

Company Registration Number: 08434199 (England & Wales)

THE HILLS ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE HILLS ACADEMY
(A Company Limited by Guarantee)

CONTENTS

| | Page |
|---|---------|
| Reference and Administrative Details | 1 - 2 |
| Governors' Report | 3 - 13 |
| Governance Statement | 14 - 17 |
| Statement of Regularity, Propriety and Compliance | 18 |
| Statement of Governors' Responsibilities | 19 |
| Independent Auditors' Report on the Financial Statements | 20 - 23 |
| Independent Reporting Accountant's Report on Regularity | 24 - 25 |
| Statement of Financial Activities Incorporating Income and Expenditure Account | 26 - 27 |
| Balance Sheet | 28 - 29 |
| Statement of Cash Flows | 30 |
| Notes to the Financial Statements | 31 - 55 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Watson
D Bevan
N Henson

Governors

C Jones
M Whitehead, Head Teacher¹
N Henson, Chair¹
S Bourne (resigned 31 August 2023)
C Starr¹
R Lowdon¹
I Buck¹
R Thomas (resigned 29 April 2023)
S Ali (resigned 31 August 2023)¹
B Paterson (resigned 15 December 2022)
R Ashby
J Samuel
P Gallagher (appointed 16 May 2023)
L Innes (appointed 16 May 2023)
A Odiase (appointed 14 March 2023)

¹ Resources Committee

Company registered number

08434199

Company name

The Hills Academy

Principal and registered office

The Hills Academy
Stancliffe Road
Bedford
MK41 9AT

THE HILLS ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Company secretary

N Henson

Senior management team

M Whitehead, Head Teacher and Accounting Officer
V Thomson, Deputy Head Teacher/SENDCO
S Dickson, School Business Manager
T Antoine, Assistant Head Teacher and Early Years Leader
M Parker, Assistant Head Teacher, Maths Leader and Upper KS2 Leader
H Dowsett, KS1 Leader
D Jewell, Literacy Leader
E Fowler, Assessment Coordinator
R Lowdon, Lower KS2 Leader

Independent auditors

Streets Audit LLP
Chartered Accountants
Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Bedfordshire
MK44 3BZ

Bankers

Lloyds Bank
34 High Street
Bedford
MK40 1SB

Solicitors

Stone King LLP
Wellington House
East Road
Cambridge
CB1 1BH

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Bedford. It has a pupil capacity of 450 and had a roll of 449 in the school census on 25 May 2023.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Governors of The Hills Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Hills Academy.

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

b. 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.

c. Trustees' indemnities

In accordance with normal practice the Academy has purchased insurance to protect the governors and officers of the Academy from claims arising from negligent acts, errors or omissions whilst on Academy business. The arrangements for this type of cover under the policy are as follows:

The cover under the policy is in the Professional Liability Section where the limit of indemnity is £10,000,000, being the total amount payable during any one period of insurance.

Included in this section is a note on 'Section Deductible' where it states that there is a limit of £1,000 each and every claim and in the aggregate.

In the period under review no sums were paid out.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

The Hills Academy governors are appointed or elected in various ways depending on the type of post they are holding.

In addition to their overall role as governors, The Hills Academy governors are appointed or elected for the purpose of ensuring that the character of the Academy is preserved and developed. They are also appointed to ensure that the Academy's affairs are conducted in accordance with its governing documents as well as any trust deed relating to the Academy.

The Various types of Governors of the Academy are:

Parent Governors - The Articles of Association require that there shall be a minimum of two elected and no set maximum of parent governors. Parents, including carers of registered pupils at the Academy are eligible to stand as individuals for election as a Parent Governor.

They are elected by other parents at the Academy as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

If insufficient parents stand for election, the Governing Body must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or carers of registered pupils at the Academy. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent or carer of one or more school-age children.

Staff Governors - The Articles of Association state that the total number of governors (including the Head/Principal) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

It also states that the Academy should have a minimum of two Staff Governors who are elected by the academy staff as individuals, representative of the staff of the Academy and to this end, comprising up to one representative of the teaching staff and one representative of the non-teaching support staff.

At The Hills Academy, if no teacher stands for election a member(s) of the support staff can be elected to take these places.

