

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

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HARLOW INSPIRATIONAL LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rev Richard Attew Dr William Cairns Mrs Ann Bard Mrs Sue Cook
Trustees	Mrs Mary Evans, CEO and Executive Head Teacher Dr William Cairns, Chair of Trustee Board Mr David Ives Mr Simon Plumb Mrs Julie Lane Mrs Clare O'Sullivan Mrs Suzanne Cassidy, appointed December 2021
Company Registered Number	09791050
Company Name	Harlow Inspirational Learning Trust
Registered and Principal Office	The Henry Moore Primary School Kiln Lane Church Langley Harlow Essex CM17 9LW
Chief Financial Officer	Mrs Debby Hempsted
Chief Executive Officer	Mrs Mary Evans
Senior Leadership Team	Mrs Mary Evans, Executive Headteacher / CEO Mrs Sarah Cowley, Co-Headteacher, Headteacher, Henry Moore from April 22 Mrs Christine Lee, Assistant Headteacher Mr Michael Doughty, Headteacher, Milwards Mrs Linda Chesworth, Headteacher (resigned 31 August 2021)
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

HARLOW INSPIRATIONAL LEARNING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Harlow Inspirational Learning Trust (The Trust or the Charitable Company) for the year to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust is constituted as a two school Multi Academy Trust, The Henry Moore Primary School and Milwards Primary School and Nursery (The Schools or The Academies).

The Schools have a combined pupil capacity of 780 and had a roll of 750 in the census on 7th October 2022.

Structure, Governance and Management

Constitution

The 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. The Trustees of Harlow Inspirational Learning Trust are also the Directors of the Charitable Company for the purposes of company law. Within this report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- The Henry Moore Primary School
- Milwards Primary School and Nursery

The operation of the Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance, Audit and Strategy (FAS) Committee. Each Academy has a Local Governing Body (LGB) which supports the Trust's FAS Committee in the monitoring of their Academy within agreed budgets. Within this Report, the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of an LGB.

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

Members' Liability

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

Trustees' and Officers' Indemnities

The Trust has secured insurance cover through Zurich.

Covering any Director, Trustee, Member or co-opted Member of the insured's governing body or any subcommittee of it, including the insured's Multi Academy Trust.

The policy protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £1,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the Trust policy.

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Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO)/Executive Headteacher is an ex officio member of the Board of Trustees. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. Co-opted Trustees are elected by the existing Trustee cohort and their appointment is ratified by the Members of the Trust. The Articles of Association make provision for

- 5 Trust Members; and
- 9 Trust Directors (including the Executive Head Teacher/CEO)

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by Trust and School staff and also links with a number of local training providers and School Business Management Service.

All new Trustees and Governors have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of their School. This process will involve a meeting with the Chair of Trustees or Chair of the LGB as necessary, selected students and staff. All Trustees and Governors are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees and Governors with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least 4 occasions per year and is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure, senior staff appointments and executive pay.

The Governors within their LGB's which meet on at least 3 occasions each year are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits. Governors can be members of one or two sub-committees, the terms of reference for which are reviewed annually, who report to the Board of Trustees.

The Academy Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level i.e. below Assistant Head, following vetting and safeguarding recruitment processes.

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The Executive Headteacher / CEO is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The Executive Headteacher / CEO manages the Trust on a daily basis supported by a Trust Senior Management Team comprising the Senior Leadership Team (Educational), Chief Finance Officer, Compliance Manager, Business Efficiency Manager who look across the Trust and aligns local SLT and LGB activity to the strategic aims of the Trust as a whole. The Trust Senior Management Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Pay Review Committee and ratified by the Board of Trustees.

Trade Union Facility Time

The Trust has no employees that are Trade Union Representatives.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and LGB's being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook.

The Trust did not cooperate with any related party during the academic year in pursuit of its charitable activities and does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of a family of Academies to provide free education and care for pupils of different abilities between the ages of 4 and 11 at Henry Moore, 3 and 11 at Milwards. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- developing resilient, resourceful students;

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- adapting and applying skills for flexible life-long learning;
- improving the effectiveness of each School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended; and
- conducting the Trust's business in accordance with the highest standards of integrity.

Our success in fulfilling these aims can be measured by:

- Reports from external advisors-educational, finance and others
- OFSTED
- School data, educational, social, emotional outcomes
- Auditors

Public Benefit

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

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their School.

Specific achievements were as follows:

- Both Schools have achieved Primary Science Quality Mark (PSQM)
- Milwards succeeded with a bid to have Forest School on site
- OFSTED September 2021 Milwards achieved 'Outstanding' in Behaviour and Attitudes and Personal Development
- Pupil progress in both Schools was good. Despite KS1 and KS2 results at Milwards being disappointing, new strategies and initiatives are beginning to grow and show impact throughout the School .
- There are strong green shoots of growth/good attainment at the lower end of Milwards School indicative of the impact of new initiatives and strategies. The Henry Moore 2022 outcomes show that results have been maintained at above national average despite Covid-19 related challenges.

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2021/22 were 778 against a budget of £4,040,140.

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A further KPI is staffing costs as a percentage of total recurring income. For 2021/22 this was 80%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by them.

The FAS Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

Non-Financial

Milwards had an OFSTED inspection in early September 2021. It was in the first week of the return of inspections post covid and as this was the Lead Inspector's first inspection, she was being monitored by an additional QA inspector. The School was rated RI with two 'Outstanding' areas and a 'Good'.

