

HUJJAT SCHOOL TRUST
(A company by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023



Company Registration Number:
09257213 (England and Wales)



Hujjat School Trust

Contents

	Page
Reference and Administrative Details	3
Trustees' Report	4
Governance Statement	11
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17
Independent Reporting Accountant's Report on Regularity	21
Statement of Financial Activities incorporating Income & Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26



Hujjat School Trust Reference and Administrative Details

Members	Ms J Hilary Mr M-A Merali Mr M Mohamed Ms S Hirji
Trustees	Ms S Hirji (Chair) Mr Z Ali (Vice Chair) Mr H Greenway Dr K Hamed (Parent) (until 25 May 2023) Mr N Kapadia Mr W Khalif Ms S Panjwani Ms F Rahemani Ms S Tharoo Mrs S Virji (Parent) (1 September 2023)
Company Secretary	Browne Jacobson LLP
Senior Management Team:	Mrs S Saad (Acting Headteacher) Ms J Day (School Business Manager/ CFO)
Company Name:	Hujjat School Trust
Registration Number:	09257213 (England and Wales)
Registered Office	Hujjat Primary School Brookshill Harrow Weald HA36RR
Independent Auditor	Moore Kingston Smith LLP The Shipping Building The Old Vinyl Factory Blyth Road Hayes UB31HA
Bankers	Lloyds Bank PLC Threadneedle Street PO Box 1000 BX1 1LT
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ



Hujjat School Trust Trustees report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust opened an academy for pupils aged 4 to 11 in September 2020 with a capacity of 60 pupils in the Reception year group. In September 2022, the school had 180 pupils from Reception to Year 2 and will continue to grow each year until the oldest cohort reaches Year 6 in 2026.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hujjat School Trust and is referred to in the accounts as Hujjat Primary School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 11.

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 has opted in to the DfE Risk Protection Arrangement (RPA) scheme for schools to protect Trustees and Officers from claims arising in connection with school business.

Method of Recruitment and Appointment or Election of Trustees

The articles provide for the appointment of trustees as follows:

- The Members may appoint up to 11 Trustees.
- Parents of current pupils may elect two Trustees.
- Trustees can also be co-opted by Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees are made aware of their responsibilities by the Clerk to Trustees and are provided with copies of the Academy Trust Handbook, and the Governance Handbook. Trustee induction training is undertaken using the National Governance Association's Learning Link online modules and NGA member events. Additional training and resources are available via Harrow Governor Services. All trustees complete statutory safeguarding of children training.

Organisational Structure

The organisational structure of the Trust consists of 3 levels: Members, Trustees and the Headteacher. The Headteacher is also the Accounting Officer. During the 2022-23 academic year, the Trust Board reconstituted 3 committees to support the work of the Board: Teaching & Learning, Finance, Resources & Audit, and Faith & Pastoral. Each committee includes a minimum of three Trustees and has Terms of Reference agreed by the Trust Board.



Hujjat School Trust Trustees report

There is a clear scheme of delegation which sets out how decisions are made within the organisation and this is reviewed annually. The Trust also has a Financial Procedures Manual that details the levels of responsibility for setting the annual budget and its subsequent management and monitoring.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have adopted a staff pay policy and performance appraisal policy that meet the requirements of current employment and equalities legislation, and when appropriate are in line with the School Teachers Pay and Conditions document. These policies set out the clear process of performance appraisal and how this links to pay. Pay progression is linked to nationally defined pay scales and all staff pay is reviewed annually.

Related Parties and other Connected Charities and Organisation

The Trust has an education partnership with The Elliot Foundation Academies Trust (TEFAT). The Trust's consultative religious authority is KSIMCoL. Registered UK charity number 288356.

Objectives and Activities

Objects and Aims

The Trust's object as set out in the governing document is to advance for the public benefit education in the United Kingdom in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Hujjat Primary School aims to be an outstanding, happy and inclusive school, a place where children can indulge their intellectual curiosity, develop a love for learning, and build the foundations to become ethical, responsible and inspirational members of society and positive ambassadors for Islamic values.