The Staff Governors shall be elected by staff members at the Academy and must be a staff member at the time when elected. If a Staff Governor ceases to be a staff member then he shall be deemed to have resigned and shall cease to be a governor.

The Governors shall make all necessary arrangements for, and determine all other matters relating to, an election of the Staff Governors, including any question of whether a person is a staff member. Any election of Staff Governors which is contested shall be held by secret ballot.

Community Governors - The Governing Body Members may appoint up to 7 Governors, provided that the total number of governors (including the Head/Principal) who are employees of the Academy Trust shall not exceed one third of the total number of governors. These member appointed governors are known as Community Governors at The Hills Academy.

There is no minimum requirement of governors in this category however, in order to maintain a good balance of governors from across the different categories, the members will need to consider whether a minimum number should be stated as part of the development of our standing orders.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

These governors can be people who live or work in the community served by the academy or people who live outside of the immediate area and who are committed to the good governance and success of the Academy. They bring a range of experience and a diversity of different backgrounds which helps the Academy in its decision making.

Vacancies for Member Appointed (Community) Governors will be advertised through various media across the school including verbal networking, school newsletter, text service and by posting the details on the Academy web site.

Anyone expressing an interest in becoming an Appointed Governor will be asked to provide an appropriate curriculum vitae with a letter of application. Following an informal interview with the Chair and Headteacher, a recommendation will be made to the members and the whole application will be considered by them at the next available opportunity.

Co-opted Governors - The Governors may appoint Co-opted Governors. There is no minimum or maximum number of this category of governor that The Hills Academy can have.

A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Head/Principal).

Overall, the governance structure at The Hills is one which offers maximum flexibility within company and education law and which enables the Academy to elect and appoint governors who can bring the right skills, knowledge, experience and expertise at the right time to help minimise the effects of any gaps in our working practices and structures.

e. Policies adopted for the induction and training of Governors

Following their appointment / election all new governors receive an introduction to their role from the Chair and Headteacher, which includes tours of the Academy site and the opportunity to meet other members of staff. It will also include being paired with other governors at their first meetings to support their knowledge and understanding of what is happening and why and is a key part of the induction process.

The Governing Body at The Hills Academy is committed to providing opportunities for governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Governing Board maintains a subscription to Bedford Borough Council's Governor Training Programme. This allows for any or all of the members of the Governing Board to attend any of the training courses provided by the Council, to participate in on-line Governor training and to have bespoke training / support from them.

All new Governors are actively encouraged to take advantage of this and as a minimum are expected to attend Governor Induction Training as soon as possible after joining the Governing Body so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally governors with specific roles within the Governing Board are strongly encouraged to undertake training relating to their role(s).

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

The Chair, one other governor and a nominated adviser to the governing body, are jointly responsible for identifying and assessing the needs of the Governing Body and for promoting the training programme to ensure the Governing Body gets full value for the subscription that is paid and Governors achieve a reasonable level of Continuous Professional Development.

Governors are responsible for booking their own training, keeping the aforementioned people informed about what they are doing and for establishing and maintaining their own training records on the Governor Hub portal.

f. Organisational structure

At The Hills Academy the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees. The Full Governing Body has retained responsibility for certain aspects, again as defined in the Standing Orders.

Members of the Senior Leadership Team (SLT), in addition to the Headteacher, attend Governors' meetings as advisers, as and when it is appropriate to do so.

The Governors are responsible for the strategic management of the Academy; deciding on and setting key aspects of the Academy, including strategic direction, annual budgets, large scale spending, staff appointments, policy changes, etc.

Operational management is the responsibility of the Headteacher and is supported by the Senior Leadership (SLT) and Middle Leaders.

Academy policies are developed by senior members of the Academy staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

The Senior Leaders are the Head Teacher, Deputy Headteacher/SENDCO, School Business Manager, Assistant Headteacher responsible for Early Years, Assistant Headteacher responsible for Maths/Upper KS2, Assessment Coordinator, Literacy Coordinators, Lower KS2 Coordinator and KS1 Coordinator. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them.

As a group, the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the allocation and management of staff. Senior leaders are responsible for ensuring that recruitment procedures are followed and all appointments include a Governor on the interview panel.

The Middle Leaders Team includes subject leaders. These leaders are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and pupils.