2022 Results/Outcomes

Whilst the 2022 Trust outcomes have been fully reported to the Trustees, nationally results are not being published publicly. This is the first post covid set of results, which have taken place for the Government (and others) to measure the impact of covid.

There has clearly been an impact in both Schools, in addition to some historic issues at Milwards.

As with all other schools and workplaces, the past year has continued to be severely impacted by significant staff and pupil covid absence in addition to normal, routine types of absence.

It is however, pleasing to note 'growth' in attainment growing from the bottom end at Milwards, and good progress in other parts of the School in the past year.

At Henry Moore results continue to show at above national.

Absence Data 2021/2022 - Affected by Covid Absence throughout the Year

HM Absence-5.5% PA 13%

Milwards Absence-6.2% PA 18.5%

Harlow Education Trust - Average Absence-6.2% PA-18.1%

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. .

Financial Review.

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received £4,004,913 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £4,300,896 including capital projects. A summary of the Trust's financial results are set out below:

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	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	3,830,269	157,924	16,720	-	4,004,913
Resources Expended	(3,662,670)	(155,267)	(7,605)		(3,825,542)
LGPS Charge				(555,000)	(555,000)
Depreciation			(144,354)		(144,354)
Employer contributions paid				224,000	224,000
Total Resources Expended	(3,662,670)	(155,267)	(151,959)	(331,000)	(4,300,896)
Assets Purchased from GAG	(27,825)	-	27,825		-
Actuarial Gains				2,454,000	2,454,000
Surplus / (Deficit) for the year	139,774	2,657	(107,414)	2,123,000	2,158,017
Balance at 1 September 2021	263,280	241,801	13,896,245	(2,656,000)	11,745,326
Balance at 31 August 2022	403,054	244,458	13,788,831	(533,000)	13,903,343

The Local Government Pension Scheme - the Academy is recognising pension fund deficit of £533,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £2,656,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Chief Finance Officer. The budget plan identifies how any reserves carried forward will be allocated in the plan for the following academic year, including the identification of any funds restricted or designated for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £244,458. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £647,512.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £915,488. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

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Investment Policy

An Investment Policy was approved by the Board of Trustees in December 2021.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust and the individual Schools are exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance, Audit and Strategy Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms in the medium to longer term. Unfunded salary increases for both teaching and support coupled with the spiralling energy costs is putting a strain on budgets.
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Schools is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;

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- fraud and mismanagement of funds - the Trustees have appointed Juniper to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension scheme liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including Parent Association events. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

- To ensure that leadership across the Trust at all levels is consistently good or better and makes a positive impact on the quality of provision and outcomes for all pupils.
- To ensure that all pupils make at least good progress so that all Schools continue to improve and are judged good or better.
- To ensure that each School curriculum is of a high standard, inspirational and engaging.
- To ensure that the quality of teaching is consistently good or above.
- To ensure that governance at all levels provides the appropriate challenge and support to enable the School and teacher training to thrive.
- To ensure that the Trust meets all of the requirements of the Academy Trust Handbook and is financially viable.
- To ensure that a complete set of all required policies and procedures is in place across the Trust and, where required and appropriate, on the website.
- To maximize the potential of each School, the School premises and assets of the Trust.
- To continue to develop/expand the Trust and to formalise partnerships and collaborations with other organisations that allow the Trust to develop its strategic objectives.
- To ensure that all the necessary legal structures and insurance are in place to protect and develop the Trust.
- To ensure that the Schools are as COVID safe as possible.

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TRUSTEES' REPORT (CONTINUED)
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Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Insofar as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees on 21 December 2022 and signed on its behalf by:

Dr William Cairns
Chair of Trustees

HARLOW INSPIRATIONAL LEARNING TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between HILT and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control. The Board met fewer than six times during the year and is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of two such sub-committees are noted below.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs Mary Evans (CEO and Executive Head Teacher)	4	4
Dr William Cairns (Chair)	4	4
Mr David Ives	4	4
Mrs Julie Lane	3	4
Mr Simon Plumb	3	4
Mrs Clare O'Sullivan	2	4
Mrs Suzanne Cassidy	0	3
Mrs Sue Cook (Associate, Chair of FAS)	1	4

Review of the Year

Governance/Leadership

Trustee Board, Local Governing Body (LGB) and Finance, Audit and Strategy (FAS) meetings have been held either remotely or hybrid (in person and online) as a result of the COVID pandemic. This format has continued to be very successful – meetings consistently run smoothly and the format helps ensure good attendance.

COVID Pandemic

Covid continued to have a significant impact on HILT schools during the 2021-2022 academic year along with all other schools.

This resulted in significant pupil and staff absence leading to significant, continued disruption to learning.

This in turn put pressure on SLTs in terms of providing staff cover and keeping each School running at times. We were pleased that it was never necessary to close part or all of either School, but it was a challenge keeping them open at times.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Pupil Progress / SATS 2022

It is clear at both Schools that Covid has had a significant impact leading to gaps in learning for many children. 'Catch up' groups have been in place and teachers have made specific provision for individual children.

Both Schools introduced new phonics programmes during this year and the new EYFS curriculum.

