



(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended

31 August 2023

Company Registration Number 13807225 (England & Wales)

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Contents	Page
Reference and Administrative Details	2
Trustees' Report	3
Governance Statement	12
Statement of Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report	19
Independent Reporting Accountant's Assurance Report on Regularity	23
Statement of Financial Activities incorporating Income & Expenditure Account	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements, incorporating: Statement of Accounting Policies	28-31
Other Notes to the Financial Statements	32-45

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Reference and Administrative details

Members	The Rt. Revd R Bushyager, Bishop of Horsham P Bowden – Appointed 1 December 2023 G Higgins - Resigned 30 November 2023 A Jarvis Hurstpierpoint College Limited (Represented by R Ebdon) Diocese of Chichester Education Trust (Represented by L Lynn)
Trustees	A Jarvis (Chair) K Mack (Chair of Finance, Audit and Risk 'FAR' Committee) B Berhane T Cristin R Cumming P Dillon-Robinson Revd W Kemp The Venerable A Martin
Associate Trustee	L Corbett OBE (Chair of the Education Committee)
Company Secretary	D J Carpenter
Senior Management Team	T J Manly, Chief Executive Officer and Accounting Officer D J Carpenter, Chief Financial Officer M A Zeidler, Director of Education
Company Name	Hurst Education Trust Limited
Registered Office	Hurstpierpoint College College Lane Hurstpierpoint West Sussex BN6 9JS
Independent Auditor	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1RL
Bankers	Barclays Bank 90-92 High Street Crawley West Sussex RH10 1BP
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustees' Report

The trustees present their annual report, together with the audited financial statements and auditors' report of the Hurst Education Trust (the academy trust) for the year 1 September 2022 to 31 August 2023.

The trustees confirm that the Annual Report and financial statements of the academy trust comply with the current statutory requirements, the requirements of the academy trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Hurst Education Trust (HET) was incorporated on 17 December 2021.

The trust is comprised of the following academies:	Date joined
Albourne C of E Primary School	1 April 2022
Ditchling (St Margaret's) C of E Primary School	1 May 2022
St Wilfrid's C of E Primary School	1 July 2022

The trust's academies have a combined pupil capacity of 798 and had a roll of 757 in the school census in Autumn 2023.

Bolnore Village Primary School is scheduled to join the Trust on 1 December 2023.

Structure, governance, and management

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The academy trust is constituted under a Memorandum of Association dated 17 December 2021.

The trustees of the HET are also the directors of the Company for the purposes of company law. Details of the trustees who served throughout the period are included in the Reference and Administrative Details on page 2.

Members' liability

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

Trustees' indemnities

The trust is a member of the DfE's Risk Protection Assurance scheme which provides cover for trustees for actions associated with their capacity as trustees.

Method of recruitment and appointment or election of trustees

The members of the Hurst Education Trust (HET) approve the appointment of trustees to the trust. Trustees are appointed taking account of the skills and expertise required to provide strategic direction for the trust and to ensure that the trust satisfies the statutory obligations as set out in the Academy Trust Handbook, which is published by the Education Skills and Funding Agency.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustees' Report (continued)

Policies and procedures adopted for the induction and training of trustees

All trustees are provided with statutory information, policies and procedures, agendas and minutes and financial reports to enable them to undertake their role as a trustee and have been involved in all aspects of the Board's activity as it develops. The trust has provided access to on-line resources with associated training for trustees and governors of local governing bodies.

Organisational structure

The organisational structure of the trust consists of the:

- Members (currently five members)
- Board of trustees (currently nine trustees)
- Local Governing Body for each academy
- Finance, Audit and Risk ('FAR') Sub-Committee
- Education and Standards Sub-Committee

The trust was formed in December 2021 and the first school joined the trust in April 2022. The trustees met five times during the year as a full board to consider a wide range of issues concerned with the strategic direction and operations of the trust.

The trust agreed its model scheme of delegation with the founding schools in December 2021 and agreed delegation for each of its academies that explain the ways in which the trustees will fulfil their responsibilities for the leadership and management of the academy, the respective roles and responsibilities of the trustees and the members of the local governing body and the commitments to each other to ensure the success of the academy.

The local governing bodies or equivalents and academies operate within the limits stipulated in the schemes of delegation, which require budgets, pay review decisions, and key leadership post appointments to be approved by the trustees.

Local governing bodies meet at least six times each year.

The trustees are accountable to external government agencies including the Charity Commission and the Department for Education (including any successor bodies) for the quality of the education they provide, and they are required to have systems in place through which they can assure themselves of quality, safety and good practice.

Day-to-day management is delegated to the Headteacher and Senior Leadership Teams in each academy. They are supported by the central trust team. The current team, in addition to the Chief Executive, consists of a Chief Financial Officer who is Company Secretary and a Director of Education. Key posts provided by the College to the trust, include a Director of HR, a Finance Manager, and a Health & Safety Manager.

Headteachers and Business Managers within the academies work closely with the central trust officers.

Arrangements for setting the pay and remuneration of key management personnel

The key management personnel of the trust comprise the trustees and senior management team as disclosed on page 2.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustees' Report (continued)

The executive team, comprising of the Chief Executive Officer, Chief Financial Officer, and Director of Education, are provided to the Hurst Education Trust at nil cost by Hurstpierpoint College, a member of the Hurst Education Trust. In the case of the Chief Executive Officer and Chief Financial Officer, an exemption to the requirement that these positions are on the payroll of the trust has been provided by the Education, Skills, and Funding Agency. A donation in kind is recognised for the value of the services provided.

Remuneration of other management personnel is set at an individual level and the trustees have taken external professional advice which includes benchmarking and market sector trends. Senior management salaries are linked to nationally recognised teaching leadership pay scales and are set within a seven or five-point range. Progression is linked to performance management which is carried out with board involvement and external verification. As such, an element includes a link to length of service and experience. Total remuneration package includes employer pension contributions.

The board always bears in mind the charitable status of the academy trust and in recognition of this fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides best value for money to the trust. The performance and remuneration of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Connected organisations, including related party relationships

The Diocese of Chichester Education Trust (DoCET) is the umbrella organisation under which the Hurst Education Trust (HET) operates. As the academies are Church of England schools, designated as such, the trustees are also accountable through DoCET to the Chichester Diocesan Board of Education ("the DBE") and the Bishop of Chichester ("the Bishop") to ensure that the academies are conducted as Church of England schools.