In the accounting period concerned from 1 September 2022 until 31 August 2023 the:

| | |
|--|---|
| Full Governing Body has met five times | 30/09/22, 13/12/22, 14/03/23, 16/05/23 & 11/07/23 |
| Resources Committee has met four times | 22/11/23, 28/02/23, 09/05/23 & 07/07/23 |
| Standards Committee has met four times | 02/12/22, 24/02/23, 05/05/23 & 07/07/23 |

A hybrid approach to meetings has continued this year, as agreed by governors, conducted both remotely via Teams and Face to Face. The governors have maintained effective oversight of funds by receiving interim reports and forecasts between Resources meetings.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Headteacher pay is set by the Headteacher Performance Management team following performance management review. The pay of all other staff is considered annually and at strategic times in the year by the Resources Committee as recommended by the Headteacher.

Objectives and activities

a. Objects and aims

The principal object and activity of The Hills Academy Trust is the operation of The Hills Academy to provide education for pupils of all abilities, economic, social and cultural backgrounds between the ages of 3 and 11 years, drawn mostly from its catchment area and feeder schools, as defined by the Local Authority.

The Governing Body is committed to the principle of maintaining the comprehensive character of the Academy and as such there are no specific aptitude requirements for prospective pupils.

b. Objectives, strategies and activities

The curriculum complies with the substance of the National Curriculum. The main objectives of the academy during the year ended 31 August 2023 are summarised below.

Aims:

All pupils have a right to a broad, balanced and relevant education which provides continuity and progression and takes individual differences into account. Work in school should be designed to meet the requirements of the National Curriculum and provide a rich curriculum which engages pupils in a wide range of interests.

The Academy should:

- cater for the needs of individual pupils of both sexes from all ethnic and social groups, including the most able and those who are experiencing learning difficulties; facilitate pupil's acquisition of knowledge, skills and qualities which will help them to develop intellectually, emotionally, socially, physically, morally and aesthetically, so that they may become independent, responsible, useful, thinking, confident and considerate members of the community;
- create and maintain an exciting and stimulating learning environment;
- ensure that each pupil's education has continuity and progression;
- ensure that there is a match between the pupil and the tasks he/she is asked to perform;
- provide an appropriate curricular balance amongst the competing and sometimes conflicting aims of education;
- recognise the crucial role which parents play in their child's education and make every effort to encourage parental involvement in the educational process;
- treat pupils in a dignified way;
- provide opportunities for pupils to develop themselves as creative thinkers, reflective learners, team workers, independent enquirers, effective participators and self-managers

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

c. Public benefit

In setting the Academy's objectives and planning its activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy is a non-profit organisation that currently provides a free education for the benefit of children between 3 and 11 years of age. When oversubscribed, admissions to the Academy are administered according to its published Admissions Criteria.

The key public benefit delivered by The Hills Academy is the maintenance and development of the high quality education to the children of the Putnoe and Goldington community areas within Bedford Borough and those pupils who enter the school from areas bordering this.

In doing this The Hills Academy not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities, educational trips and visits are offered and undertaken by our children. The school also partners with other organisations to ensure that pupils are signposted to community opportunities.

Academy School Development Plan for the Academic Year 2022/2023

Our three main priorities were:

Progress and Attainment:

- to ensure greater writing for purpose and fluency in order to raise attainment in writing at both the expected and higher level
- increasingly accurate assessment data
- to use assessment in the moment and accurate & regular Target Tracker updates to identify gaps
- planning identifies pupils and focused daily teaching groups

Curriculum:

- for consistency of quality across curriculum leadership
- curriculum leaders to be able to confidently talk about their subject
- for all Long Term and Medium Term planning to be clear for all subjects across the school and exact coverage of National Curriculum

Leadership and governance:

- Subject leaders work collectively and independently to demonstrably improve the area they lead
- The Headteacher adopts a coaching approach to support all school leaders and this begins to filter into the practice of all leaders in order to promote a culture where leaders feel they have 'permission' to lead, respond and take responsibility.
- School governors bring due diligence and challenge to the leadership of the school which is effectively linked to the School Development priorities

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Proposed foci for 2023-24

Progress:

- Almost all learners make positive progress in core subjects from their starting points until the end of Year 6
- Progress in Reading, Writing and Maths is broadly consistent, including across year groups and groups of learners
- To ensure Oracy is an essential element in all lessons
- To ensure subject leadership secures appropriate differentiation in Science and Foundation Subjects to secure best progress of SEN pupils