This has had good impact in both Schools. Both Schools had GLD higher than national averages, with Y1 phonics continuing to be strong with Henry Moore above, and Milwards only slightly below average.

SATs took place and whilst not being reported nationally this year, both School's outcomes were as expected and in line with the cohort expectations.

Both Schools achieved the Primary Science Quality Mark during the year.

Premises

Trust awarded a provisional CIF bid for School extension 23rd June 2021

The total for project is £1,564,050.

This is made up of £1,463,050 which is fully funded.

An additional CIF loan for £101,000 which the Trust will have to pay back, although it is in the AMP as £50,500 for the next two years.

There is also an additional £50,000 which the Trust has budgeted for this current year from the reserves.

The planning has taken a very long time. When it eventually went to tender the costings (owing to Covid and other issues) came in at in excess of £600k over the original project figure above.

The planning was approved for a double storey extension in July 2022.

We contacted the CIF bid department explaining that due to the price increases, we were short on the project and asked if we could have an increase, which was declined.

We resubmitted a new CIF bid or will need to work within the allocated budget.

We are keen to proceed with this project since the re-locatable classrooms are in a poor state of repair. The Premises Manager has worked closely with Munday and Cramer to redesign drawings giving us the basics of what we need just single storey, but designed to be able to take a second storey at a later date if required. The planning has gone in with the expected decision date of 26th December and the new drawings will be sent out to tender in December. Hopefully with site set up starting in February, we aim for the project to be finished by end of August. This is still pending us being able to get it within budget and CIF department agreeing as anything over £1 million is an agreement in principle.

We have replaced flooring in KS2 at Henry Moore and have added external doors. Together with decorating and general upkeep and maintenance.

The recent Henry Moore condition report which has not yet been published said that our fire alarm had reached end of life as have our boilers. We are currently working on a CIF bid for the fire alarm replacement as that is more urgent. At the moment all of our 5 boilers are working, we are looking at applying for a CIF bid in the future but are awaiting the improvement on heat source pumps working alongside solar panels.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

We have reconfigured many rooms at Milwards to improve efficiency which has allowed for a room to be refurbished into an ICT suite. We have recently replaced the flooring and ceiling tiles in nursery and Reception class. There are two sets of toilets that have just finished being refurbished.

We are currently working on CIF bids for cladding and window replacement for Milwards and to replace the demountable classroom.

Communication/ Engagement

As the schools have returned to a degree of normality, the Trust and LGBs have met as normal, and been kept fully informed on all strategic, curriculum, finance, premises and other decisions through ongoing discussions at governance meetings and e-mail communications.

The Chairs of both LGBs and Trust continued to meet regularly with Executive Head and Heads of School to review progress and provide input and support on any issues that arose throughout the year.

HILT Board

Highlight the following

- Membership and recruitment of Trustees. There has been some movement of Trustees this year. Recruitment has taken place using a variety of methods-though proved to be difficult.
- Training and self-evaluation. HILT undertakes an annual skills audit and training is in response to this.
- Finance systems have strengthened during the year with support from the School Business Manager Service. Clear, thorough monthly Management Accounts are provided to Trustees.

Conflicts of Interest

An accurate register of interests is maintained by the school office and updated termly. It is also a standing item at each governance meeting - Board, FAS committee and LGBs. Ownership or control of subsidiaries, joint ventures or associates is not applicable for the Trust.

Local Governing Bodies

Both HILT Local Governing Bodies (LGBs) continue to meet on a termly basis, with Mrs Sue Cook as Chair of Milwards LGB and Mrs Julie Lane continuing as Chair of Henry Moore LGB. At each LGB meeting, regular training takes place in the form of a presentation on a particular item of the curriculum which is given by a member(s) of staff. This training is not necessarily the same for both LGBs.

Governor skills audits are undertaken in the autumn term. There are different audit tools for LGB Governors and Trustees. A training plan is put in place as the result of the audits.

Over the past year specific training provided to all Governors includes:

- OFSTED Update Training
- Role of a LGB governor-By the SIP
- Role of a Trustee-By the SIP
- Trustee Finance training-SBMS
- Individual training and updates from Price Bailey, LA
- LA Safeguarding Training

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Henry Moore LGB

Henry Moore has a Data Committee and Milwards has a Curriculum and Data Committee which meet termly and report back to LGBs. Assessment continues to be a major focus for LGBs at both Schools. The Headteacher's report at both Schools is a key document produced termly, advising the Governors on all that is happening and plans for the future.

Henry Moore LGB

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mrs Mary Evans (Executive Headteacher)	3	3
Mrs Sarah Cowley (Co-Head; Headteacher from April 2022)	2	3
Mrs Suzanne Cassidy	1	3
Mrs Julie Lane (Chair)	3	3
Mrs Sue Carrington	3	3
Mrs Christine Lee	3	3
Mrs Sharon Springer	2	3
Mrs Sue Cook (resigned August 2022)	1	3
Mrs Carole Toms (resigned June 2022)	3	3
Mrs Jenna Redding (resigned February 2022)	1	2
Mrs Gina Keinhans (resigned April 2022)	1	2
Mrs Laura Geggus (appointed February 2022)	1	1
Mr Mike Behnke (Clerk/Governance Professional)	3	3