The Members of HET agree the appointment of trustees to the board of the academy trust. HET has five Members, including the current chairman of the academy trust board, to ensure good communication between the two boards.

The Hurst Education Trust is a sponsor organisation, as approved by the Department for Education. However, none of the academies in the trust have been sponsored by the trust to convert to academies to address the issues of underperformance and all schools currently within the trust are voluntary converter academies.

Trade union facility time

There are no trade union officials and no trade union facility time within this reporting period.

Risk management

The trustees have assessed the major risks to which the academy trust is exposed, in particular those related to the operations and finances of the academy trust and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Finance, Audit and Risk Committee, which meets three times during the year, reviews the Risk Register at each meeting and makes recommendations for changes. Internal scrutiny is provided by an appropriately qualified trustee in line with the requirements of the Academy Trust Handbook.

Objectives and Activities

Objects and aims

Vision: I have come so that you may have life and have it to the full.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustees' Report (continued)

Ethos: Together building a culture of excellence for all in everything we do.

Values

- Excellence for wisdom, knowledge and skills
- Excellence for hope and ambition
- Excellence for living well together with others
- Excellence for compassion and respect

Excellence for wisdom, knowledge, and skills:

We are all committed to ensuring a broad and balanced curriculum, enriched with skills and knowledge, is offered for all learners to achieve.

The curriculum in a HET school is broad, rich and ambitious, underpinned by its Christian Vision and values. It is inclusive, enabling every child to flourish and prepares them well for future success.

Staff in HET schools strive for excellence in their classroom practice. They are skilled professionals who embrace opportunities for professional development.

Excellence for hope and ambition:

We enable all our children to develop the skills required to be successful when leaving education and entering the world of higher education, training or work.

Children within HET schools develop the skills, knowledge, and personal and social characteristics to enable them to achieve their God-given potential. They are aspirational and self-determined to seek their own pathway into the future. They are resilient to deal with uncertainties and setbacks. They believe that they can make a difference which gives them hope for the future and the world in which they live.

Staff in a HET school share these aspirations and hopes for the children. They model and set high expectations for the children across all aspects of school life

Excellence for living well together with others:

We want all learners to be confident individuals, responsible citizens and effective communicators.

The HET family of schools are inclusive caring communities which embrace all, celebrating what we share and our individuality and difference. Caring relationships, compassion, generosity, honesty, forgiveness and gathering together lie at the heart of our communities.

Our ethos and values allow children to grow into confident individuals with a strong sense of right and wrong. It enables them to build strong trusting relationships with others and gives them a voice.

Staff across the HET build strong, supportive and productive relationships within their own schools, across the trust and the wider community.

Excellence for compassion and respect:

There is a level of respect from all at HET that is self-perpetuating and deep-rooted.

HET schools create environments where every child can succeed. All children are treated with respect, have self-respect and respect others. This is clearly reflected in the way in which the children interact with each other, their teachers and the school environment.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustees' Report (continued)

Staff in a HET school are considerate, thoughtful, and respected professionals who treat their colleagues and the children accordingly.

Objectives, strategies and activities

The objectives during the second year of operation have been to begin to embed systems and processes within the trust and ensure the trust is operating as a fully functioning multi academy trust and limited company in line with statutory requirements and Department for Education best practice, to support the conversion and establishment of additional schools as academies, and to pursue opportunities for further conversions. Whilst keen to ensure growth is measured and allows the trust to embed processes and practice, the trust is closely working with a number of schools wishing to convert to academy status within the Hurst Education Trust.

The trust is developing its operation of the business at the centre by:

- Creating a growth strategy and business plan in response to national government policy changes in conjunction with the Diocese of Chichester and Department for Education
- Enhancing appropriate policies and operational systems both at the centre and in the new academies
- Continuing to establish and improve processes to support and develop staff to enable the schools to become successful academies.

Public benefit

In setting our objectives and planning our activities over the past year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees are satisfied that due regard has been given to the public benefit guidance published by the Charity Commission, as required by Section 17 of the Charities Act 2011. The academy trust continues the historic foundation of the schools and their religious designation as Church of England schools.

The trustees and the local governing bodies recognise their responsibility towards the common good, not just of the academies for whom the company is responsible, but of all the Church and other schools in their area and all of the families and communities in the areas served by the academies.

Strategic Report

Going concern

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

Key financial performance indicators

The trustees have set a number of key financial performance indicators for the year ahead and are based on establishing the trust as a leading trust in these areas. Performance against these key performance indicators continue to be developed within the internal reports and will be monitored by the trust's finance, audit and risk committee going forward and will be published in the 2023-24 report.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustees' Report (continued)

Achievements and performance

Review of activities

Existing Academies:

Key Stage 2 <i>National at Expected Standard</i>	Reading %	Writing %	Maths %	RWM %
Albourne at Expected Standard	82%	71%	71%	68%
Ditchling at Expected Standard	80%	87%	90%	73%
St Wilfrid's at Expected Standard	76%	71%	77%	60%
Trust average at Expected Standard				66%

Albourne C of E Primary School (converted on 1 April 2022)

The performance data indicates an overall improvement from 58 to 68% of pupils meeting the expected standard in Reading, Writing and Maths at the end of Key Stage 2. Reading, at 82%, was the strongest performance within the Trust and a five percent improvement on the previous year. The predecessor school was rated 'Good' at the last Ofsted inspection and the school self-evaluates as Good. Leaders are confident of reaching a 'Good' overall judgement at the next inspection. The school is undersubscribed with 167 children on roll compared to a PAN of 210.

Ditchling (St Margaret's) Church of England Primary School (converted 1 May 2022)

This year saw KS2 outcomes increasing, with very strong results individually in Reading, Writing and Maths. 73% of pupils met the expected standard at the end of Year 6. Particularly pleasing is the maths result at 90%, following a focus on this area by the school during the year. The headteacher, Mrs Amy Clarke, joined the school in September 2022 and continues to lead the school's improvement. The predecessor school was rated 'Good with Outstanding features' at the last Ofsted inspection and the school self-evaluates as Good and Leaders are confident of reaching a 'Good' overall judgement at the next inspection, although with an increasing focus on the drive to become Outstanding. Pupil numbers in the school vary by year group and increase significantly in KS2, largely reflecting the demographic of the local village.