Engagement:

- Attendance to return to pre pandemic levels (96.5%) and improved attendance for persistent absentees
- Pupils enjoy and participate in a rich diet of extra-curricular and enrichment activities (including trips, clubs and visitors)
- PHSE and school values enable pupils to take responsibility as well as understand and relate to others well
- Parents, Carers and families feel they belong and can be involved with the school
- The school fills parents with pride not worry

Future focused:

- Development and support of new English lead secures a culture of high expectation and rigour across the school.
- Ground work for Talk for Writing to be rolled out across the school
- Accelerated Reading/Reading fluency trial for UKS2
- A clear rubric for best teaching across the school becomes central to the pedagogy of The Hills Academy
- Explore capacity of school to support and include pupils with significant SEMH needs
- MATs/sustainable school future structures exploration

Strategic report

Achievements and performance

The Academy has retained the majority of pupils in all year groups throughout the year, with 449 pupils on roll at the end of the academic year (31st August 2023).

The Academy implements a rigorous programme of assessment, monitoring and reporting to ensure that standards are continually scrutinised in order to plan effectively for school improvement and raise achievement.

In the Early Years, pupils are continually assessed against their developmental levels. This is done with Target Tracker and the writing of observations and storage of evidence (including evidence from parents and carers). The school has prepared effectively for the roll out of baseline assessment and Early Years staff are trained in the new curriculum offer.

In Key Stage 1 and 2 assessment is updated 'in the moment' and at least fortnightly (again using Target Tracker) for every child in Reading, Writing and Mathematics –in order to inform next steps. In Foundation Subjects assessment is carried out regularly (using Target Tracker software). There are once a term progress checks (low stake tests) in order to check the accuracy of teacher assessment and gain greater information on progress.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Teachers are held accountable for the progress of their pupils through Pupil Progress meetings, which are held with the Key Stage leaders, class teacher, Headteacher and SENDCO. The progress (academically and wellbeing) of every child is discussed and swift action is put in place through planned six week focuses where any child is not making good progress or where welfare concerns are raised. As a part of this process children are identified per year group per half term for particular progress focus with identified actions and success criteria – this is securing increased progress for individuals across the school with a focus on the most vulnerable.

Targets are set for every child that either takes them on a trajectory of good progress or aspirationally above this where teachers believe a child is ready to do so.

Monitoring takes place through lesson observations, peer observations, planning and work scrutiny, appraisal reviews, pupil discussions and learning walks, all of which involve professional feedback to staff. Further monitoring is done through moderation partnerships with other schools (i.e. Goldington Green Academy).

The performance and progress of pupils are analysed by groups of learners (i.e. gender, vulnerable learners, EAL pupils, term of birth and ethnicity) twice termly and inconsistencies in anomalies are swiftly addressed. Details of this can be accessed through the school website.

Reporting to students and parents is ongoing throughout the year, both informally e.g. in the marking of work and formally in Pupil Progress Summary Sheets, termly reports to parents and consultation evenings twice a year.

The school had Ofsted in February 2020 and the outcome of this was that the school was judged to be Good.

The area the school identified as being of immediate need of addressing following the pandemic and post pandemic period was wellbeing mental health support and readiness to learn. To address this teachers have received further training and we now have a DfE trained lead professional in school with groups of staff who support the nurture provision with CAMH trained lead professionals.

School Attainment at National Assessment Points Summer 2023

Reception GLD 83.1%

Year 1 Phonics 84%

Year 2 Reading 69%, Writing 47%, Maths 71%

Year 6 Provisional: Reading 68% progress +4.9, Maths 84% progress +5.4 Writing 68% progress +5.4, Combined 61%

a. Key performance indicators

The Governors consider that the following are key performance indicators for the Academy Trust:

- Percentage of income received from the ESFA and LA Grants spent on total staff costs
- Pupil numbers (leading directly to ESFA funding level) and;
- General financial stability – aim for income to match expenditure each year

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the year.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Financial review

a. Reserves policy

General:

The Governors review the reserve levels of the Academy, annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors will keep the level of free reserves under review to ensure 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.

The Academy's current level of free reserves (total funds less the amount held in fixed assets) is £868,406 (2022 £890,943). The Academy intends to continue building-up free reserves.