Milwards LGB

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mrs Sue Cook (Chair)	3	3
Mrs Mary Evans (Executive HT)	3	3
Mr Michael Doughty (Head of School)	3	3
Mrs Sam Lambert	3	3
Mr Peter Jones	3	3
Mrs Kerry Coe	3	3
Mrs Clare O'Sullivan	1	3
Mrs Stefania Trovato (resigned July 2022)	0	3
Mrs Charlotte Ward (resigned July 2022)	0	3
Mrs Jacqueline Yeomans	0	1
Mrs Lianne Sherry (appointed June 2022)	0	1
Mr Mike Behnke (Clerk/Governance Professional)	3	3

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Finance, Audit and Strategy Committee (FAS)

The Finance, Audit and Strategy Committee meets on a twice termly basis, six times a year and has been chaired by Mrs Sue Cook. This committee plays an important part in ensuring that HILT complies with all of the statutory requirements relating to the finance, audit and management of the Schools. HILT makes recommendations to the Trust Board for their approval on a termly basis.

Throughout the past year, the Trust continued to work closely with the School Business Manager (SBM) service to embed new finance and reporting systems and ensure these are robust and accurate. Management accounts are produced on a monthly basis and reviewed in depth at both FAS committee and the Trust Board. The reports in the new format are much easier to interpret for both FAS and Board and facilitate a broad discussion on finance matters in both forums. The ICFP budgeting system has been fully implemented to HILT and is proving to be a useful tool for both in year budgeting and 3 year projection planning.

The Strategic Risks Register is continually updated in line with identified risks and scrutinised termly by FAS and then recommended for approval by the Board on a termly basis. This is an important, everchanging document which identifies the level of risks across HILT. Juniper Education have continued to carry out termly Internal Control Evaluation (ICE) visits to the Schools which look at the systems of control in place across HILT, advising FAS and the Board on the strengths and weaknesses identified. An action plan from the ICE report is produced and approved by the Board.

During the year the following changes to the committee took place:

The Board were sorry to learn of the resignations of both Mrs Julie Lane and Mrs Sue Cook from FAS. Their loss of their experience is a gap that will need addressing. However, we have recently been able to appoint two new Trustees with extensive transferable skills, business knowledge and experience.

Attendance during the year at meetings was as follows:

FAS Member	Meetings attended	Out of a possible
Mrs Mary Evans (Executive Headteacher)	6	6
Mrs Sue Cook (Chair)	4	6
Mrs Sarah Cowley (Co-Head Henry Moore, Headteacher from April 2022)	5	6
Mr Michael Doughty (Headteacher, Milwards)	6	6
Mrs Christine Lee (Associated Member)	6	6
Dr William Cairns (Chair, Board)	4	6
Mr Simon Plumb (Vice-Chair)	5	6
Mrs Julie Lane	5	6
Mrs Carole Toms (Compliance Member)	5	6
Mrs Debby Hempsted (CFO)	5	6
Mrs Karen Spencer	6	6
Mr Mike Behnke (Clerk/Governance Professional)	6	6

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Accounting Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Continuing to re-structure both teaching and non-teaching staff throughout the Trust to align with critical needs and ensure value added and impact.
- Acting on feedback from SRMA with regard to reviewing of contracts. Looking at all contracts to ensure that the Schools are receiving the best possible prices available.
- Encouraging all staff to use the National Frameworks to purchase resources and services.
- Continuing to work with HET (Harlow Educational Trust) which sources the best prices in contracts such as refuse collection and provides support for Headteachers, cross-school training and finance support.
- Supporting expanded role of Pastoral Manager to include business efficiency with overall responsibility for finance matters in the office.
- Employing the School Business Manager service for support and advice on a variety of topics.
- Continuing to review its expenditure and allocation of resources to ensure that suitable members of staff have been employed to support the Schools in challenging circumstances.
- Ensuring that the provision of external audit services has been appointed through a process of competitive tendering. The current Auditors provide best value for money and the most appropriate skills, expertise and support to the Trust.
- The provision of payroll services which has been placed with an external provider.
- The provision of insurance at the Schools which has been considered and felt that the current provider provides best value for money to meet the current needs of the Schools.
- Effective use of Catch-up funding, pupil and sports premium to close identified learning gaps.
- Henry Moore was poised to build a two storey extension to replace the aging re-locatable classrooms and achieved a substantial CIF bid in order to do this. Some of the Trust's reserves would have been used for this. Unfortunately, owing to lengthy delays in the planning process costs went up owing to external factors (Covid/Brexit). The DFE were unable to increase the CIF funding and therefore the plans have been re-drawn to a lower specification to meet the bid funding.
- Millwards applied for a CIF bid to replace an old re-locatable classroom. Unfortunately we were not successful in this bid.

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 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 HILT for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

Internal Scrutiny/Audit

The Board decided to maintain a specific internal audit function and decided to retain Juniper Education (trading as EES for Schools) as Internal Auditor. Consideration on the new Ethical Standards took place when making this decision. Price Bailey was appointed as the external Auditor and has also carried out additional checks through the period.