Objectives, Strategies and Activities

The Trust Board firmly believes that every child, irrespective of their background or starting point, has the right to be valued, respected and supported to grow and achieve beyond their expectations. We will realise our vision, facilitate the well-being and growth of every pupil's mind, body and character in the best possible way, and prepare them for the opportunities, responsibilities and experiences of later life and specifically for the next stage in their educational journey by:

- Delivering a broad, balanced, challenging, and inclusive curriculum underpinned by values, that will put high academic attainment, good character, and therefore good citizenship at its core.
- Establishing the highest quality of teaching and learning by recruiting qualified teachers with a passion for and commitment to, ensuring the best possible outcomes for their pupils.
- Developing pupils' spiritual, moral, social and cultural understanding through our values which are the foundation of everything we do at school.
- Fostering community cohesion and engagement by building relationships with local and international schools, charities, businesses, and community organisations to enhance enrichment and extracurricular activities and to promote a better understanding of Islam.
- Referencing Islamic teachings and positive role models to actively promote British values, develop national pride and a sense of belonging.
- Working closely with parents to support their children's learning and our values at home.
- Using the expertise at our partner schools and the Local Authority to support and challenge the quality of teaching and learning.



Hujjat School Trust Trustees report

We aspire for all graduates of Hujjat Primary School to be:

- Successful learners, able to think, question and reflect independently and achieve well above local and national averages for English and Maths.
- Confident, respectful and effective communicators who can express themselves, make informed choices and build positive relationships
- Well-rounded and responsible citizens with a respect and appreciation for the rights, views, values and property of others, and who make a positive contribution to the school and the community beyond.

Public Benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Strategic Report

Achievements and Performance

Hujjat Primary School was graded 'Good' after its first Section 5 Ofsted inspection in January 2023. The report noted the following strengths:

- *'Leaders have created a warm and nurturing environment for pupils. Pupils value this and the positive working relationships that they have with staff.'*
- *'Pupils are kept safe, and they feel safe. They show respect to each other.'*
- *'Many parents and carers commented that Hujjat feels more like a family than a school'.*

School Improvement Partner visits have been positive and the school continues to develop its provision for academic excellence and personal development. These priorities are part of the School's Development Plan for the next 3 years.

Pupils achieved above national and Harrow expectations in all Year Groups:

Year	Measure	National Avg	LA Avg	HPS Avg
EYFS	GLD	67%	68%	83%
Yr 1	Phonics	80%	81%	85%
Yr 2	Reading	68%	71%	77%
Yr 2	Writing	60%	61%	70%
Yr 2	Maths	71%	72%	79%

Hujjat Primary School is already contributing to the training and development of teachers and is growing its own staff team. One ECT successfully completed their 2-year induction, and three members of support staff are currently undergoing teacher training supported by the school.



Hujjat School Trust Trustees report

Particular Success in 2022-23:

- A robust Islamic values-based curriculum has been implemented during the year including PSHE.
- The school library has been added to with investment in a range of guided reading books.
- The Key Stage 2 playground has been developed with the installation of a Jungle Climber and markings to engage and challenge the children.
- Further additions to the Islamic Design Project in the main hall were completed during the year.
- Visitors regularly comment that pupils' behaviour is excellent in class.
- The school continued to run well attended open evenings and was oversubscribed for entry to Reception in 2023. We received 131 applications and continue to hold a waiting list for all year groups.

Key Performance Indicators

- **Pupil attendance:** Pupil attendance is 93% and has continued to be impacted following the past few years. The school has been engaging with parents and raising parental awareness of statutory expectation to further improve attendance.
- **Pupil Intake:** The school achieved a full intake of pupils into Reception 2022. There is no defined catchment area but 50% of places are allocated based on faith and the remaining places in accordance with the over subscription criteria in the admissions policy.
- **Parental Satisfaction:** Parental satisfaction rates are high in our most recent survey of parents, respondents agreed or strongly agreed that:
 - › My child feels safe at school 98%
 - › My child is happy at school 98%
 - › School makes sure pupils are well behaved 96%
 - › My child does well at school 97%
 - › School informs me of my child's progress 95%

Parents actively support their children's learning and attendance at parents' meetings and curriculum workshops is high.

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 Statement of Accounting Policies.



Hujjat School Trust Trustees report

Financial Review

The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type.

For the year ended 31 August 2023 the Academy had a total of funds of £13,833,348. This included fixed assets funds of £13,559,088 which includes the Land and building valuation following the completion of the lease

As at 31 August 2023, the Academy held £59,815 of unrestricted reserves plus £214,445 of unspent (non- fixed asset) restricted funds. The Academy therefore held combined available reserves of £274,260.

The surplus at the end of year was in part contributable to the high energy costs not impacting the school this year as prices continued to be protected through the 3-year fixed term contract. Reduced staffing costs due to unanticipated staff changes also contributed to the financial position.

The Academy Trust had a nil pension reserve on their Local Government Pension Scheme at 31 August 2023 and a fixed asset reserve of £13,773,533.

The principal source of funding for the Academy is the General Annual Grant (GAG). This funding has been used to support the key educational objectives of the Academy Trust. Funding has also been received from DfE and Local Education Authority for specific purposes such as Teachers Pension Grant and Pupil Premium funding.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, future income streams and key risks identified during the risk review.

