academy Trust's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Academy Trust's risk register and monitored throughout the year. The trustees do not consider the Academy Trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

15 Debtors

	2019 £'000	2018 £'000
Trade debtors	24	15
VAT recoverable	97	48
Other debtors	-	15
Prepayments and accrued income	99	146
	<u> </u>	<u> </u>
	220	224
	<u> </u>	<u> </u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due within one year	2019	2018
	£'000	£'000
Trade creditors	186	182
Other taxation and social security	1	1
Accruals and deferred income	128	89
	<u>315</u>	<u>272</u>

17 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year (2018: £nil).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension, Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme Website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

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

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

Total contributions made	2019	2018
	£'000	£'000
Employer's contributions	251	248
Employees' contributions	60	64
	<hr/>	<hr/>
Total contributions	311	312
	<hr/> <hr/>	<hr/> <hr/>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.7	2.9
Rate of increase for pensions in payment/inflation	2.2	2.4
Discount rate for scheme liabilities	1.9	2.8
	<u> </u>	<u> </u>

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6	22.5
- Females	24.0	24.6
Retiring in 20 years		
- Males	22.3	24.3
- Females	25.8	26.7
	<u> </u>	<u> </u>

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

The Academy Trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	1,883	1,755
Bonds	276	228
Gilts	167	139
Absolute return portfolio	545	524
Property	145	142
Other assets	56	69
	<u> </u>	<u> </u>
Total market value of assets	3,072	2,857
	<u> </u>	<u> </u>

The actual return on scheme assets was £204,000 (2018: £104,000).

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	340	417
Past service cost	101	-
Interest income	(73)	(68)
Interest cost	170	174
Benefit changes, curtailments and settlements gains or losses	-	3
	<u>538</u>	<u>526</u>

Changes in the present value of defined benefit obligations

**2019
£'000**

At 1 September 2018	6,520
Current service cost	340
Interest cost	170
Employee contributions	60
Actuarial loss/(gain)	740
Benefits paid	(300)
Past service cost	101
	<u>7,631</u>
At 31 August 2019	<u>7,631</u>

Changes in the fair value of the Academy Trust's share of scheme assets

**2019
£'000**

At 1 September 2018	2,857
Interest income	73
Actuarial gain	131
Employer contributions	251
Employee contributions	60
Benefits paid	(300)
	<u>3,072</u>
At 31 August 2019	<u>3,072</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	480	6,948	(6,571)	-	857
Other DfE / ESFA grants	-	292	(292)	-	-
Other government grants	9	528	(510)	-	27
	<u>489</u>	<u>7,768</u>	<u>(7,373)</u>	<u>-</u>	<u>884</u>
Funds excluding pensions	489	7,768	(7,373)	-	884
Pension reserve	(3,663)	-	(287)	(609)	(4,559)
	<u>(3,174)</u>	<u>7,768</u>	<u>(7,660)</u>	<u>(609)</u>	<u>(3,675)</u>
Restricted fixed asset funds					
Transfer on conversion	20,891	-	-	-	20,891
DfE group capital grants	238	273	(428)	46	129
Capital expenditure from GAG	455	-	-	-	455
	<u>21,584</u>	<u>273</u>	<u>(428)</u>	<u>46</u>	<u>21,475</u>
Total restricted funds	<u>18,410</u>	<u>8,041</u>	<u>(8,088)</u>	<u>(563)</u>	<u>17,800</u>
Unrestricted funds					
General funds	767	203	(203)	(46)	721
	<u>767</u>	<u>203</u>	<u>(203)</u>	<u>(46)</u>	<u>721</u>
Total funds	<u>19,177</u>	<u>8,244</u>	<u>(8,291)</u>	<u>(609)</u>	<u>18,521</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

General Annual Grant (GAG)

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum 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 2019.

Other restricted funds

Other restricted funds include funding received from the DfE and Local Education Authorities for specific purposes and other sundry sources of restricted income and expenditure from various sources.

Pension reserve

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status and through which all the Pension Scheme movements are recognised.

Restricted fixed asset funds

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Academy upon conversion which represent the School Site including the long leasehold interest and building and all material items of plant and machinery therein. Depreciation charged on those assets are allocated to the fund.

Capital expenditure from GAG

The capital expenditure from GAG (Capital Annual Grant) fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded from the GAG. This fund has been created by a transfer of an amount equal to the cost of the Academy Asset Management Plan from the GAG Fund.