St Wilfrid's C of E Primary School (converted on 1 July 2022)

Following a period of slight instability in previous years, the current Headteacher, Mr Simon Hateley, has stabilised the school and achieved a positive Ofsted rating in the predecessor school. Due to the impact of a historic 'Requires Improvement' judgement, the school is slightly undersubscribed although the number of children on roll is increasing and is now 405 compared to a PAN of 420. The school voluntarily converted to academy status in July 2022 and, as St Wilfrid's was designated a 'Good' school at the point of conversion into the Trust. The outcomes at KS2 are slightly above both local and national averages.

Bolnore Village Primary School (due to convert 1 December 2023)

BVPS is a two-form entry school with a PAN of 420 and is oversubscribed with 422 on roll. The school is graded by Ofsted as 'Good'. Whilst designated a foundation school, the school has no religious denomination, although the Governors fully support the ethos and values of the Trust. The school is due to join the Trust in December 2023 and will add significant strength due to the strong leadership and staff body within the school.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustee's Report (continued)

Financial and risk management objectives and policies

The suite of corporate policies is in place and includes Finance Policy, Competitive Tendering Policy, Conflict of Interest Policy, Pay Policy, Directors' Expenses Policy, Whistleblowing, Hospitality and Gifts and Risk Management, all approved by the Board and subject to regular review. Trust policies are supplemented by a wide range of operational policies at individual academy level.

The trust has continued to identify further trust-wide policies that it will draft for board approval, alongside the review of the operational academy policies to ensure they are consistent and current. In conjunction with the risk register described below, the policies provide a framework for financial and risk management. Risk registers within individual academies, that mirror the structure of the corporate register, have been rolled out and feed into the trust's overall risk register.

The budgets are prepared on an annual basis by academies for approval by the Finance, Audit and Risk ('FAR') Committee. The trust is minded to the requirements of the Academy Trust Handbook and management accounts, cashflow forecasts and other key reports are regularly produced with a narrative report on finance and operational issues for board meetings.

A schedule of internal audit activities has been agreed with the Finance, Audit and Risk committee.

Principles

The trust has adopted the following principles:

- Reserves must have a specific purpose related to future spending or covering current and future risks;
- The size of the reserves should balance the benefit of current spending with the risk the reserves cover;
- The purpose of the reserves should be transparent and maintain the link with the purpose for which the income was given;
- The purpose of the reserves should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow issues, and;
- Whilst the DfE require reserves to be limited to a level where its use in the future is known, there is an overriding need to ensure that value for money is achieved.

The policy sets out the principles that the Hurst Education Trust has adopted and presents a detailed policy for the trust to abide by.

Purposes for Reserves

The following purposes are considered appropriate for a Multi-Academy Trust:

- Current Reserves that are established to manage known risks which are not insurable or where insurance does not provide value for money;
- Equalisation reserves set up to smooth out irregular spending;
- Specific Capital Reserves established in order to fund capital expenditure and other investments that would not be affordable if financed from a single year's funding;
- General Reserve to provide for unexpected and unpredictable needs, and;
- Cash Flow Management Reserves used to enable variable cash demands across the trust or specific parts of the trust to be managed.

The funds as at 31 August 2023 comprised unrestricted funds of £100,655k (2022: £22,659), restricted income funds of £169,300 (2022: £226,562), restricted fixed asset funds of £60,635 (2022: £37,711) and the pension deficit of £62,000 (2022: £216,000). All of these funds, apart from the balances represented by fixed assets, are available for the general purposes of the Trust.

Financial review

During the period to 31 August 2023, total incoming resources were £4,315,693 (2022: £683,197, net

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Trustee's Report (continued)

of transfer from local authority on conversion of £451,676). Total expenditure of £4,338,035 (2022: £1,265,265) comprised staff costs of £3,182,285 (2022: £850,769), premises costs of £363,416 (2022: £80,625) and other costs to operate the schools and run the multi-academy trust of £792,334 (2022: £333,871).

HET incurred a deficit of £62,000 (2022: £216,000) relating to the LGPS.

Reserves policy

The trustees of the Hurst Education Trust require a reserves policy in order to protect their operations. Establishing reserves that protect the operation of the trust and contribute towards its smooth running is good practice and forms part of its overall financial control and governance framework. Levels of reserves which are too high tie up funds which should be spent on current activities.

The reserves policy assists in strategic planning by considering how new projects or activities will be funded, informs the budget process by considering whether reserves need to be utilised during the financial year or built up for future projects and informs the budget and risk management process by identifying any areas of uncertainty in future income streams.

General reserves are to be maintained at a level so that when added to any current reserves set up by the academy, they are at least 5% of the gross income of the academies. The current reserve balance stands at £330,590 (2022: £286,932) before the pension deficit. The trust recognises that the actual reserves at year end were materially higher than the 5% objective. This was due primarily to high non restricted reserves, whilst restricted reserve balances have fallen and therefore have been expended. The variance between the reserves and the target reserves are expected to be expended during the 2023-24 year.

Material investments policy

The board is committed to ensuring that all funds under its control are administered in a way that promotes best practice, good stewardship and minimises risk. At present its funds are more limited, although cash flow variations mean that it may be temporarily holding balances that are subject to transfer either to the academies within the trust, for specific capital projects or pending decisions on future conversions. Consequently, the trust does not currently consider the investment of surplus funds as a primary activity or a necessity due to inability to tie funds up for significant periods.

Principal risks and uncertainties

A risk register has been established which identifies risks to the trust and actions to mitigate the risks. The Finance, Audit and Risk Committee has terms of reference which include reviewing the risk register at least three times per year and making recommendations as necessary to the board on changes that may be required. In addition, the board itself will conduct an annual review of the risk register.

The trust has a fully qualified and experienced Health & Safety Manager who undertakes annual reviews of the Trust estate, with all risks identified and graded. Any urgent or high risks are followed up with the individual schools on a frequent basis, with support required as provided. Medium and low risk items are followed up as part of the regular cycle of visits during the year. Unlimited ad-hoc support is available to each school as required.