The Trustees determined that the appropriate level of free reserves should be equivalent to a minimum of 5% of annual income plus £75,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a buffer to deal with unexpected emergencies such as urgent maintenance.

In addition, the Trust currently requires reserves to manage the uncertainty regarding funding levels in the sector and to ensure that adequate funds are available for ongoing capital maintenance. Considering the level of reserves at the period end,(approximately 20%), the Trustees deem this to be adequate.

Investment Policy

The Trust has approved an investment policy. No investments are currently held.



Hujjat School Trust Trustees report

Principal Risks and Uncertainties

Pupil Numbers

The school budget was set last year with an anticipated school roll of 180 children. The autumn census recorded 180 pupils on roll and was oversubscribed for admissions into Reception for 2023/2024. The school continues to implement its marketing strategy and has a waiting list for all year groups.

Staffing

The Deputy Headteacher stepped up to Acting Headteacher during the year, supported by external mentors and a leadership coach. Adding capacity and experience to the senior leadership team is a priority for the trust, starting with the recruitment of a permanent headteacher.

Premises

Home Office funded work, including the expansion of CCTV, has been undertaken to improve the security of the school.

Regular service visits and compliance checks are maintained to ensure the school complies with relevant regulations, including an annual health and safety audit.

Fundraising

A PTA known as the Friends of Hujjat Primary School (FOHPS) has been established to support the school with fundraising. The school has also launched its own JustGiving page for direct fundraising campaigns.

Plans for Future Periods

The Trust plans to admit a further 60 pupils into Reception each year until the school is at full capacity from Reception to Year 6.

Trustees will continue to pursue their core objectives to provide the highest educational opportunities guided by core Islamic values for all children to reach their full potential.

Trustees to ensure monitoring processes are rigorous and robust.

The school reviews its priorities annually and has set them out in a School Development Plan. The purpose of the plan is to identify how we can further improve and develop the work of the school.

Areas of focus for the coming year are the development of the SEND provision across the year groups and staff CPD to develop expertise and support across the school.

Achieving an outstanding provision in EYFS and enhancing the EYFS learning environment.

Develop leaders across the school.



Hujjat School Trust Trustees report

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the trustees have taken all steps that they ought to have taken as to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The auditors, Moore Kingston Smith LLP, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.
- The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2023 and signed on the board's behalf by:

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Ms S Hirji
Trustee



Hujjat School Trust Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hujjat Schools 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hujjat School 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 Trustees formally met 15 times during the year.

Attendance during the year at meetings of the board of trustees or committees was as follows:

Trustee	Meetings attended	Out of a possible
Ms S Hirji (Chair)	17	17
Mr Z Ali (Vice Chair)	2	4
Mr H Greenway	7	9
Dr K Hamed	7	10
Mr N Kapadia	15	15
Mr W Khalif	8	10
Ms S Panjwani	12	13
Ms F Rahemani	10	12
Ms S Tharoo	12	15

The Trust appointed Tridan Business Concepts to provide finance support and advisory services to the Trust Board.

Three sub committees, were constituted to support the work of the Board:

- Finance, Resources & Audit
- Teaching & Learning
- Faith & Pastoral

Trustees declare any business, personal or other interest in connection with the board's business at the earliest opportunity and which are recorded in the Register of Business Interests.



Hujjat School Trust Governance Statement

Additionally, all Trustees will declare any conflict of loyalty at the start of any meeting should the need arise. Board members may not vote on matters affecting their own interests. They may participate in the discussion but not the decision-making process. All decisions under a conflict of interest are recorded by the clerk and reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict;
- An outline of the discussion;
- The actions taken to manage the conflict.

If an interest is known to the Clerk, CFO (SBM) and/or the Chair of the Trust, they will declare that interest if not already declared.

Trustees performed a self-evaluation of skills to ensure they had a sufficient spread to meet the needs of running a Free School. Further evaluation will be taken during each new financial year to ensure the skill sets are appropriate and match the needs of the Trust. The output from the review will also evidence Trustee training requirements.

Review of Value for Money

As accounting officer, the Headteacher 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 educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year. The accounting officer for the academy trust has delivered improved value for money during the year. Some examples of this are:

Resources Best value has been sought throughout the year for educational resources and office supplies. We purchase from approved frameworks offering discounts such as ESPO.

Staffing costs. The impact of cost of living increases for teaching and support staff have been reduced during the financial year as a result of a vacancy in leadership team.

Links with local schools are established, allowing benchmarking of expenditure and supplier information shared.

