

HUJJAT SCHOOL TRUST
(A company by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2022



Company Registration Number:
09257213 (England and Wales)

Hujjat School Trust

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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) Ms G Caroli (Vice Chair Resigned 31 August 2022) Mr Z Ali (Vice Chair Appointed 6 October 2022) Mr J Cordara (Resigned 21 March 2022) Mr H Greenway (Appointed 21 March 2022) Dr K Hamed (Parent) Mr N Kapadia (Parent) Mr W Khalif (Appointed 6 October 2022) Ms S Panjwani Ms F Rahemani Ms S Tharoo
Company Secretary	Browne Jacobson LLP
Senior Management Team:	Mr D Poole (Headteacher) Mrs S Saad (Deputy Headteacher) Ms S Cosgrave (School Business Manager/ CFO) (Resigned 31 September 2022) Ms J Day (School Business Manager/ CFO) (Appointed 01 October 2022)
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 2021 to 31 August 2022. 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 – 11 in September 2020 with a capacity of 60 pupils in the Reception year group. In September 2021, a second Reception cohort was enrolled, and all 120 places were filled.

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 also 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 1.

Members' Liability

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

Trustees' Indemnities

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 2021-22 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.

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.

Hujjat School Trust

Trustees report

Arrangements for setting pay and remuneration of key management personnel

The Trustees have adopted a staff pay policy and performance appraisal policy that meets 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. In 2021-2022 a Trustee was retained as a consultant SENDCO for the school at cost to meet the needs of the children with SEN in the school.

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 believe 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 the 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.

Graduates of Hujjat Primary School will 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)'.

Hujjat School Trust

Trustees report

Strategic Report

Achievements and Performance

This year saw the first full year of teaching without breaks caused by Covid 19 lockdowns, however, children were affected both academically and mentally by the previous year's disruption both in school and in nurseries and we are particularly proud of the transition of children into Reception and Year 1, the latter who settled in well after the first half term.

Pupils in the Reception classes followed the new Early Years Foundation Stage Framework and at the end of the Early Years Foundation Stage 73% of pupils at Hujjat Primary school achieved a Good Level of Development (GLD) in Harrow the Average was 70%.

Year 1 were our first year completing the Phonics Screening Test and we were very proud of their achievement of 87.2% of pupils passing of the eligible cohort whereas in Harrow it was 80%.

Hujjat Primary School is already effectively contributing to the training and development of teachers and is growing its own staff team. Two trainees were recruited with the Hillingdon SCITT for the year and we appointed one of the trainees as Reception Teacher for the coming year.

Particular Success in 2021-22:

- The Year 2 team including the Deputy Headteacher were recruited and inducted with effective transitions planned for children.
- A challenging Islamic values-based curriculum was planned and implemented during the year and the classroom environments resourced.
- RE and Worship has been established and linked to the school's Islamic values. Children report that they enjoy RE and Worship.
- The Key Stage 1 playground has had matting installed to allow it to be used all through the year as well as a trim trail to improve the gross motor skills of children.
- An Islamic Design Project was sourced over the year. Three companies tendered for the project and by the start of term in September the design of the entrance to the school, prayer room, library and the courtyard were completed.
- Visitors regularly comment that pupil behaviour is excellent in class.
- The school continued to run well attended open evenings and was oversubscribed for entry to Reception in 2022. We received 136 applications and continue to hold a waiting list in Reception and Year 1.

Key Performance Indicators

Pupil attendance is good considering the ravages of the Covid 19 pandemic which resulted in many pupil absences plus staff absences which did not result in any partial or complete closures. For the academic year 2021-22 attendance was 91.4%, with 6.5% of absences being due to Covid 19 this is in line with expectations.

The school achieved a full intake of pupils into reception 2022. Places are offered in line with the school admission policy. There is no defined catchment area but 50% of places are allocated on the basis of faith and the remaining places in accordance with the over subscription criteria in the admissions policy.