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

Three audits which took place during the year 2020/21, two at Henry Moore (one of these at Trust level) and one audit at Milwards looking at:

- Governance, Financial Management and Reporting
- Banking
- Governance and Financial Accounting
- Expenditure – MAT and Academies
- Assets
- Payroll

In addition to the internal audit, the following scrutiny has also taken place during the year:

- Responsible Officer, Mr Simon Plumb carried out a check of the internal controls in place at the Trust on a termly basis and visited the School to work with the Finance Officer on the current budget and the 3 Year Budget Forecast.
- Harlow Education Trust – assisting with the Finance System on a termly/twice termly basis ensuring that the budget and expenditure are correctly entered onto the account.
- Trust Auditor (Price Bailey)– advising the Finance Officer throughout the year. Visits as required but at least 3 times a year to advise, carry out and prepare the Pension Statement and Annual Account.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the FAS Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and following a visit prepares a summary report to the committee outlining the areas reviewed, key findings, recommendation and conclusions to help the committee and assess year on year progress.

The Internal Auditor has delivered and carried out their schedule of work to the Board of Trustees as planned and agreed.

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the Internal Auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.

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

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

Dr William Cairns
Chair of Trustees
Date: 21 December 2022

Mrs Mary Evans
Accounting Officer

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Harlow Inspirational Learning Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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

Mrs Mary Evans
Accounting Officer
Date: 21 December 2022

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 21 December 2022 and signed on its behalf by:

Dr William Cairns
Chair of Trustees

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARLOW INSPIRATIONAL LEARNING TRUST**

Opinion

We have audited the financial statements of Harlow Inspirational Learning Trust (the 'Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARLOW INSPIRATIONAL LEARNING TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARLOW INSPIRATIONAL LEARNING TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of the Trust not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the operations of the Trust this included compliance with the Charities Act and The Academies Accounts Direction.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARLOW INSPIRATIONAL LEARNING TRUST (CONTINUED)**

Use of our Report

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

21 December 2022

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARLOW
INSPIRATIONAL LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harlow Inspirational Learning Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Harlow Inspirational Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harlow Inspirational Learning 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 Harlow Inspirational Learning Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Harlow Inspirational Learning Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Harlow Inspirational Learning Trust's funding agreement with the Secretary of State for Education dated 29 October 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARLOW
INSPIRATIONAL LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant
Price Bailey LLP
Chartered Accountants
Statutory Auditors

Date: 21 December 2022

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	6,282	16,720	23,002	1,505,747
Other trading activities	5	107,109	-	-	107,109	75,040
Charitable activities	4	50,815	3,823,987	-	3,874,802	3,747,682
Total income		157,924	3,830,269	16,720	4,004,913	5,328,469
Expenditure on:						
Charitable activities	6	155,267	3,993,670	151,959	4,300,896	4,375,354
Total expenditure		155,267	3,993,670	151,959	4,300,896	4,375,354
Net income/ (expenditure)		2,657	(163,401)	(135,239)	(295,983)	953,115
Transfers between funds	17	-	(27,825)	27,825	-	-
Net movement in funds before other recognised gains/(losses)		2,657	(191,226)	(107,414)	(295,983)	953,115
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	2,454,000	-	2,454,000	(91,000)
Net movement in funds		2,657	2,262,774	(107,414)	2,158,017	862,115
Reconciliation of funds:						
Total funds brought forward		241,801	(2,392,720)	13,896,245	11,745,326	10,883,211
Net movement in funds		2,657	2,262,774	(107,414)	2,158,017	862,115
Total funds carried forward		244,458	(129,946)	13,788,831	13,903,343	11,745,326

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

The notes on pages 30 to 54 form part of these financial statements.

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09791050

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	12,319,781	12,418,549
Current assets			
Debtors	14	1,524,213	1,538,063
Cash at bank and in hand		915,488	751,878
		<u>2,439,701</u>	<u>2,289,941</u>
Creditors: amounts falling due within one year	15	(311,239)	(292,884)
Net current assets		<u>2,128,462</u>	<u>1,997,057</u>
Total assets less current liabilities		<u>14,448,243</u>	<u>14,415,606</u>
Creditors: amounts falling due after more than one year	16	(11,900)	(14,280)
Net assets excluding pension liability		<u>14,436,343</u>	<u>14,401,326</u>
Defined benefit pension scheme liability	23	(533,000)	(2,656,000)
Total net assets		<u><u>13,903,343</u></u>	<u><u>11,745,326</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	13,788,831	13,896,245
Restricted income funds	17	403,054	263,280
		<u>14,191,885</u>	<u>14,159,525</u>
Restricted funds excluding pension liability	17	14,191,885	14,159,525
Pension reserve	17	(533,000)	(2,656,000)
Total restricted funds	17	<u>13,658,885</u>	<u>11,503,525</u>
Unrestricted income funds	17	<u>244,458</u>	<u>241,801</u>
Total funds		<u><u>13,903,343</u></u>	<u><u>11,745,326</u></u>

The financial statements on pages 27 to 54 were approved by the Trustees, and authorised for issue on 21 December 2022 and are signed on their behalf, by:

Dr William Cairns
Chair of Trustees

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	188,574	(1,458,349)
Cash flows from investing activities	20	(24,964)	1,468,003
Change in cash and cash equivalents in the year		163,610	9,654
Cash and cash equivalents at the beginning of the year		751,878	742,224
Cash and cash equivalents at the end of the year	21, 22	<u>915,488</u>	<u>751,878</u>

The notes on pages 30 to 54 form part of these financial statements

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- 50 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 5 years straight line

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

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 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 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.