Estates Management Best value sought throughout the year on maintenance and compliance costs by using comparative quotes. Networking with other schools for recommendations for suppliers and contractors. Contracted Health and Safety advisor and annual audit carried out. Initiatives for fundraising including participation in a school wide sponsored mini-marathon

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 Hujjat School Trust for the period 1st September 2022 to 31st August 2023 and up to the date of approval of the annual report and financial statements.



Hujjat School Trust Governance Statement

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 period 1st September 2022 to 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 and Control Framework

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

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

The board of trustees considered the need for a specific internal audit function and commissioned an internal audit service from Tridan Business Concepts.

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

- Review the process of managing Risk and the process of mitigating the risks identified.
- Review the management of the Fixed Asset register maintained by the school for completeness and reconciliation to the school's accounts.
- Review the completion of Bank reconciliation for the review period.
- Review the controls and operations of VAT management in the Trust including claims and outstanding balance.
- Review the process for managing Trustees and related parties engagement within the Trust to ensure compliance with the ATH.
- Review the controls and systems employed in the management of incoming resources to ensure timely completeness and accurate recording including records management.
- Financial planning and budgeting of the Trust to ensure long term financial sustainability.
- Review the appropriateness of the finance policies in place within the Trust to ensure appropriate financial governance was in place.

The internal auditor reports to the board of trustees, through the Finance Resources and Audit (FRA) Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities, and annually 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.



Hujjat School Trust Governance Statement

Review of effectiveness

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


- The work of the internal auditor
- The financial management and governance self-assessment process

The accounting officer will be advised of the implications of the result of their review of the system of internal control by the FRA committee and if relevant a plan to address weaknesses and ensure continuous improvement of the systems in place.

Approved by order of the members of the board of trustees on 14 December 2023 and signed on its behalf by:

DocuSigned by:

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Ms S Hirji
Trustee

DocuSigned by:

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Mrs S Saad
Interim Accounting Officer



Hujjat School Trust


Statement on Regularity, Propriety and Compliance

As accounting officer of Hujjat School 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 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.

Signed:

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Mrs S Saad

Interim Accounting Officer

Date 14 December 2023

Hujjat School Trust

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 the incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 14 December 2023 and signed on its behalf by:

Signed

DocuSigned by:

Shakeen Hiji

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Ms S Hiji

Chair of Trustees

Hujjat School Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hujjat School Trust

Opinion

We have audited the financial statements of Hujjat School Trust ('the academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

Hujjat School Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hujjat School Trust

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the academy trust.

Hujjat School Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hujjat School Trust

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the academy trust and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academies Financial Handbook 2022 and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the academy trust complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hujjat School Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hujjat School Trust

Use of our report

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

Moore Kingston Smith LLP

Date: 21 December 2023

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes, London
UB3 1HA

Hujjat School Trust

Independent Reporting Accountant's Assurance Report on Regularity to Hujjat School Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 April 2021 and further to the requirements of the Education 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 Hujjat School Trust during the period 1 September 2022 to 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 Hujjat School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hujjat School Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hujjat School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hujjat School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hujjat School Trust's funding agreement with the Secretary of State for Education dated and the Academies Financial 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 period 1 September 2022 to 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.

Hujjat School Trust

Independent Reporting Accountant's Assurance Report on Regularity to Hujjat School Trust and the Education and Skills Funding Agency

The work undertaken to draw to our conclusion includes:

- Review of financial records for unusual transactions.
- Sample testing expenditure transactions were reasonable, appropriate and appropriately authorised in accordance with the trust's procurement policy.
- Review the minutes of the Board meetings.
- Review the processes and controls to identify related party transactions and potential conflicts.
- Obtaining formal representations from the Board and the accounting officer.
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 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.

Moore Kingston Smith LLP

Date: 21 December 2023

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes, London
UB3 1HA

Hujjat School Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
Income from:						
Donations and capital grants	2	5,004	-	13,464,309	13,469,313	23,351
Charitable activities:						
Funding for the academy trust's educational operations	3	-	1,187,445	-	1,187,445	841,639
Other trading activities	4	39,102	-	-	39,102	31,130
Investments		28	-	-	28	17
Total		44,134	1,187,445	13,464,309	14,695,888	896,137
Expenditure on:						
Charitable activities:						
Academy trust educational operations	5, 6	-	1,097,242	152,418	1,249,660	1,002,024
Total		-	1,097,242	152,418	1,249,660	1,002,024
Net income/(expenditure)		44,134	90,203	13,311,891	13,446,228	(105,887)
Transfers between funds	14	-	-	-	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	5,000	-	5,000	103,000
Net movement in funds		44,134	95,203	13,311,891	13,451,228	(2,887)
Reconciliation of funds						
Total funds brought forward		15,681	119,242	247,197	382,120	385,007
Total funds carried forward		59,815	214,445	13,559,088	13,833,348	382,120

All of the academy trust's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

A comparative Statement of Financial Activities is detailed in note 22 of the accounts.