The trustees consider the principal risks facing the trust to be:

- Reputational: failure to ensure that each school acts in accordance with the trust's policies and meets its obligations with respect to safeguarding.
- Governance: failure to recruit suitable trustees and members of local governing bodies.
- Financial: impact of future changes to the funding formula for education.
- Educational: failure to increase progress and attainment results at the school.

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Trustee's Report (continued)

Fundraising

The trust does not engage in direct fundraising activities.

Plans for future periods

The trust is cautiously pursuing opportunities to expand in line with its growth strategy, including attracting good and outstanding schools, both primary and secondary, which it plans to achieve initial growth within the next two years. Achieving the admission of additional schools is important to securing longer-term financial stability and health for the trust for future years and ensuring resources continue to be available to support school improvement provision across the wider trust.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Carpenter Box, have indicated their willingness to continue in office. On behalf of the Members, the academy trust tendered for audit services in early 2022 and are scheduled to tender again in early 2025.

The trustees' report incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2023 and signed on its behalf by:



A Jarvis

Chair of Trustees

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Governance Statement

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the chief executive, 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 Hurst Education Trust 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.

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 5 times during the part-year since incorporation. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Jarvis (Chairman)	4	5
K Mack	3	5
B Berhane	4	5
T Cristin	5	5
R Cumming	5	5
P Dillon Robinson	4	5
Revd W Kemp	1	5
The Venerable A Martin	0	5

L Corbett OBE served as an associate member of the Board, attending 3 out of 5 possible meetings.

The recruitment of trustees has been based the skills that each trustee is able to bring to the board together with the trustees professional experience (e.g., former headteacher, chartered accountant) in order to balance the skills between educationalists and other professional backgrounds. No new trustees were appointed in the period. Both Revd W Kemp and The Venerable A Martin took a period of sabbatical from their clergy positions during the year, impacting their ability to attend the meetings of the board of trustees. Both trustees continued to receive all board and committee papers throughout the year during their period of sabbatical.

The trust has continued to identify further trust-wide policies that it will draft for board approval, alongside the review of the operational academy policies to ensure they are consistent and current.

In conjunction with the risk register, the policies provide a framework for financial and risk management. Risk registers within individual academies, that mirror the structure of the corporate register, have been rolled out and feed into the trust's overall risk register.

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Governance Statement (continued)

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to:

- maintain an oversight of the academy trust's finance and governance; review risk management and internal control;
- review the value for money framework;
- consider multi-academy trust central staffing and other operational matters.

The trustees of the committee will report its findings annually to the board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

The budgets are prepared on an annual basis by academies for approval by the Finance, Audit and Risk Committee. The trust is minded to the requirements of the Academy Trust Handbook. Management accounts and cashflow forecasts are regularly produced with a narrative report on finance and operational issues for board meetings.

There were three meetings held during the year.

Trustee	Meetings attended	Out of a possible
K Mack	3	3
T Cristin	3	3
P Dillon Robinson	3	3

Education and Standards Committee

The Education and Standards Committee is a sub-committee of the main board of trustees. Its purpose is to:

- approve, review, and challenge educational provision and standards, including attainment and progress data, the personal behaviour and development of pupils at and across all of the trust's schools, and leadership & management within the trust.
- support the trust's Chief Executive Officer ("the CEO") and the trust board in their responsibilities for standards, teaching and learning.
- ensure that the trust's strategic vision and values are at the centre of its endeavours.

There were three meetings held during the year.

Trustee	Meetings attended	Out of a possible
B Berhane	2	3
R Cumming	3	3
Revd W Kemp	1	3
The Venerable A Martin	1	3

The Local Governing Bodies have delegated responsibilities on behalf of the trust board. The trust Scheme of Delegation was agreed with the founding schools prior to the schools joining the trust

A copy of the scheme of delegation is available on the trust website.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Governance Statement (continued)

Review of value for money

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

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

- Ensuring that the support costs are reduced, proportional to the size of the trust, to ensure more funds are spent on education focused activities
- Centralising a number of business and back-office functions with support from Hurstpierpoint College, resulting in a greater cost and time efficiency and financial savings to the trust
- Working with the Headteachers of each school to determine effective use of school resources which best benefit the children within the schools.

The trust identifies the estate priorities for the year based on information provided by the individual schools and the internal reviews carried out by the trust's centre team. During the year, significant improvements have been made in line with these priorities at each of the trust's schools and these were funded primarily by Capital grants made by the Department for Education with some revenue income utilisation as required.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hurst Education Trust for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Governance Statement (continued)

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

The board of trustees has decided not to appoint an auditor for this purpose. However, the trustees have appointed Paul Dillon Robinson, a trustee, to carry out a programme of internal checks.

This option has been chosen as Paul Dillon Robinson is a qualified accountant with a background in audit and specifically internal audit, previously carrying out the role of Director of Internal Audit for the House of Commons. He is also a board member of the AGBIS. At this early stage of the trust's development, it was decided that releasing the CFO to carry out a peer review of another trust would not be a viable option. As the trust grows and becomes established, it is intended to contract buy-in an internal audit service.

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

- FMSG checklist self-evaluation / CC8 internal control
- Financial accounting and reporting (including budget setting) – trust level check on month-end close-down, reconciliations, reporting and action from variances.
- Pay – pay controls at academy level, as well as expenses.
- Purchasing – central contract management, academy local purchasing
- Risk management – system review at Trust level, selected deep dives at trust and academy level
- Other – Special payments, value for money, asset registers,

On a termly basis, the reviewer reports to the board of trustees, through the finance, audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the reviewer prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As accounting officer, the chief executive 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 reviewer
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- correspondence from ESFA.

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Governance Statement (continued)

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

Approved by order of the members of the board of trustees on 7 December 2023 and signed on its behalf by:



A Jarvis

Chair of Trustees



T Manly

Accounting Officer

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

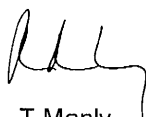
Statement of regularity, propriety and compliance

For the year ended 31 August 2023

As accounting officer of Hurst Education Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust board of trustees are able to identify any material, irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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.