The Governing Board intends to maintain free reserves of approximately £350,000 to provide sufficient working capital for the Academy, of which £300,000 relates to staff salaries.

At 31 August, 2023, the total net assets of The Hills Academy were £4,110,609 The funds comprised:

| | |
|-----------------------|------------|
| | £ |
| Unrestricted | 404,670 |
| Restricted: | |
| Fixed asset fund | 3,242,203 |
| Other restricted fund | 23,160 |
| GAG restricted fund | 440,576 |
| Pension reserve | <u>NIL</u> |
| | 4,110,609 |

The restricted funds will be spent in accordance with the terms of the particular funds.

Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase reserves to meet future working capital requirements / meeting future capital projects and ongoing repairs and maintenance (whichever is more applicable).

Reserves Policy - Pensions:

The pension reserves relate to non-teaching staff pension scheme (Local Government Pension Scheme) where, unlike the teachers scheme, any deficits can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. At the end of the current year the scheme is in a surplus position.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

b. Investment policy

The Academy currently has no investments, except for deposits in interest bearing accounts.

c. Principal risks and uncertainties

The objective of the Academy's risk management procedure is to identify the principal risks facing the Academy so that existing controls may be considered and further action taken if required, including external insurance.

The principal risks identified by the Governing Body include governance, statutory compliance, finance, insurance, attendance, behaviour, health and safety, organisation, operation, safeguarding, reputation, HR and ICT.

The Governing Body has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

Fundraising

We raise money for various causes as deemed by the school staff. The Bedford Foodbank donations are annually linked to Harvest Festival. A local hospital Charity and care and research charities are donated to from money collected at the end of school productions instead of selling tickets. Nationwide charity days such as Children in Need are participated in and the children donate money for being allowed to dress in mufti clothing. The money is collected and either deposited in a participating bank account or the school bank account and it is then sent to the charity.

Plans for future periods

The school has successfully transitioned to two form entry until Year 6 and is therefore focussed on expanding other areas of school facilities to meet the increased demand for resources including sport and play provision. The next step for the school is to consider its future as a standalone Academy and if we would like to be a Sponsor.

The school is aware that there are key concerns around gaps caused by the pandemic (both social and academic) and increasing hardships in the community. We continue to develop our support and wellbeing team to ensure these are addressed.

Funds held as custodian on behalf of others

Details of assets and arrangements for safe custody and segregation should be given where the academy trust or its trustees are acting as custodian trustee. It should include the name and objects of the charity on whose behalf they are being held and how this activity falls within their own objective.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 12 December 2023 and signed on its behalf by:



M Whitehead
Chair of Governors

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Hills Academy 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 Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 The Hills Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 5 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

| Governor | Meetings attended | Out of a possible |
|---------------------------|-------------------|-------------------|
| C Jones | 0 | 5 |
| M Whitehead, Head Teacher | 4 | 5 |
| N Henson, Chair | 4 | 5 |
| S Bourne | 3 | 5 |
| C Starr | 4 | 5 |
| R Lowdon | 3 | 5 |
| I Buck | 5 | 5 |
| R Thomas | 3 | 4 |
| S Ali | 3 | 5 |
| B Paterson | 1 | 2 |
| R Ashby | 4 | 5 |
| J Samuel | 4 | 5 |
| P Gallagher | 2 | 2 |
| L Innes | 2 | 2 |
| A Odiase | 2 | 2 |

Main governor activities 2022-23

Governor Recruitment and Succession Planning

Nicci Henson served as Chair for the academic year 2022/2023 and was again supported by an experienced Vice-Chair. A Governor continued to work with the Chair of Standards and will take up this role 2023-24. The safeguarding role was continued with two Governors so that it can always be covered in the absence of one Governor.

There were four resignations in 2022-23 which were known about in advance, so recruitment was able to take place to allow an overlap. Another governor was interviewed before the end of the year and they will take up a post in 2023-24.

Two governors have completed the "Taking the Chair" course to provide the Chair with support.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Curriculum Development

Focus continued on developing the curriculum to provide the broadest opportunities for pupils and ensure subject leaders are able to account robustly for progress and quality. Governors carried out focussed visits to the school.