Hujjat School Trust

Balance Sheet as at 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	10		13,570,688		242,578
			<u>13,570,688</u>		<u>242,578</u>
Current assets					
Debtors	12	37,035		16,468	
Cash at bank and in hand		<u>333,679</u>		<u>187,157</u>	
		370,714		203,625	
Liabilities					
Creditors : Amounts falling due within one year	13	(108,054)		(64,083)	
Net current assets/(liabilities)			<u>262,660</u>		<u>139,542</u>
Total assets less current liabilities			13,833,348		382,120
Defined benefit pension scheme asset (liability)	21		-		-
Total net assets			<u>13,833,348</u>		<u>382,120</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	13,559,088		247,197	
General fund	14	214,445		119,242	
Pension reserve	14	<u>-</u>		<u>-</u>	
Total restricted funds			13,773,533		366,439
Unrestricted income funds	14		59,815		15,681
Total funds			<u>13,833,348</u>		<u>382,120</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 23 to 43 were approved by the trustees, and authorised for issue on 14 December 2023 and are signed on their behalf by:

DocuSigned by:

 1201BB84A62E45D...

Ms S Hirji
Trustee

Company Registration Number: 09257213 (England and Wales)

Hujjat School Trust

Statement of Cash Flows for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	16	138,107	37,632
Cash flows from investing activities	17	8,415	4,636
Change in cash and cash equivalents in the reporting period		146,522	42,268
Cash and cash equivalents at 1 September 2022		187,157	144,889
Cash and cash equivalents at 31 August 2023		333,679	187,157

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Statement of Accounting Policies

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

Company information

Hujjat School Trust is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Hujjat Primary School, Brookshill, Harrow, HA3 6RR.

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 the ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The comparative figures are for the year ended 31 August 2021. The prior period was the first year which the school was fully operating with an academy status.

Going Concern

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

Income

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

• Grants

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance 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.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Statement of Accounting Policies (continued)

Income (continued)

- **Grants (continued)**

The trust is benefiting from the ESFA's Free Schools Building Programme for the setting up of the trust. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls through ownership of the site where the development is occurring.

- **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.

- **Donated fixed assets**

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

- **Other Income**

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

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 a 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 the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources.

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets deemed long term are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. The trustees have agreed to depreciate the asset in the year of acquisition from the month it was acquired.

Where tangible fixed assets have been acquired with the aid of specific grants from the government, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Computer	3 years
Fixtures and fittings	5 years
Freehold buildings	50 years

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Statement of Accounting Policies (continued)

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 the 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 and services it must provide.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

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 part 11, chapter 3 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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Statement of Accounting Policies (continued)

Pensions Benefits (continued)

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

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2022 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.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Statement of Accounting Policies (continued)

The ultimate responsibility for setting the assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions.

One of the key assumptions is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 5.3% is higher than the rate of 4.25% used in the prior year as the bond yield at 31 August 2023 is higher at all terms than at 31 August 2022. Since a higher discount rate means the present value of liabilities is lower, this results in lower overall net liabilities.

Demographic assumptions have been adopted in line with those used in the most recent actuarial valuation as at 31 March 2022, with the exception of an update of the CMI 'Continuous Mortality Investigation' projection model, which has been based on the more recently published updated standard mortality projections model 'CMI_2022', which has been used as the basis for mortality assumptions. Updating the future improvements model to the CMI 2022 model has reduced assumed life expectancies which results in an improve to the balance sheet position.

Depreciation has been calculated using estimated useful lives of the assets held. We have reviewed this and agreed these are reasonable rates being used.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

2 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
Donated fixed assets (note 10)			13,430,000	13,430,000	-
Other donations	5,004	-	-	5,004	6,526
Capital Grants	-	-	34,309	34,309	16,825
2022/23 Total	5,004	-	13,464,309	13,469,313	
2021/22 Total	6,526	4,619	12,206		23,351

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	935,253	935,253	657,359
Other DfE/ESFA grants				
Start up	-	69,000	69,000	82,500
UIFSM	-	65,709	65,709	45,015
Pupil premium		35,633	35,633	23,148
Sports premium		16,590	16,590	16,600
Teachers pension	-	-	-	-
Others	-	49,994	49,994	13,823
	-	1,172,179	1,172,179	838,445
Other Government grants				
Local authority grants	-	12,511	12,511	3,194
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	-	-	-
Other	-	2,755	2,755	-
2022/23 Total	-	1,187,445	1,187,445	841,639
2021/22 Total	-	841,639		