Unrestricted funds

The unrestricted general fund has been set up for the funds received from sources outside of normal funding. This includes inherited surplus cash on conversion to academy status and all funds generated outside of DfE and LA funding streams. The relevant unrestricted expenditure is then recorded through this Fund.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	272	6,997	(6,789)	-	480
Other government grants	-	659	(650)	-	9
Pension reserve	(4,196)	-	(278)	811	(3,663)
	<u>(3,924)</u>	<u>7,656</u>	<u>(7,717)</u>	<u>811</u>	<u>(3,174)</u>
Restricted fixed asset funds					
Transfer on conversion	21,218	-	-	(327)	20,891
DfE group capital grants	53	26	(444)	603	238
Capital expenditure from GAG	455	-	-	-	455
	<u>21,726</u>	<u>26</u>	<u>(444)</u>	<u>276</u>	<u>21,584</u>
Total restricted funds	<u>17,802</u>	<u>7,682</u>	<u>(8,161)</u>	<u>1,087</u>	<u>18,410</u>
Unrestricted funds					
General funds	633	214	(80)	-	767
Total funds	<u>18,435</u>	<u>7,896</u>	<u>(8,241)</u>	<u>1,087</u>	<u>19,177</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	272	13,945	(13,360)	-	857
Other DfE / ESFA grants	-	292	(292)	-	-
Other government grants	-	1,187	(1,160)	-	27
Pension reserve	(4,196)	-	(565)	202	(4,559)
	<u>(3,924)</u>	<u>15,424</u>	<u>(15,377)</u>	<u>202</u>	<u>(3,675)</u>
Restricted fixed asset funds					
Transfer on conversion	21,218	-	-	(327)	20,891
DfE group capital grants	53	299	(872)	649	129
Capital expenditure from GAG	455	-	-	-	455
	<u>21,726</u>	<u>299</u>	<u>(872)</u>	<u>322</u>	<u>21,475</u>
Total restricted funds	<u>17,802</u>	<u>15,723</u>	<u>(16,249)</u>	<u>524</u>	<u>17,800</u>
Unrestricted funds					
General funds	633	417	(283)	(46)	721
Total funds	<u>18,435</u>	<u>16,140</u>	<u>(16,532)</u>	<u>478</u>	<u>18,521</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	21,025	21,025
Fixed asset investments	-	-	450	450
Current assets	721	1,199	-	1,920
Creditors falling due within one year	-	(315)	-	(315)
Defined benefit pension liability	-	(4,559)	-	(4,559)
Total net assets	<u>721</u>	<u>(3,675)</u>	<u>21,475</u>	<u>18,521</u>

	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	21,120	21,120
Fixed asset investments	-	-	450	450
Current assets	767	761	14	1,542
Creditors falling due within one year	-	(272)	-	(272)
Defined benefit pension liability	-	(3,663)	-	(3,663)
Total net assets	<u>767</u>	<u>(3,174)</u>	<u>21,584</u>	<u>19,177</u>

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019	2018
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	(47)	(345)
Adjusted for:		
Capital grants from DfE and other capital income	(273)	(26)
Investment income receivable	(10)	(4)
Defined benefit pension costs less contributions payable	190	172
Defined benefit pension scheme finance cost	97	106
Depreciation of tangible fixed assets	428	444
Decrease/(increase) in debtors	4	(55)
Increase in creditors	43	70
	<u> </u>	<u> </u>
Net cash provided by operating activities	432	362
	<u> </u>	<u> </u>

21 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors 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. The following related party transaction took place in the period of account.

There is a common Governor at Heston Primary School and Heston Community Academy. Both schools share a common site and during the year the cost of shared utility bills amounted to £nil (2018: £7,712). During the course of the year there were also share repairs and maintenance costs with Heston Primary School amounting to £nil (2018: £550).

During the year under review, the Trust paid £600 (2018: £600) to Featherstone High School for Head Teachers Performance Management relating to Leadership & Governance costs.

During the year under review an amount of £nil (2018: £960) was paid to Isleworth and Syon School, relating to sporting programmes. An amount of £7,265 (2018 - £8,543) was paid to Lampton School Academy Trust. An amount of £66 (2018: £2,166) remained outstanding at the year-end. These payments related to teacher and leadership training in 2018, and sporting programmes in the prior year.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

HESTON COMMUNITY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

23 Agency arrangements

The Academy administers the disbursements of the new discretionary support for learners, 16 -19 Bursary Funds, on behalf of the ESFA. In the year, the Academy received £38,476 (2018: £28,077) and disbursed £16,755 (2018: £15,906).