Parental satisfaction rates are high. In our most recent survey of parents, respondents agreed or strongly agreed that:

- | | |
|---|-------|
| • My child feels safe at school | 97.9% |
| • My child is happy at school | 97.9% |
| • School makes sure pupils are well behaved | 95.7% |
| • My child does well at school | 83% |
| • School informs me of my child's progress | 85% |

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

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 2022 the Academy had a total of funds of £382,120. This included fixed assets movements of £242,578 and included a positive pension reserve movements of £103,000.

As at 31 August 2022 the Academy held £37,681 of unrestricted reserves plus £101,861 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined available reserves of £139,542.

The Academy Trust had a zero pension reserve on their Local Government Pension Scheme at 31 August 2022 and a fixed asset reserve of £242,578.

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. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion 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, the Trustees deem these to be more than adequate.

Investment Policy

The Trust has approved an investment policy.

Principal Risks and Uncertainties

Pupil Numbers

The school budget was set last year with an anticipated school roll of 120 children. The autumn census recorded 120 pupils on roll, and was oversubscribed for admissions into Reception for 2022/2023. The school continues to implement its marketing strategy and has a waiting list for Reception and Year 1.

Staffing

Recruitment of staff has been successful to date. Ensuring the correct staffing structure and levels of experience for growth will continue to be a focus for the Board this year and whilst we grow to full capacity.

Premises

Snagging work continued through 2021/2022 and the Board will continue to monitor any associated risks. There has been work to replace the vehicle exit gates and improve the windows and pointing around the school in collaboration with the DfE.

Hujjat School Trust Trustees report

Fundraising

A PTA known as the Friends of Hujjat Primary School (FOHPS) has been established to support the school with fundraising.

Plans for Future Periods

The Trust plans to admit a further 60 pupils into Reception each year until the school is at full capacity of 420 pupils. The school reviews its priorities annually and has set them out in a School Development Plan. The main areas include:

- Whole school curriculum development and assessment
- Quality of teaching and learning
- Staff recruitment
- Pupil and parent transition as each new year group is created

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.

Moore Kingston Smith LLP were appointed auditors to the charitable company and in accordance with section 485 of the Companies Act 2006, a resolution that they be reappointed will be put at a General Meeting.

As a result of the absence due to illness of the Accounting Officer, and Interim Accounting Officer was appointed by the trust board on 15 December.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15th December 2022 and signed on the board's behalf by:



Ms S Hirji
Trustee

Hujjat School Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hujjat School 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)	15	15
Ms G Caroli (Vice Chair)	11	12
Ms S Panjwani	12	12
Ms F Rahemani	12	12
Mr J Cordara	1	4
Ms S Tharoo	7	12
Dr K Hamed	12	12
Mr N Kapadia	12	12
Mr H Greenway	2	3

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.

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

Hujjat School Trust

Governance Statement

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 the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- **Energy costs negotiated**

We are in a three year gas price deal with a unit price of 2.9709 p/kWh which has protected the school from energy price increases.

- **Resources**

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

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 2021 to 31st August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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.

Hujjat School Trust Governance Statement

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.

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 15th December 2022 and signed on its behalf by:



Ms S Hirji
Chair



Mrs S Saad
Interim Accounting Officer

Hujjat School Trust

Statement on Regularity, Propriety and Compliance

As interim 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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



Mrs S Saad
Interim Accounting Officer

Date:16 December 2022

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 2021 to 2022;
- 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 15th December 2022 and signed on its behalf by:



Ms S Hirji
Chair

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 2022 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

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 2022 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.

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 12, 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.

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 2021 to 2022, the Academies Financial Handbook 2021 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

Moore Kingston Smith LLP

Date: 22 December 2022

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 2021 to 2022 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Kingston Smith LLP

Date: 22 December 2022

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 2022 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Income from:						
Donations and capital grants	2	6,526	4,619	12,206	23,351	418,372
Charitable activities:						
Funding for the academy trust's educational operations	3	-	841,639	-	841,639	596,943
Other trading activities	4	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	5, 6	-	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	14	(22,000)	22,000	-	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	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