4 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Trading & other income	39,102	-	39,102	31,130
2022/23 Total	39,102	-	39,102	31,130
2021/22 Total	-	-		

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

5 Expenditure

	Non Pay Expenditure			Total 2023 £	Total 2022 £
	Staff Costs £	Premises £	Other £		
Academy's educational operations:					
Direct costs	610,226	-	74,916	685,142	477,597
Allocated support costs	152,933	136,058	275,527	564,518	524,427
2022/23 Total	763,159	136,058	350,443	1,249,660	
2021/22 Total	632,598	105,308	264,118		1,002,024

Net income/(expenditure) for the period includes:

	2023 £	2022 £
Depreciation	127,812	114,057
Fees payable to auditor for:		
Audit	7,900	6,350
Other services	2,890	2,610
Accountancy	2,850	2,600

6 Charitable Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
	Educational operations				
Direct costs	-	685,142	-	685,142	477,597
Support costs	-	412,100	152,418	564,518	524,427
2022/23 Total	-	1,097,242	152,418	1,249,660	
2021/22 Total	-	887,968	114,056		1,002,024
Analysis of support costs			Educational operations £	Total 2023 £	Total 2022 £
Support staff costs			152,933	152,933	192,116
Depreciation			127,812	127,812	114,056
Technology costs			4,205	4,205	2,334
Premises costs			136,058	136,058	105,308
Other support costs			128,275	128,275	97,418
Governance costs			15,235	15,235	13,195
			564,518	564,518	524,427

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

7 Staff

a. Staff costs

Staff costs during the period were:

	2023	2022
	£	£
Wages and salaries	568,638	503,185
Social security costs	50,445	35,226
Pension costs	95,575	89,657
	<u>714,658</u>	<u>628,068</u>
Agency	48,501	4,530
	<u>763,159</u>	<u>632,598</u>

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	7	4
Administration and support	18	13
Management	2	2
	<u>27</u>	<u>19</u>

c. Higher paid staff

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

	2023	2022
	No.	No.
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
	<u>-</u>	<u>1</u>

d. 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) received by key management personnel for their services to the academy trust was £193,874 (2022: £208,065).

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Related Party Transactions - Trustees' Remuneration and Expenses

No trustees have been paid remuneration or have received other benefits from an employment with the academy trust in the current or comparative year.

During the year £nil (2022: 9,500) was paid to Apple Tree Montessori Nursery for consultancy services provided. Subquena Panjwani, a trustee, acts a director for this company.

During the year ended 31 August 2023, no expenses were reimbursed or paid directly to the trustees (2022: none).

The number of directors to whom defined benefit pension contributions are accruing under the Teacher's Pension Scheme is 0 (2022: 0).

There are no other related party transactions requiring disclosure in the accounts.

9 Trustees and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2023 was £3,780 (2022: £393). The cost of this insurance is included in the total insurance cost.

10 Tangible fixed assets

	Freehold Land and Buildings £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2023	-	246,169	198,687	444,856
Additions	13,430,000	-	25,922	13,455,922
At 31 August 2023	<u>13,430,000</u>	<u>246,169</u>	<u>224,609</u>	<u>13,900,778</u>
Depreciation				
At 1 September 2023		98,468	103,810	202,278
Charged in year	5,983	49,234	72,595	127,812
At 31 August 2023	<u>5,983</u>	<u>147,702</u>	<u>176,405</u>	<u>330,090</u>
Net book values				
At 31 August 2023	<u>13,424,017</u>	<u>98,467</u>	<u>48,204</u>	<u>13,570,688</u>
At 31 August 2023	<u>-</u>	<u>147,701</u>	<u>94,877</u>	<u>242,578</u>

During the year Land and Buildings were brought in at their fair value of £13,430,000 (Land value of £9,840,000 and Building value of £3,590,000).