Progress and Attainment

A Governor visit to look at writing with particular focus on understanding how pupils have freedom in their choice of writing and opportunities for purposeful writing and how this creates fluency.

Other

Statutory visits continued in 2022-23 with regard to SEND, Health & Safety and Safeguarding.

Resources Committee 2022-23

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to lead financial planning and strategic oversight of school resources.

It monitors, considers and advises the Governing Body on the school's policies and practice relating to finance, premises, health & safety and staffing resources. The committee holds the Headteacher to account on matters connected to finance, premises, health & safety and staffing resources

Resources Committee Activities 2022-23

The committee continued to robustly monitor income and expenditure throughout the year against the annual budget plan and report to the FGB. Works carried out this year include:

- Organising replacement of hall flooring, installed in 2021-22
- Works identified by accessibility plan
- Organising Nursery garden improvements quotes and implementation
- Continuation of flooring project and carpets throughout school
- Organising toilet refurbishment quotes and implementation
- Organising spending of funding for electrical upgrade to LED lighting and new blinds in main building

Attendance during the year at meetings was as follows:

| Governor | Meetings attended | Out of a possible |
|-------------|-------------------|-------------------|
| M Whitehead | 4 | 4 |
| N Henson | 4 | 4 |
| S Ali | 3 | 4 |
| C Starr | 3 | 4 |
| R Lowdon | 3 | 4 |
| A Odiase | 2 | 2 |
| I Buck | 4 | 4 |
| L Innes | 1 | 1 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Head Teacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has been responsible for delivering value for money this year in the following ways:

- The significant development of our curriculum to be progressive and linked ensures all pupils have the opportunity to raise their individual levels of attainment and pursue a wide range of activities that draw out their individual interests and talents
- A variety of extra-curricular activities (drama, computing, instrumental classes, art club, science club, puzzle club, dance and variety of sports clubs) have taken place. Specialist computing teaching has continued.
- School collective worship has taken place and there have been assemblies in the hall. These have focused on the chosen school values.
- The school has always worked hard to promote healthy eating and living amongst pupils and their parents and carers. Parenting support has been maintained via TEAMS, telephone and in person. Individual parent meetings took place in the autumn and spring terms.
- We regularly review our staffing structure to ensure that staff are efficiently deployed and appropriately qualified. Training and additional professional development is provided, at all levels, to increase school-based expertise.
- Appraisal of staff is rigorous and linked to outcomes for pupils. All teachers met their performance management targets for 2022-23 and those eligible for progression on the pay scale were informed of this and received an increase. Staff on the leadership scale also met their targets and were awarded progression on the leadership scale as appropriate. Staffing is extremely stable.
- Intervention strategies are led by a specialist team who ensure that any pupil requiring additional support or focus receives it. This includes 1:1 support, group interventions, class based support and before and after school 1:1 and group tuition.
- Through Pupil Progress meetings, data sharing and planning and intervention we focus on the differing needs of groups of learners within our school. Vulnerable learners make good progress
- The school has rigorous tracking systems. This includes individual tracking for each pupil (reports are sent termly to parents), Pupil Progress Meetings ensure every child is discussed with cohort and class tracking and tracking by groups of learners. Target setting is aspirational and helps to ensure that all children perform at the highest level possible.
- By the end of Year 6, pupils have made good progress and perform within and slightly above national expectations
- Attendance at the school is good and higher than national average for similar schools.

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 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 The Hills Academy for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 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 Governors.

The risk and control framework

The academy'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 Governors
- regular reviews by the Resources 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 with delegation of authority and segregation of duties
- identification and management of risks

The Board of Governors has decided not to appoint an internal auditor. However, the Governors have appointed Pip Gilbert, the Finance Manager of Goldington Green Academy, to perform a peer review.

Review of effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Finance Manager of a local primary school;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Governors on and signed on their behalf by:



N Henson
Chair of Governors



M Whitehead
Accounting Officer

THE HILLS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Hills Academy I have considered my responsibility to notify the academy board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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.

I confirm that I and the academy board of Governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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 Governors and ESFA.