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 Operating Leases

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

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

HARLOW INSPIRATIONAL LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	6,282	393	6,675	26,056
Capital grants	-	16,327	16,327	1,479,691
	<u>6,282</u>	<u>16,720</u>	<u>23,002</u>	<u>1,505,747</u>
Total 2021	<u>26,056</u>	<u>1,479,691</u>	<u>1,505,747</u>	

In 2021, income from donations was £26,056 of which all were restricted.

In 2021, capital grants of £1,479,691 were in relation to restricted fixed assets.

HARLOW INSPIRATIONAL LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of Education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,116,073	3,116,073	2,954,951
Other DfE/ESFA grants				
Pupil Premium	-	155,890	155,890	151,936
Universal Infant Free School Meals	-	112,537	112,537	102,428
PE & Sports	-	35,424	35,424	38,450
Teachers Pay Grant	-	1,009	1,009	37,071
Teachers Pension Employer Contributions Grant	-	2,852	2,852	106,115
Rates Reclaim	-	32,717	32,717	6,496
Others	-	76,909	76,909	2,700
	-	3,533,411	3,533,411	3,400,147
Other Government grants				
Local Authority - SEN Funding	-	110,766	110,766	131,338
Local Authority - Early Years	-	87,294	87,294	77,926
Local Authority - Other	-	92,516	92,516	47,214
	-	290,576	290,576	256,478
Other income from the Trust's provision of education	50,815	-	50,815	15,804
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	59,400
Other DfE/ESFA COVID-19 funding	-	-	-	6,328
	-	-	-	65,728
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	9,525
	-	-	-	9,525
	50,815	3,823,987	3,874,802	3,747,682
	50,815	3,823,987	3,874,802	3,747,682
Total 2021	15,804	3,731,878	3,747,682	

HARLOW INSPIRATIONAL LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Trust's charitable activities (continued)

In 2021, income from DFE/ESFA grants was £3,400,147 of which all was restricted.

In 2021, income from other Government grants was £256,478 of which all was restricted.

In 2021, income from catering was £15,804 of which all was unrestricted.

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	-	-	205
Other income	107,109	107,109	74,835
	<u>107,109</u>	<u>107,109</u>	<u>75,040</u>
Total 2021	<u>75,040</u>	<u>75,040</u>	

In 2021, rental income was £205 of which all was unrestricted.

In 2021, other income was £74,835 of which all was unrestricted.

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision of Education:					
Direct costs	2,706,257	1,290	112,866	2,820,413	2,706,523
Allocated support costs	803,945	365,261	311,277	1,480,483	1,668,831
	<u>3,510,202</u>	<u>366,551</u>	<u>424,143</u>	<u>4,300,896</u>	<u>4,375,354</u>
Total 2021	<u>3,326,600</u>	<u>674,076</u>	<u>374,678</u>	<u>4,375,354</u>	

HARLOW INSPIRATIONAL LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Expenditure (continued)

In 2022, of the total expenditure, £155,267 was from unrestricted funds, £3,662,670 was from restricted funds and £151,959 was from restricted fixed asset funds.

In 2021, direct expenditure consisted of £2,643,431 staff costs and £63,092 other costs.

In 2021, support expenditure consisted of £683,169 staff costs, £674,076 premises costs and £311,586 other costs.

7. Charitable Activities

	2022 £	2021 £
Direct costs	2,820,413	2,706,523
Support costs	1,480,483	1,668,831
Total	<u>4,300,896</u>	<u>4,375,354</u>

	2022 £	2021 £
Analysis of support costs:		
Support staff costs	803,945	683,169
Depreciation	144,354	143,059
Technology costs	14,715	5,850
Premises costs (excluding depreciation)	215,490	531,017
Other support costs	285,594	282,764
Governance costs	16,385	20,727
Legal costs	-	2,245
Total	<u>1,480,483</u>	<u>1,668,831</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	736	978
Depreciation of tangible fixed assets	144,354	143,059
Fees paid to Auditors for:		
- Audit	8,520	6,555
- Other services	8,485	6,525

HARLOW INSPIRATIONAL LEARNING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,479,927	2,404,594
Social security costs	209,528	203,129
Pension costs	820,747	718,877
	<u>3,510,202</u>	<u>3,326,600</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	32	30
Administration and Support	78	85
Management	4	5
	<u>114</u>	<u>120</u>

HARLOW INSPIRATIONAL LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	1	-
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £344,958 (2021 - £403,931). Included in this are employer pension contributions of £59,771 (2021 - £61,295) and employer national insurance contributions of £31,277 (2021 - £30,819).

10. Central services

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

- HR and Leadership costs
- Governance costs
- Technology costs
- Support staff costs

The Trust charges for these services by taking a proportion of each School's General Annual Grant.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
The Henry Moore Primary School	212,511	107,647
The Milwards Primary School	73,572	43,089
Total	<u> </u> <u>286,083</u>	<u> </u> <u>150,736</u>

HARLOW INSPIRATIONAL LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Trustees' remuneration and expenses

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

		2022 £	2021 £
Mrs Mary Evans, Executive Headteacher	Remuneration	50,000 - 55,000	50,000 - 55,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2022 was included in the total insurance cost.