T Manly

Accounting Officer

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Statement of Trustees' responsibilities

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:

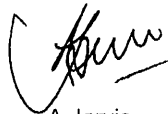
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2023 and signed on its behalf by:



A Jarvis

Chair of Trustees

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Independent Auditor's Report to the Members of Hurst Education Trust Limited

Opinion

We have audited the accounts of Hurst Education Trust Limited for the year ended 31 August 2023 which comprise the statement of financial activities including the income and expenditure account, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Independent Auditor's Report to the Members of Hurst Education Trust Limited (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Independent Auditor's Report to the Members of Hurst Education Trust Limited (continued)

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charitable company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud;
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the charitable company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: employment law and compliance with the UK Companies Act, Academies Accounts Direction 2022 to 2023 and the 2022 Academies Trust Handbook.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulation, fraud or any actual or potential litigation and claims against the charitable company;
- Reviewing minutes of meetings of the board of trustees, senior management and the audit committee;
- Reviewing internal scrutiny reports for the academic year;
- Reviewing financial statement disclosures to assess compliance with applicable laws and regulations;
- Review and assess compliance with the Academies Trust Handbook 2022 and issue a separate report on compliance with regularity requirements;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the local government pension scheme; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Independent Auditor's Report to the Members of Hurst Education Trust Limited (continued)

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

Use of our report

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



Robin Evans BA FCA CTA (Senior Statutory Auditor)

for and on behalf of Carpenter Box

Chartered Accountants

Statutory Auditor

Worthing

Carpenter Box is a trading name of Carpenter Box

8/12/2023

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Independent Reporting Accountant's Assurance Report on Regularity to Hurst Education Trust Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 August 2022 and further to the requirements of the Educational and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hurst Education Trust Limited during the year ended 31 August 2023 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 Hurst Education Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hurst Education Trust Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Hurst Education Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hurst Education Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hurst Education Trust Limited's funding agreement with the Secretary of State for Education dated 28 January 2022 and the Academies Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 ended 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Independent Reporting Accountant's Assurance Report on Regularity to Hurst Education Trust Limited and the Education & Skills Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

- Consideration of the evidence supporting the accounting officer's statements on regularity, propriety, and compliance;
- Review of procedures and controls ensuring their adequacy, compliance and appropriateness;
- Analytical procedures on the general activities of the academy trust;
- Planning of assurance procedures including identifying key risk areas;
- Further testing and review of the areas identified through the risk assessment including the testing and identification of control processes and examination of supporting evidence as well as additional verification and substantive testing on individual transactions;
- A review of minutes of committees and board meetings which may be relevant to regularity;
- Consideration of discussions with key personnel including the accounting officer and governing body.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Carpenter Box

8/12/2023

Reporting Accountant

Carpenter Box
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1RL

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total Period 2022 £ as restated
Income and endowment from:						
Donations and capital grants	3	133,274	100,313	65,952	299,539	72,824
Transfer from local authority on conversion		-	-	-	-	(451,676)
Other trading activities	5	197,977	-	-	197,977	18,345
Charitable activities:						
Funding for educational operations	4	-	3,818,177	-	3,818,177	1,043,704
Total		331,251	3,918,490	65,952	4,315,693	683,197
Expenditure on:						
Charitable activities:						
Academy Trust Educational operations	6	253,255	4,078,128	43,028	4,374,411	1,265,265
Total		253,255	4,078,128	43,028	4,374,411	1,265,265
Net income/(expenditure)		77,996	(159,638)	22,924	(58,718)	(582,068)
Transfer between funds		-	-	-	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	17	-	220,000	-	220,000	653,000
Net movement in funds		77,996	60,362	22,924	161,282	70,932
Reconciliation of funds						
Total funds brought forward		22,659	10,562	37,711	70,932	-
Total funds carried forward		100,655	70,924	60,635	232,214	70,932

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Balance Sheet as at 31 August 2023

	Note	2023 £	2023 £	2022 £ as restated	2022 £ as restated
Current assets					
Debtors	13	136,862		443,702	
Cash at bank and in hand		598,121		225,801	
		<u>734,983</u>		<u>669,503</u>	
Current liabilities					
Creditors: Amounts falling due within one year	14/15	<u>(440,769)</u>		<u>(382,571)</u>	
Net current assets					
Total assets less current liabilities			294,214		286,932
Net current assets excluding pension liability					
			294,214		286,932
Defined benefit pension scheme liability	17		(62,000)		(216,000)
Total net assets			<u>232,214</u>		<u>70,932</u>
Funds of the academy trust					
Restricted funds					
Fixed asset fund	16		60,635		37,711
Restricted income funds	16		132,924		226,562
Pension reserve	17		<u>(62,000)</u>		<u>(216,000)</u>
Total restricted funds			131,559		48,273
Unrestricted funds	16		100,655		22,659
Total funds			<u>232,214</u>		<u>70,932</u>

The financial statements on pages 25 to 45 were approved by the trustees and authorised for issue on 7 December 2023 and are signed on their behalf by:



A Jarvis

Trustee

Company Number 13807225

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Cashflow statement for the period ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	18	306,368	203,724
Cash funds transferred on conversion		-	22,077
Net cash flows from operating activities		306,368	225,801
Cash flows from investing activities	19	65,952	-
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		372,320	225,801
Cash and cash equivalents at the beginning of the period		225,801	-
Cash and cash equivalents at the end of the period		598,121	225,801

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements

1. Accounting policies

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £1.

Hurst Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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. The trustees have reviewed the trust's three year budget forecast return which demonstrates the trust's ongoing viability over that period, taking into account rising cost pressures and inflationary impacts. Within this context the trustees 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.

1.3 Short accounting period

The comparative period was only eight and a half months long. The trust remained dormant until 1 April 2022 when the first school joined the trust. As a result, the trust was active for only five months of the prior period and the comparative figures are therefore not entirely comparable.

1.4 Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions, there is not an 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.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the financial statements (continued)

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets - Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost, as detailed at note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost, as detailed in note 14. Taxation and social security are not included in the financial instrument's 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 Taxation

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

1.11 Pensions benefits

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

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

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

The LGPS is a funded multi-employer scheme, and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. If the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, a plan surplus, as a defined benefit plan asset, is only recognised to the extent it can be recovered either through reduced contributions in the future or through refunds for the plan.