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	10		<u>242,578</u>		<u>344,429</u>
			242,578		344,429
Current assets					
Debtors	12	16,468		49,405	
Cash at bank and in hand		<u>187,157</u>		<u>144,889</u>	
		203,625		194,294	
Liabilities					
Creditors : Amounts falling due within one year	13	(64,083)		(114,716)	
Net current assets/(liabilities)			<u>139,542</u>		<u>79,578</u>
Total assets less current liabilities			382,120		424,007
Defined benefit pension scheme asset (liability)	21		-		(39,000)
Total net assets			<u>382,120</u>		<u>385,007</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	247,197		344,429	
General fund	14	119,242		79,570	
Pension reserve	14	<u>-</u>		<u>(39,000)</u>	
Total restricted funds			366,439		384,999
Unrestricted income funds	14		15,681		8
Total funds			<u>382,120</u>		<u>385,007</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 19 to 37 were approved by the trustees, and authorised for issue on . and are signed on their behalf by:



Ms S Hirji
Trustee

Company Registration Number: 09257213 (England and Wales)

Hujjat School Trust

Statement of Cash Flows for the year ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	16	37,632	304,578
Cash flows from investing activities	17	4,636	(244,210)
Change in cash and cash equivalents in the reporting period		<u>42,268</u>	<u>60,368</u>
Cash and cash equivalents at 1 September 2021		144,889	84,521
Cash and cash equivalents at 31 August 2022		<u>187,157</u>	<u>144,889</u>

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 2021 to 2022 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.

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

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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Statement of Accounting Policies (continued)

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

2 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Donated fixed assets			-	-	246,169
Other donations	6,526	-	-	6,526	5
Capital Grants	-	4,619	12,206	16,825	172,198
2021/22 Total	6,526	4,619	12,206	23,351	
2020/21 Total	5	-	418,367		418,372

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	657,359	657,359	339,345
Other DfE/ESFA grants				
Start up	-	82,500	82,500	191,162
UIFSM	-	45,015	45,015	20,538
Teachers pension	-	-	-	14,621
Others	-	53,571	53,571	26,940
	-	838,445	838,445	592,606
Other Government grants				
Local authority grants	-	3,194	3,194	-
COVID-19 additional funding (DfE/ESFA)				
Catch up premium	-	-	-	4,240
Other	-	-	-	97
2021/22 Total	-	841,639	841,639	596,943
2020/21 Total	-	596,943		

4 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Trading & other income	31,130	-	31,130	-
2021/22 Total	31,130	-	31,130	-
2020/21 Total	-	-		

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Expenditure

	Non Pay Expenditure			Total 2022 £	Total 2021 £
	Staff Costs £	Premises £	Other £		
Academy's educational operations:					
Direct costs	440,482	-	37,115	477,597	302,392
Allocated support costs	192,116	105,308	227,003	524,427	307,919
2021/22 Total	632,598	105,308	264,118	1,002,024	
2020/21 Total	357,767	51,169	201,375		610,311

Net income/(expenditure) for the period includes:

	2022 £	2021 £
Depreciation	114,057	88,221
Fees payable to auditor for:		
Audit	6,350	5,950
Other services	2,610	2,430
Accountancy	2,600	2,450

6 Charitable Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
	Educational operations				
Direct costs	-	477,597	-	477,597	302,392
Support costs	-	410,370	114,057	524,427	307,919
2021/22 Total	-	887,967	114,057	1,002,024	
2020/21 Total	-	522,090	88,221		610,311

Analysis of support costs

	Educational operations £	Total 2022 £	Total 2021 £
Support staff costs	192,116	192,116	103,217
Depreciation	114,057	114,057	88,221
Technology costs	2,334	2,334	328
Premises costs	105,308	105,308	51,169
Other support costs	97,417	97,417	53,338
Governance costs	13,195	13,195	11,646
	524,427	524,427	307,919

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Staff

a. Staff costs

Staff costs during the period were:

	2022	2021
	£	£
Wages and salaries	503,185	263,640
Social security costs	35,226	19,986
Pension costs	89,657	69,104
	<u>628,068</u>	<u>352,730</u>
Agency	4,530	5,037
	<u>632,598</u>	<u>357,767</u>

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	4	2
Administration and support	13	8
Management	2	1
	<u>19</u>	<u>11</u>

c. Higher paid staff

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

	2022	2021
	No.	No.
£70,001 - £80,000	1	1
	<u>1</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 £208,065 (2021: £202,990).