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	12,783,901	222,457	193,595	13,199,953
Additions	-	43,939	1,647	45,586
At 31 August 2022	12,783,901	266,396	195,242	13,245,539
Depreciation				
At 1 September 2021	582,003	81,109	118,292	781,404
Charge for the year	110,407	19,063	14,884	144,354
At 31 August 2022	692,410	100,172	133,176	925,758
Net book value				
At 31 August 2022	12,091,491	166,224	62,066	12,319,781
At 31 August 2021	12,201,898	141,348	75,303	12,418,549

HARLOW INSPIRATIONAL LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	500	-
VAT repayable	5,201	21,750
Prepayments and accrued income	1,518,512	1,516,313
	<u>1,524,213</u>	<u>1,538,063</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	203	83,112
Other taxation and social security	48,991	44,633
Other creditors	67,591	60,558
Accruals and deferred income	194,454	104,581
	<u>311,239</u>	<u>292,884</u>

	2022 £	2021 £
Deferred income at 1 September 2021	66,522	80,291
Resources deferred during the year	69,720	66,522
Amounts released from previous periods	(66,522)	(80,291)
	<u>69,720</u>	<u>66,522</u>

Deferred income relates to universal infant free school meals and other funding received during the year which relates to the 2022/23 academic year.

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

	2022 £	2021 £
Salix Loan	<u>11,900</u>	<u>14,280</u>

HARLOW INSPIRATIONAL LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	241,801	157,924	(155,267)	-	-	244,458
Restricted general funds						
General Annual Grant (GAG)	191,059	3,116,073	(2,876,253)	(27,825)	-	403,054
Pupil Premium	33,151	155,890	(189,041)	-	-	-
Other DfE / ESFA grants	39,070	261,448	(300,518)	-	-	-
Other Government grants	-	290,576	(290,576)	-	-	-
Donations	-	6,282	(6,282)	-	-	-
Pension reserve	(2,656,000)	-	(331,000)	-	2,454,000	(533,000)
	<u>(2,392,720)</u>	<u>3,830,269</u>	<u>(3,993,670)</u>	<u>(27,825)</u>	<u>2,454,000</u>	<u>(129,946)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	12,418,857	-	(144,354)	45,278	-	12,319,781
Devolved Formula Capital (DFC)	7,333	16,327	(207)	(17,453)	-	6,000
CIF grant	1,470,055	-	(7,005)	-	-	1,463,050
Other capital grants	-	393	(393)	-	-	-
	<u>13,896,245</u>	<u>16,720</u>	<u>(151,959)</u>	<u>27,825</u>	<u>-</u>	<u>13,788,831</u>
Total Restricted funds	<u>11,503,525</u>	<u>3,846,989</u>	<u>(4,145,629)</u>	<u>-</u>	<u>2,454,000</u>	<u>13,658,885</u>
Total funds	<u><u>11,745,326</u></u>	<u><u>4,004,913</u></u>	<u><u>(4,300,896)</u></u>	<u><u>-</u></u>	<u><u>2,454,000</u></u>	<u><u>13,903,343</u></u>

HARLOW INSPIRATIONAL LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other DfE and ESFA funding

This represents funding received from the DfE/ESFA which is restricted in nature including sports premium and catch up funding

Other Government grants

This represents funding received from other Government bodies, local and national, which are restricted in nature.

Donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and their associated costs.

Pension reserve

This reserve represents the Trust's share of the deficit of the Local Government Pension Scheme (LGPS)

Restricted fixed asset fund

Restricted fixed asset fund represents the value of the fixed asset held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased from revenue funding.

Devolved Formula Capital (DFC)

This represents funding received from the ESFA especially for the maintenance and improvement of the Trust's building and facilities.

CIF Grant

This represents funding received from the ESFA especially for the maintenance and improvement of the Trust's building and facilities.

Unrestricted funds

This represents income received that does not have restrictions.

HARLOW INSPIRATIONAL LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	261,149	90,844	(90,844)	(19,348)	-	241,801
Restricted general funds						
General Annual Grant (GAG)	158,784	2,954,951	(2,922,676)	-	-	191,059
Pupil Premium	-	151,936	(118,785)	-	-	33,151
Other DfE / ESFA grants	-	254,810	(254,810)	-	-	-
Other Government grants	-	266,003	(266,003)	-	-	-
Sports Premium	-	38,450	(16,712)	-	-	21,738
Catch up funding	-	65,728	(48,396)	-	-	17,332
Donations	-	26,056	(26,056)	-	-	-
Pension reserve	(2,322,000)	-	(243,000)	-	(91,000)	(2,656,000)
	<u>(2,163,216)</u>	<u>3,757,934</u>	<u>(3,896,438)</u>	<u>-</u>	<u>(91,000)</u>	<u>(2,392,720)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	12,552,300	-	(143,059)	9,616	-	12,418,857
Devolved Formula Capital (DFC)	-	16,641	-	(9,308)	-	7,333
CIF grant	232,978	1,463,050	(245,013)	19,040	-	1,470,055
	<u>12,785,278</u>	<u>1,479,691</u>	<u>(388,072)</u>	<u>19,348</u>	<u>-</u>	<u>13,896,245</u>
Total Restricted funds	<u>10,622,062</u>	<u>5,237,625</u>	<u>(4,284,510)</u>	<u>19,348</u>	<u>(91,000)</u>	<u>11,503,525</u>
Total funds	<u>10,883,211</u>	<u>5,328,469</u>	<u>(4,375,354)</u>	<u>-</u>	<u>(91,000)</u>	<u>11,745,326</u>