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources, which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency/Department for Education.

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Capital grants	-	65,952	65,952	-
Other donations	133,274	100,313	233,587	72,824
	133,274	166,265	299,539	72,824

The income from donations and capital grants was £299,539 (2022: £72,824) of which £133,274 (2022: £49,728) was unrestricted, £100,313 (2022: £nil) was restricted and £65,952 (2022: £23,906) was in relation to restricted fixed asset funds.

4 Funding for the academy trust's charitable activities educational operations

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
DfE / ESFA grants				
General Annual Grant (GAG)	-	3,222,781	3,222,781	873,854
Other DfE/ESFA grants:				
Start-up grants	-	-	-	75,000
UIFSM	-	78,436	78,436	20,205
Pupil premium	-	107,248	107,248	-
Other DfE group grants	-	247,297	247,297	51,744
	-	3,655,762	3,655,762	1,020,803
Other government grants				
Local authority grants	-	162,415	162,415	22,901
Total funding	-	3,818,177	3,818,177	1,043,704

All income from funding for educational operations in the current and prior year was in relation to restricted funds.

5 Other trading activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Hire of facilities	18,791	-	18,791	5,741
Income from other charitable activities	4,742	-	4,742	132
Income from ancillary trading activities	112,000	-	112,000	6,082
Parental contributions	62,444	-	62,444	6,390
	197,977	-	197,977	18,345

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

All income from other trading activities in the current and prior year was in relation to unrestricted funds.

6 Expenditure

	Non-Pay Expenditure			Total	Total
	Staff costs	Premises	Other	2023	2022
	£	£	£	£	£
Academy's educational operations					
• Direct costs	2,766,532	-	319,383	3,085,915	811,763
• Allocated support costs	476,787	363,416	448,293	1,288,496	453,502
	<u>3,243,319</u>	<u>363,416</u>	<u>767,676</u>	<u>4,374,411</u>	<u>1,265,265</u>

The expenditure on educational operations was £4,374,411 (2022: £1,265,265) of which £3,243,319 (2022: £850,769) related to staff costs, £363,416 (2022: £80,625) related to premises and equipment, and £767,676 (2022: £333,871) related to other costs.

Net income/(expenditure) for the period includes:	2023	2022
	£	£
Fees payable for auditor for:		
Audit	13,990	13,950
Other services	1,875	-
Operating lease rentals	4,053	855
Defined benefit pension costs less contributions payable	295,000	92,000
Defined benefit pension scheme finance cost	10,000	4,000

7 Analysis of grant expenditure

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2023	2022
			£	£
Improvements to diocesan property occupied by the academy trust	-	60,362	60,362	18,613
	<u>-</u>	<u>60,362</u>	<u>60,362</u>	<u>18,613</u>

The expenditure represents general maintenance and improvements to the diocesan properties occupied by the schools.

The grant expenditure in the current and prior year was in relation to restricted fixed assets funds.

8 Charitable activities

	2023	2022
	£	£
Direct costs		
Educational operations	3,085,915	811,763
Support costs		
Educational operations	<u>1,288,496</u>	<u>453,502</u>
	<u>4,374,411</u>	<u>1,265,265</u>

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

Analysis of Support costs

	Total 2023 £	Total 2022 £
Support staff costs	466,787	147,781
Technology costs	83,344	34,933
Premises costs	363,416	80,625
Legal costs- conversion	-	66,310
Legal costs - other	7,619	-
Other support costs	365,446	123,853
Governance costs	1,884	-
	<hr/> 1,288,496	<hr/> 453,502

The expenditure on educational operations was £4,374,411 (2022: £1,265,265) of which £253,255 was unrestricted and £4,121,156 was restricted (2022: £1,210,208).

9 Staff

(a) Staff Costs

Staff costs during the period were:

	2023 £	2022 £
Wages and salaries	2,238,452	602,686
Social security costs	201,502	52,925
Pension costs	572,842	177,865
Amount paid to employees	<hr/> 3,012,796	<hr/> 833,476
Agency staff costs	205,865	17,293
Total staff expenditure	<hr/> 3,218,661	<hr/> 850,769

(b) Staff numbers

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

	2023 Number	2022 Number
Teachers	37	24
Administration and support	55	56
Management	7	5
	<hr/> 99	<hr/> 85

(c) Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	1	-
£70,001- £80,000	1	-

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £nil (2022:£nil).

10 Central services

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

- Educational support services;
- Administrative support;
- Finance;
- Payroll and HR services;
- Governance; and
- Statutory Compliance.

The academy trust charges for these services on the following basis:

3% of General Annual Grant.

The amounts charged during the period were as follows:

	2023	2022
	£	£
Albourne C of E Primary School	24,915	10,443
Ditchling (St Margaret's) C of E Primary and Nursery School	21,368	7,145
St Wilfrid's C of E Primary School	50,156	8,486
	<hr/> 96,439	<hr/> 26,074

11 Trustees' remuneration and expenses

During the year ended 31 August 2023 and period ended 31 August 2022, no trustees received any remuneration or other benefits from an employment with the trust. No expenses were paid to the trustees.

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim. The cover is provided by the trust's membership of the RPA scheme and the individual cost relating to the trustees cannot be reliably quantified. The cost of this insurance is included in the total insurance cost.

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

13 Debtors	2023	2022
	£	£
Trade debtors	1,528	9,702
VAT recoverable	58,505	45,331
Other debtors	5,760	15,768
Prepayments and accrued income	71,069	372,901
	<hr/>	<hr/>
	136,862	443,702

14 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	132,906	109,448
Other taxation and social security	44,247	42,612
Other creditors	56,361	53,798
Accruals and deferred income	207,255	176,713
	<hr/>	<hr/>
	440,769	382,571

15 Deferred income	2023	2022
	£	£
Deferred income is included within: creditors falling due within one year		
Deferred income as at 1 September 2022	56,960	-
Released from previous years	(56,960)	-
Resources deferred in the year	123,421	56,960
Deferred income as at 31 August 2023	<hr/>	<hr/>
	123,421	56,960

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

The academy trust received the following income and funding in the year ended 31 August 2023 which related to the next academic year and as such has been deferred.