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (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 £9,500 (2020: nil) 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 2022, no expenses were reimbursed or paid directly to the trustees (2021: none).

The number of directors to whom defined benefit pension contributions are accruing under the Teacher's Pension Scheme is 0 (2021: 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 2022 was £2,280 (2021: £393). The cost of this insurance is included in the total insurance cost.

10 Tangible fixed assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1 September 2021	246,169	186,481	432,650
Additions	-	12,206	12,206
At 31 August 2022	<u>246,169</u>	<u>198,687</u>	<u>444,856</u>
Depreciation			
At 1 September 2021	49,234	38,987	88,221
Charged in year	49,234	64,823	114,057
At 31 August 2022	<u>98,468</u>	<u>103,810</u>	<u>202,278</u>
Net book values			
At 31 August 2022	<u>147,701</u>	<u>94,877</u>	<u>242,578</u>
At 31 August 2021	<u>196,935</u>	<u>147,494</u>	<u>344,429</u>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

11 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,924	16,989
	<u>3,924</u>	<u>16,989</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>27,790</u>	<u>68,031</u>
12 Debtors	2022	2021
	£	£
VAT recoverable	6,432	25,002
Prepayments and accrued income	8,722	24,403
Other debtors	1,314	-
	<u>16,468</u>	<u>49,405</u>
13 Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	3,835	30,217
Other taxation and social security	9,582	6,732
ESFA creditor: abatement of GAG	-	28,216
Other creditors	9,566	6,285
Accruals and deferred income	41,100	43,266
	<u>64,083</u>	<u>114,716</u>
Deferred income	2022	2021
	£	£
Deferred income as at 1 September 2021	11,737	43,605
Amounts released from previous years	(11,737)	-
Resources deferred in the year	26,711	(31,868)
Deferred income as at 31 August 2022	<u>26,711</u>	<u>11,737</u>

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 2022 to August 2023.

14 Funds

	Balance at 1 September 2021 £	Incoming Resources £	Resources Expended £	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>

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 2022.

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.

14 Funds (continued)

Transfers between funds

The employer contribution paid into the LGPS defined benefit pension fund of £40,000 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 2020 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	339,345	(261,731)	1,956	79,570
Catch-up premium	-	4,240	(4,240)		-
Other DfE/ESFA COVID-19 funding	-	97	(97)		-
Other grants	(16,239)	253,261	(237,022)	-	-
Pension reserve	-	-	(19,000)	(20,000)	(39,000)
	<u>(16,239)</u>	<u>596,943</u>	<u>(522,090)</u>	<u>(18,044)</u>	<u>40,570</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	16,239	418,367	(88,221)	(1,956)	344,429
	<u>16,239</u>	<u>418,367</u>	<u>(88,221)</u>	<u>(1,956)</u>	<u>344,429</u>
Total restricted funds	<u>-</u>	<u>1,015,310</u>	<u>(610,311)</u>	<u>(20,000)</u>	<u>384,999</u>
Total unrestricted funds	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>
Total funds	<u>-</u>	<u>1,015,318</u>	<u>(610,311)</u>	<u>(20,000)</u>	<u>385,007</u>

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Analysis of net assets between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	242,578	242,578
Current assets	8	198,998	4,619	203,625
Current liabilities	-	(64,083)	-	(64,083)
Pension scheme liability	-	-	-	-
Total net assets	8	134,915	247,197	382,120

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

	£	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	344,429	344,429
Current assets	8	194,286	-	194,294
Current liabilities	-	(114,716)	-	(114,716)
Pension scheme liability	-	(39,000)	-	(39,000)
Total net assets	8	40,570	344,429	385,007

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

	2022	2021
	£	£
Net expenditure for the reporting period	(105,887)	405,007
<i>Adjusted for:</i>		
Depreciation	114,057	88,221
Capital grants from DfE/ESFA and other capital income	(16,825)	(172,198)
Interest receivable	(17)	(3)
Defined benefit pension scheme cost less contributions payable	64,000	19,000
Increase in debtors	32,937	(27,600)
(Decrease)/Increase in creditors	(50,633)	(7,849)
Net Cash provided by / (used in) Operating Activities	37,632	304,578