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

11 Financial instruments	2023	2022
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	13,505	3,924
	13,505	3,924
Carrying amount of financial liabilities		
Measured at amortised cost	57,871	27,790
12 Debtors	2023	2022
	£	£
VAT recoverable	14,468	6,432
Prepayments and accrued income	18,412	8,722
Other debtors	4,155	1,314
	37,035	16,468
13 Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	589	3,835
Other taxation and social security	9,944	9,582
ESFA creditor: abatement of GAG	-	-
Other creditors	10,083	9,566
Accruals and deferred income	87,438	41,100
	108,054	64,083
Deferred income	2023	2022
	£	£
Deferred income as at 1 September 2022	26,711	11,737
Amounts released from previous years	(26,711)	(11,737)
Resources deferred in the year	40,239	26,711
Deferred income as at 31 August 2023	40,239	26,711

At the balance sheet date the academy trust was holding grant income received in advance including Universal Infant Free School Meals funding for the academic year September 2023 to August 2024.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

14 Funds	Balance at 1 September 2022 £	Incoming Resources £	Resources Expended £	Losses and Transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	92,531	935,253	(813,339)	-	214,445
Pupil premium	-	-	-	-	-
Other DfE/ESFA COVID-19 funding	-	2,755	(2,755)	-	-
Other grants	26,711	249,437	(276,148)	-	-
Pension reserve	-	-	(5,000)	5,000	-
	<u>119,242</u>	<u>1,187,445</u>	<u>(1,097,242)</u>	<u>5,000</u>	<u>214,445</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	247,197	34,309	(152,418)	-	129,088
Gifted assets	-	13,430,000	-	-	13,430,000
	<u>247,197</u>	<u>13,464,309</u>	<u>(152,418)</u>	<u>-</u>	<u>13,559,088</u>
Total restricted funds	<u>366,439</u>	<u>14,651,754</u>	<u>(1,249,660)</u>	<u>5,000</u>	<u>13,773,533</u>
Total unrestricted funds	<u>15,681</u>	<u>44,134</u>	<u>-</u>	<u>-</u>	<u>59,815</u>
Total funds	<u>382,120</u>	<u>14,695,888</u>	<u>(1,249,660)</u>	<u>5,000</u>	<u>13,833,348</u>

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

General annual grant

This includes all monies received from ESFA to carry out the objectives of the academy trust. It includes the School Budget Share and education services grants.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2023.

Other Grants

Other income includes funding received from the DfE and Local Education Authorities for specific purposes.

Pension Reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Fixed Asset Fund

This fixed asset fund includes capital grant income received from the DfE and other sources to finance the trust's tangible fixed assets, and the annual charges for depreciation of these assets.

Unrestricted Funds

Unrestricted 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.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

14 Funds (continued)**Transfers between funds**

The employer contribution paid into the LGPS defined benefit pension fund of £47,000 is represented by a transfer of GAG reserves into the pension reserve.

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

	Balance at 1 September 2021 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	79,570	657,359	(666,398)	22,000	92,531
Catch-up premium	-				-
Other DfE/ESFA COVID-19 funding	-				-
Other grants	-	184,280	(157,569)	-	26,711
Pension reserve	(39,000)	-	(64,000)	103,000	-
	<u>40,570</u>	<u>841,639</u>	<u>(887,967)</u>	<u>125,000</u>	<u>119,242</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	344,429	16,825	(114,057)	-	247,197
	<u>344,429</u>	<u>16,825</u>	<u>(114,057)</u>	<u>-</u>	<u>247,197</u>
Total restricted funds	<u>384,999</u>	<u>858,464</u>	<u>(1,002,024)</u>	<u>125,000</u>	<u>366,439</u>
Total unrestricted funds	<u>8</u>	<u>37,673</u>	<u>-</u>	<u>(22,000)</u>	<u>15,681</u>
Total funds	<u>385,007</u>	<u>896,137</u>	<u>(1,002,024)</u>	<u>103,000</u>	<u>382,120</u>

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 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
	£	£	£	£
Tangible fixed assets	-	-	13,570,688	13,570,688
Current assets	59,815	322,499	(11,600)	370,714
Current liabilities	-	(108,054)	-	(108,054)
Pension scheme liability	-	-	-	-
Total net assets	59,815	214,445	13,559,088	13,833,348

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

	£	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	242,578	242,578
Current assets	15,681	183,325	4,619	203,625
Current liabilities	-	(64,083)	-	(64,083)
Pension scheme liability	-	-	-	-
Total net assets	15,681	119,242	247,197	382,120

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

	2023	2022
	£	£
Net income/ (expenditure) for the reporting period	13,446,228	(105,887)
<i>Adjusted for:</i>		
Depreciation	127,812	114,057
Capital grants from DfE/ESFA and other capital income	(13,464,309)	(16,825)
Interest receivable	(28)	(17)
Defined benefit pension scheme cost less contributions payable	5,000	64,000
Increase in debtors	(20,567)	32,937
(Decrease)/Increase in creditors	43,971	(50,633)
Net Cash provided by / (used in) Operating Activities	138,107	37,632