	2023	2022
Devolved formula capital	£11,953	£12,078
Universal Free School Meals	£72,488	£27,380
Pupil premium	£8,405	£8,130
SEN funding	£14,613	£-
Central block funding	£3,663	£-
TIG funding	£4,240	£-
School fund	£525	£-
Nursery fees	£3,576	£6,135
Clubs	£958	£-
Lettings	£-	£3,237

16 Funds

	Balance at 1 September 2022	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2023
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	109,929	3,222,781	(3,310,758)	-	21,952
Start-up grant	8,690	-	-	-	8,690
UIFSM	54,802	78,436	(105,117)	-	28,121
Pupil premium	2,696	107,248	(109,944)	-	-
Sports premium	15,673	54,460	(44,644)	-	25,489
Other grants	34,772	455,565	(441,665)	-	48,672
Pension reserve	(216,000)	-	(66,000)	220,000	(62,000)
Total restricted general funds	10,562	3,918,490	(4,078,128)	220,000	70,924
Restricted fixed asset funds					
Transfer on conversion	37,711	-	-	-	37,711
DFE capital grants	-	65,952	(43,028)	-	22,924
Total restricted fixed asset funds	37,711	65,952	(43,028)	-	60,635
Total restricted funds	48,273	3,984,442	(4,121,156)	220,000	131,559
Unrestricted funds					
General funds	22,659	331,251	(253,255)	-	100,655
Total unrestricted funds	22,659	331,251	(253,255)	-	100,655
Total funds	70,932	4,315,693	(4,374,411)	220,000	232,214

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

	Balance at 17 December 2021 £	Income £	Expenditure £	Gains, losses and transfers £ as restated	Balance at 31 August 2022 £ as restated
Restricted general funds					
General Annual Grant (GAG)	-	1,060,868	(950,939)	-	109,929
Start-up grant	-	75,000	(66,310)	-	8,690
UIFSM	-	85,660	(30,858)	-	54,802
Pupil premium	-	4,046	(1,350)	-	2,696
Sports premium	-	41,435	(25,762)	-	15,673
Other grants	-	121,761	(86,989)	-	34,772
Pension reserve	-	(821,000)	(48,000)	653,000	(216,000)
Total restricted general funds	-	567,770	(1,210,208)	653,000	10,562
Restricted fixed asset funds					
Transfer on conversion	-	37,711	-	-	37,711
Total restricted funds	-	605,481	(1,210,208)	653,000	48,273
Unrestricted funds					
General funds	-	77,716	(55,057)	-	22,659
Total unrestricted funds	-	77,716	(55,057)	-	22,659
Total funds	-	683,197	(1,265,265)	653,000	70,932

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

General Annual Grant are to be used for funding the Academy's operating costs. The academy trust is not subject to a limit on the amount of GAG that it can carry forward.

Start-up and other DfE/ESFA grants are to be used for funding the academy's operating costs.

UIFSM funding provides funding to offer free school meals to pupils in reception, year 1 and year 2.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

Pupil premium funding is provided to improve education outcomes for disadvantaged pupils.

Sports premium funding is provided to build capacity and capability within the school and develop or add to the PE, sport and physical activity that the school provides.

In addition, the academy has also been in receipt of other grants covering rates, recovery and other COVID support, National tutoring, Connect to the Classroom, Early Years grants and supplementary grants which have been used for funding the academy's operating costs within the areas they are intended.

DFC group capital funds are to be used to improve buildings and other faculties, including ICT or capital repairs.

Total funds analysis by academy

	2023	2022
	£	£
Fund balances on 31 August were allocated as follows:		as restated
Albourne C of E Primary School	(1,320)	(19,405)
Ditchling (St Margaret's) C of E Primary School	122,940	103,690
St Wilfrid's C of E Primary School	120,697	169,323
Hurst Education Trust - Central	(8,738)	(4,387)
Total before fixed assets fund and pension reserve	233,579	249,221
Restricted fixed asset fund	60,635	37,711
Pension reserve	(62,000)	(216,000)
Total funds	232,214	70,932

Hurst Education Trust incurred a number of one-off costs resulting in a deficit position at the end of the year as the trust establishes itself. The budget set for 2023-24 will return the Trust Centre to a balanced position by the end of the 2024-25 academic year. Albourne C of E Primary School has continued to review expenditure and costs and has made progress in reducing its negative reserves position throughout the year. Expenditure reviews continue and it is anticipated that the school will achieve a balanced position in 2023/24.

Total cost analysis by academy

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

	Teaching and Other support educational support staff	Other support staff cost	Educational supplies	Other costs excluding depreciation	Total	Total
	£	£	£	£	2023 £	2022 £
Albourne C of E Primary School	701,157	94,884	45,181	123,696	964,918	429,422
Ditchling (St Margaret's) CE Primary School	624,412	104,845	90,379	199,054	1,018,690	284,443
St Wilfrid's C of E Primary School	1,439,392	205,464	91,588	336,008	2,072,452	331,050
Hurst Education Trust - Central	5,539	1,097	4,139	89,562	100,337	122,622
Total expenditure	2,770,500	406,290	231,287	748,320	4,156,397	1,167,537

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

Costs not attributable totaling £66,000 (2022: £48,000) which are not included within the analysis by academy above. These are in relation to adjustments because of the year end LGPS valuations provided by the actuaries. These are not included as the split per school has not been provided.

Costs relating to the donated goods and services from Hurstpierpoint College totalling £152,014 (2022: £49,728) and have not been allocated by school and are therefore also not included in the analysis above.

Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Current assets	100,655	573,693	60,635	734,983
Creditors falling due within one year	-	(440,769)	-	(440,769)
Defined benefit pension liability	-	(62,000)	-	(62,000)
Total net assets	100,655	70,924	60,635	232,214

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
		as restated		as restated
Current assets	22,659	609,133	37,711	669,503
Creditors falling due within one year	-	(382,571)	-	(382,571)
Defined benefit pension liability	-	(216,000)	-	(216,000)
Total net assets	22,659	10,562	37,711	70,932

17 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £57,184 (2022: £53,412) were payable to the schemes at 31 August 2023 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 teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (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 £218,100 million and notional assets (estimated future contributions together with notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate to return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%

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

The total contributions made for the year ended to 31 August 2023 to the TPS were £481,014 (2022: £122,155), of which employers contributions totalled £349,911 (2022: £86,467) and employees' contributions totalled £131,103 (2022: £35,688).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administrative funds. The total contribution made for the year ended 31 August 2023 was £209,644 (2022: £54,446) of which employer's contributions totalled £165,577 (2022: £11,047) and employees' contributions totalled £44,067 (2020: £43,399). The agreed contribution rates for future years are as follows:

West Sussex:

Employers	22.5%
Employees	5.5-12.5%

East Sussex:

Employers	24.4%
Employees	5.5-12.5%

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

Principal actuarial assumptions	2023	2022
Rate of increase in salaries	4.3%	3.7%
Rate of increase for pensions in payment/inflation	3.0%	3.1%
Discount rate for scheme liabilities	5.2%	4.2%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2023	2022
	Years	Years
Retiring today		
- Males	21.4	21.7
- Females	24.0	24.1
Retiring in 20 years		
- Males	22.0	22.6
- Females	25.4	25.6

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

	2023	2022
	£000	£000
Discount rate +0.1%	(50)	(28)
Discount rate -0.1%	61	28
Mortality assumption – 1 year increase	92	58
Mortality assumption – 1 year decrease	(90)	(58)
CPI rate +0.1%	61	27
CPI rate-0.1%	(59)	(27)
Salary increase rate + 0.1%	36	1
Salary increase rate - 0.1%	(36)	(1)

Defined benefit pension scheme net asset/(liability)

	2023	2022
	£	£
		as restated
Scheme assets	1,783,000	1,588,000
Scheme obligations	(1,845,000)	(1,804,000)
Net liability	(62,000)	(216,000)

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

	2023	2022
	£000	£000
		as restated
Equities	1,055	890
Bonds	476	440
Cash	34	34
Property	218	225
Total market value of assets	1,783	1,589

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

The actual return on scheme assets was £8,000 (2022: £2,000).

Amount recognised in the Statement of Financial Activities

	2023	2022
	£	£
Current service cost	216,000	82,000
Interest income	(71,000)	(12,000)
Interest cost	81,000	16,000
Total operating charge	<u>226,000</u>	<u>86,000</u>

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

	2023	2022
	£	£
At 1 September	1,804,000	-
Obligations acquired on conversion	-	2,359,000
Current service cost	216,000	82,000
Interest cost	81,000	16,000
Employee contributions	43,000	10,000
Actuarial (gain)/loss	(299,000)	(663,000)
At 31 August	<u>1,845,000</u>	<u>1,804,000</u>

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

	2023	2022
	£	£
		as restated
At 1 September	1,588,000	-
Assets acquired on conversion	-	1,538,000
Interest income	71,000	12,000
Actuarial gain/(loss)	(79,000)	(10,000)
Employer contributions	160,000	38,000
Employee contributions	43,000	10,000
Benefits paid	-	-
At 31 August	<u>1,783,000</u>	<u>1,588,000</u>
Defined benefit pension scheme liability at 31 August	<u>(62,000)</u>	<u>(216,000)</u>

Hurst Education Trust Limited
Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

	2023	2022
	£	£
As at 31 August the Trust's East Sussex Pension Fund was in surplus for each school by:		
Ditchling (St Margaret's) C of E Primary School	104,000	6,000
Pension surplus	104,000	6,000

The criteria for the recognition of the surplus as an asset as described in accounting policy 1.11 was not met. The scheme's liability has therefore been restricted by £104,000 (2022: £6,000) to not recognise the surplus.

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

	2023	2022
	£	£
Net expenditure per accounts	(58,718)	(582,068)
Adjusted for:		
Net surplus on conversion to academy	-	(22,077)
Capital grants	(65,952)	-
Defined benefit pension deficit transferred on conversion	-	807,000
Defined benefit pension costs less contributions payable	56,000	58,000
Defined benefit pension scheme finance cost	10,000	4,000
Decrease/(increase) in debtors	306,840	(443,702)
Increase in creditors	58,198	382,571
Net cash provided by operating activities	306,368	203,724

19 Cash flows from investing activities

Capital grants for DfE Group	65,952	-
Net cash provided by investing activities	65,952	-

20 Analysis of cash and cash equivalents

	As at 1 September 2022	Cash flows	As at 31 August 2023
	£	£	£
Cash in hand and at bank	225,801	372,320	598,121
Total cash and cash equivalent	225,801	372,320	598,121

Hurst Education Trust Limited

Annual Report and Financial Statements for the year ended 31 August 2023

Notes to the Financial Statements (continued)

21 Commitments under operating leases

On 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts due within one year	3,876	3,294
Amounts due in two and five years	1,576	2,722
	5,452	6,016

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

Hurstpierpoint College Limited is a related party as a non-majority shareholder of the trust. No items have been purchased from Hurstpierpoint College during this period. Hurstpierpoint College, however, has contributed towards the running of the trust to the value of £18,290 by way resource donation during the year (2022: £17,160). There is no debtor balance at 31 August 2023 (2022: £15,769).

In addition, a donation in the form of time has been made to the trust by Hurstpierpoint College during the period by way of staffing resource from Hurstpierpoint College employees. A monetary value of £133,274 (2022: £49,728) has been assigned to this and shown as a donation within income and the cost has been reflected within support costs within educational operations. No formal charge will ever be made. The value of the use of Hurstpierpoint College premises during the period was considered immaterial in monetary terms.

The Diocese of Chichester is also a related party but there were no transactions in the period to disclose.

Expenditure related party transaction

No trustees received any remuneration in the year. Details of trustees' expenses are disclosed per note 10.

23 Members' liability

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

24 Post balance sheet events

After the year-end, Bolnore Village Primary School converted to the academy trust status and joined Hurst Education Trust on 1 December 2023.

25 Prior period adjustment

The accounts for the period ended 31 August 2022 reported an overall pensions liability position of £182,000. Subsequent to the approval of the accounts a revised actuarial valuation was received for two of the three academy trusts, revising the overall liability position to £216,000. The prior year figures have therefore been adjusted to recognise this liability. Funds as previously reported were £104,932 and following the adjustment of £34,000 as a result of the above, the restated funds as at 31 August 2022 are £70,932, there is no impact on the net income of £582,068.