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17. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Henry Moore Primary School	654,491	569,622
Milwards Primary School	69,390	(9,911)
Central Services	(76,369)	(54,630)
Total before fixed asset funds and pension reserve	647,512	505,081
Restricted fixed asset fund	13,788,831	13,896,245
Pension reserve	(533,000)	(2,656,000)
Total	13,903,343	11,745,326

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

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Henry Moore Primary School	1,619,003	449,102	64,060	503,637	2,635,802	2,510,157
Milwards Primary School	819,357	97,506	46,537	203,491	1,166,891	1,418,204
Central services	440,897	126,337	1,702	(215,087)	353,849	303,934
Trust	2,879,257	672,945	112,299	492,041	4,156,542	4,232,295

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	12,319,781	12,319,781
Current assets	244,458	726,193	1,469,050	2,439,701
Creditors due within one year	-	(311,239)	-	(311,239)
Creditors due in more than one year	-	(11,900)	-	(11,900)
Provisions for liabilities and charges	-	(533,000)	-	(533,000)
Total	244,458	(129,946)	13,788,831	13,903,343

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	12,418,549	12,418,549
Current assets	241,801	553,784	1,494,356	2,289,941
Creditors due within one year	-	(290,504)	(2,380)	(292,884)
Creditors due in more than one year	-	-	(14,280)	(14,280)
Provisions for liabilities and charges	-	(2,656,000)	-	(2,656,000)
Total	241,801	(2,392,720)	13,896,245	11,745,326

19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(295,983)	953,115
Adjustments for:		
Depreciation	144,354	143,059
Capital grants from DfE and other capital income	(23,002)	(1,479,691)
Decrease/(increase) in debtors	13,850	(1,282,591)
Increase/(decrease) in creditors	18,355	(35,241)
Pension liability movements	331,000	243,000
Net cash provided by/(used in) operating activities	188,574	(1,458,349)

20. Cash flows from investing activities

	2022 £	2021 £
Capital funding	23,002	1,479,691
Purchase of tangible fixed assets	(45,586)	(9,308)
Repayments of borrowings	(2,380)	(2,380)
Net cash (used in)/provided by investing activities	(24,964)	1,468,003

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21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	915,488	751,878
	<u>915,488</u>	<u>751,878</u>

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	751,878	163,610	915,488
	<u>751,878</u>	<u>163,610</u>	<u>915,488</u>

23. Pension commitments

The 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 Essex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £58,337 were payable to the schemes at 31 August 2022 (2021 - £56,403) and are included within creditors.

Teachers' Pension Scheme

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

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

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £306,615 (2021 - £314,335).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £277,000 (2021 - £247,000), of which employer's contributions totalled £224,000 (2021 - £200,000) and employees' contributions totalled £ 53,000 (2021 - £47,000). The agreed contribution rates for future years are 23.6 per cent for employers and between 5.5% and 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.90
Inflation assumption (RPI)	3.95	3.90

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

	2022 Years	2021 Years
Retiring today		
Males	21.0	21.6
Females	23.5	23.6
Retiring in 20 years		
Males	22.3	22.9
Females	24.9	25.1

As at 31 August 2021 the Trust had a pension liability of £2,656,000 (2020 - £2,322,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(72)	(118)
Discount rate -0.1%	74	120
Mortality assumption - 1 year increase	91	200
Mortality assumption - 1 year decrease	(88)	(192)
CPI rate +0.1%	70	109
CPI rate -0.1%	(68)	(106)

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23. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,458,000	1,491,000
Gilts	52,000	59,000
Bonds	104,000	108,000
Property	234,000	163,000
Cash and other liquid assets	78,000	65,000
Alternative assets	390,000	258,000
Other managed funds	260,000	185,000
Total market value of assets	2,576,000	2,329,000

The actual return on scheme assets was £6,000 (2021 - £413,000).

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

	2022 £	2021 £
Current service cost	512,000	407,000
Interest income	(41,000)	(29,000)
Interest cost	83,000	64,000
Administrative expenses	1,000	(1,000)
Total amount recognised in the Statement of Financial Activities	555,000	441,000

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

	2022 £	2021 £
At 1 September	4,985,000	4,009,000
Current service cost	512,000	407,000
Interest cost	83,000	64,000
Employee contributions	53,000	47,000
Actuarial (gains)/losses	(2,489,000)	475,000
Benefits paid	(8,000)	(17,000)
At 31 August	3,136,000	4,985,000

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23. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	2,329,000	1,687,000
Interest income	41,000	29,000
Actuarial gains/(losses)	(35,000)	384,000
Employer contributions	224,000	200,000
Employee contributions	53,000	47,000
Benefits paid	(8,000)	(17,000)
At 31 August	<u>2,604,000</u>	<u>2,330,000</u>

24. Operating lease commitments

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Within 1 year	312	736
Between 1 and 5 years	-	193
	<u>312</u>	<u>929</u>

25. Members' liability

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

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26. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The sister-in-law of the Accounting Officer, Mary Evans, is employed by the Trust as a catch-up tutor on a contract approved by the Trustees. This remuneration package is in line with the standard payscales for the role undertaken and the contract of employment is subject to the normal terms and conditions.

There were no other related party transactions in the year (2021: £nil) except for remuneration in note 12.