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	28	17
Purchase of tangible fixed assets	(13,455,922)	(12,206)
Capital grants from DfE Group	13,464,309	16,825
Net Cash provided by / (used in) investing activities	<u>8,415</u>	<u>4,636</u>

18 Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	333,679	187,157
Total cash and cash equivalents	<u>333,679</u>	<u>187,157</u>

19 Analysis of changes in net debt

	At 1 September 2022 £	Cash Flows £	At 31 August 2023 £
Cash in hand and at bank	187,157	146,522	333,679
Total cash and cash equivalents	<u>187,157</u>	<u>146,522</u>	<u>333,679</u>

20 Members' Liability

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

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022

Contributions amounting to £10,083 were payable to the schemes at 31 August 2023 (2022: £9,566) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS affecting contributions during the year was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million.
- the SCAPE (Superannuation Contributions Adjusted for Past Experience) rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is based on OBR's forecast for long-term GDP growth. The current SCAPE rate is 1.7% above the rate of CPI.

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

The employer's pension costs paid to TPS in the period amounted to £48,186 (2022: £30,463).

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.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £60,000 (2022: £51,000), of which employer's contributions totalled £47,000 (2022: £40,000) and employees' contributions totalled £13,000 (2022: £11,000). The agreed contribution rates for future years is 21.8% for employers, with employee rates banded according to salary.

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.

Principal Actuarial Assumptions

	2023	2022
Rate of increase in salaries	2.95%	3.75%
Rate of increase for pensions in payment/inflation	3.95%	3.05%
Discount rate for scheme liabilities	5.20%	4.25%

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

	2023	2022
<i>Retiring today</i>		
Males	21.7	22.0
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	22.1	23.3
Females	25.6	26.7

Sensitivity analysis

	2023 £	2022 £
0.1% decrease in Real Discount Rate	3,000	3,000
1 year increase in Member life expectancy	5,000	2,000
0.1% increase in the Salary Increase Rate	-	-
0.1% increase in the Pension Increase Rate	3,000	3,000

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

	2023 £	2022 £
Equity instruments	97,270	51,800
Other bonds	17,810	15,540
Property	19,180	5,920
Cash and other liquid assets	2,740	740
Total market value of assets	137,000	74,000

The actual return on scheme assets was -£1,000 (2022: -£5,000).

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

21 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities:

	2023 £	2022 £
Current service cost	52,000	106,000
Total amount recognised in the SOFA	<u>52,000</u>	<u>106,000</u>

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

	2023 £	2022 £
At 1 September	57,000	67,000
Adjustment to brought forward	-	(4,000)
Current service cost	52,000	106,000
Interest cost	4,000	2,000
Employee contributions	13,000	11,000
Actuarial gain (loss)	(13,000)	(125,000)
At 31 August	<u>113,000</u>	<u>57,000</u>

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

	2023 £	2022 £
At 1 September	74,000	28,000
Adjustment to brought forward	-	(1,000)
Expected return on assets	4,000	1,000
Actuarial gain (loss)	(1,000)	(5,000)
Employer contributions	47,000	40,000
Employee contributions	13,000	11,000
At 31 August	<u>137,000</u>	<u>74,000</u>

Net changes:

	2023 £	2022 £
At 1 September	(17,000)	39,000
Adjustment to brought forward	-	(3,000)
Interest cost	4,000	2,000
Expected return on assets	(4,000)	(1,000)
Current service cost	52,000	106,000
Employer contributions	(47,000)	(40,000)
Actuarial loss	(12,000)	(120,000)
At 31 August	<u>(24,000)</u>	<u>(17,000)</u>

Net asset of £24,000 (2022: £17,000) has not been recognised in accordance with FRS102 Paragraph 28.22. The asset value is included in the actuarial gain in the Statement of Financial Activities.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

22 Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and capital grants	6,526	4,619	12,206	23,351	418,372
Charitable activities:					
Funding for the academy trust's educational operations	-	841,639	-	841,639	596,943
Other trading activities	31,130	-	-	31,130	-
Investments	17	-	-	17	3
Total	37,673	846,258	12,206	896,137	1,015,318
Expenditure on:					
Charitable activities:					
Academy trust educational operations	-	887,967	114,057	1,002,024	610,311
Total	-	887,967	114,057	1,002,024	610,311
Net income/(expenditure)	37,673	(41,709)	(101,851)	(105,887)	405,007
Transfers between funds	(22,000)	22,000	-	-	-
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	-	103,000	-	103,000	(20,000)
Net movement in funds	15,673	83,291	(101,851)	(2,887)	385,007
Reconciliation of funds					
Total funds brought forward	8	40,570	344,429	385,007	-
Total funds carried forward	15,681	123,861	242,578	382,120	385,007