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	17	3
Purchase of tangible fixed assets	(12,206)	(416,411)
Capital grants from DfE Group	16,825	172,198
Net Cash provided by / (used in) investing activities	<u>4,636</u>	<u>(244,210)</u>

18 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	187,157	144,889
Total cash and cash equivalents	<u>187,157</u>	<u>144,889</u>

19 Analysis of changes in net debt

	At 1 September 2021 £	Cash Flows £	At 31 August 2022 £
Cash in hand and at bank	144,889	42,268	187,157
Total cash and cash equivalents	<u>144,889</u>	<u>42,268</u>	<u>187,157</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.

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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £9,566 were payable to the schemes at 31 August 2022 (2021: £6,284) 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 scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £49,675 (2021: £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.

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 2022 was £51,000 (2021: £24,000), of which employer's contributions totalled £40,000 (2021: £19,000) and employees' contributions totalled £11,000 (2021: £5,000). The agreed contribution rates for future years are 18.7% plus £9,000 for employers and 5.5% - 12% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

Principal Actuarial Assumptions

	2022	2021
Rate of increase in salaries	3.75%	3.60%
Rate of increase for pensions in payment/inflation	3.05%	2.90%
Discount rate for scheme liabilities	4.25%	1.65%

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

	2022	2021
<i>Retiring today</i>		
Males	22.0	22.2
Females	24.4	24.6
<i>Retiring in 20 years</i>		
Males	23.3	23.5
Females	26.7	26.9

Sensitivity analysis

	2022 £	2021 £
0.1% decrease in Real Discount Rate	3,000	3,000
1 year increase in Member life expectancy	2,000	3,000
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:

	2022 £	2021 £
Equity instruments	51,800	20,440
Other bonds	15,540	4,200
Property	5,920	2,240
Cash and other liquid assets	740	1,120
Total market value of assets	74,000	28,000

The actual return on scheme assets was -£5,000 (2021: £2,000).

Hujjat School Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities:

	2022 £	2021 £
Current service cost	106,000	38,000
Total amount recognised in the SOFA	<u>106,000</u>	<u>38,000</u>

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

	2022 £	2021 £
At 1 September	67,000	-
Adjustment to brought forward	(4,000)	4,000
Current service cost	106,000	38,000
Interest cost	2,000	
Employee contributions	11,000	5,000
Actuarial gain (loss)	(125,000)	20,000
At 31 August	<u>57,000</u>	<u>67,000</u>

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

	2022 £	2021 £
At 1 September	28,000	-
Adjustment to brought forward	(1,000)	2,000
Expected return on assets	1,000	-
Actuarial gain (loss)	(5,000)	2,000
Employer contributions	40,000	19,000
Employee contributions	11,000	5,000
At 31 August	<u>74,000</u>	<u>28,000</u>

Net changes:

	2022 £	2021 £
At 1 September	39,000	-
Adjustment to brought forward	(3,000)	2,000
Interest cost	2,000	-
Expected return on assets	(1,000)	-
Current service cost	106,000	38,000
Employer contributions	(40,000)	(19,000)
Actuarial loss	(120,000)	18,000
At 31 August	<u>(17,000)</u>	<u>39,000</u>

Net asset of £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 2022 (continued)

22 Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and capital grants	5	-	418,367	418,372	16,239
Charitable activities:					
Funding for the academy trust's educational operations	-	596,943	-	596,943	101,158
Other trading activities	-	-	-	-	1,600
Investments	3	-	-	3	-
Total	8	596,943	418,367	1,015,318	118,997
Expenditure on:					
Charitable activities:					
Academy trust educational operations	-	522,090	88,221	610,311	118,997
Total	-	522,090	88,221	610,311	118,997
Net income/(expenditure)	8	74,853	330,146	405,007	-
Transfers between funds	-	1,956	(1,956)	-	-
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	-	(20,000)	-	(20,000)	-
Net movement in funds	8	56,809	328,190	385,007	-
Reconciliation of funds					
Total funds brought forward	-	(16,239)	16,239	-	-
Total funds carried forward	8	40,570	344,429	385,007	-