M Whitehead
Accounting Officer
Date:

THE HILLS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Governors on 12 December 2023 and signed on its behalf by:



N Henson
Chair of Governors

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HILLS ACADEMY**

Opinion

We have audited the financial statements of The Hills Academy (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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 ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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'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 Governors with respect to going concern are described in the relevant sections of this report.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HILLS ACADEMY (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy 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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HILLS ACADEMY (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy through discussions with management, and from our knowledge and experience of the sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HILLS ACADEMY (CONTINUED)**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

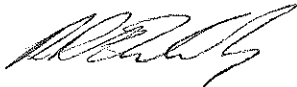
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Other matters

Only partial disclosure has been made in respect of governor's remuneration (note 12).

Use of our report

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Endersby (Senior Statutory Auditor)

for and on behalf of
Streets Audit LLP
Chartered Accountants
Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Bedfordshire
MK44 3BZ

12 December 2023

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HILLS
ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 October 2018 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 The Hills Academy during the year 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 The Hills Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Hills Academy 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 The Hills Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Hills Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Hills Academy's funding agreement with the Secretary of State for Education dated April 2013 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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's income and expenditure.

The work undertaken to draw our conclusions included:

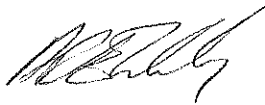
- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the Finance Team.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HILLS
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



Alan Endersby
Streets Audit LLP
Chartered Accountants
Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Bedfordshire
MK44 3BZ

Date: 18/12/2023

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 1,068 | 1,007 | 27,663 | 29,738 | 11,507 |
| Other trading activities | 5 | 91,029 | 100,574 | - | 191,603 | 130,220 |
| Investments | 6 | 107 | - | - | 107 | 90 |
| Charitable activities | | - | 2,248,936 | - | 2,248,936 | 2,144,698 |
| Total income | | 92,204 | 2,350,517 | 27,663 | 2,470,384 | 2,286,515 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | - | 2,460,680 | 103,302 | 2,563,982 | 2,326,982 |
| Other expenditure | 9 | 43,538 | - | - | 43,538 | 37,165 |
| Total expenditure | | 43,538 | 2,460,680 | 103,302 | 2,607,520 | 2,364,147 |
| Net movement in funds before other recognised gains/(losses) | | 48,666 | (110,163) | (75,639) | (137,136) | (77,632) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains on defined benefit pension schemes | 23 | - | 121,000 | - | 121,000 | 1,485,000 |
| Defined Benefit Pension Scheme Asset Not Recognised | | - | (6,000) | - | (6,000) | - |
| Net movement in funds | | 48,666 | 4,837 | (75,639) | (22,136) | 1,407,368 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 356,004 | 458,899 | 3,317,842 | 4,132,745 | 2,725,377 |
| Net movement in funds | | 48,666 | 4,837 | (75,639) | (22,136) | 1,407,368 |
| Total funds carried forward | | 404,670 | 463,736 | 3,242,203 | 4,110,609 | 4,132,745 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

The notes on pages 31 to 55 form part of these financial statements.

THE HILLS ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08434199

BALANCE SHEET
AS AT 31 AUGUST 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 3,234,837 | 3,311,591 |
| Current assets | | | |
| Debtors | 15 | 113,578 | 101,565 |
| Cash at bank and in hand | | 924,986 | 956,815 |
| | | <u>1,038,564</u> | <u>1,058,380</u> |
| Creditors: amounts falling due within one year | 16 | (162,792) | (161,226) |
| Net current assets | | <u>875,772</u> | <u>897,154</u> |
| Total assets less current liabilities | | <u>4,110,609</u> | <u>4,208,745</u> |
| Net assets excluding pension asset / liability | | <u>4,110,609</u> | <u>4,208,745</u> |
| Defined benefit pension scheme asset / liability | 23 | - | (76,000) |
| Total net assets | | <u><u>4,110,609</u></u> | <u><u>4,132,745</u></u> |

THE HILLS ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08434199

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|------------------|
| Funds of the academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 3,242,203 | 3,317,842 |
| Restricted income funds | 17 | 463,736 | 534,899 |
| Restricted funds excluding pension asset | 17 | 3,705,939 | 3,852,741 |
| Pension reserve | 17 | - | (76,000) |
| Total restricted funds | 17 | 3,705,939 | 3,776,741 |
| Unrestricted income funds | 17 | 404,670 | 356,004 |
| Total funds | | 4,110,609 | 4,132,745 |

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

The financial statements on pages 26 to 55 were approved by the Governors, and authorised for issue on 12 December 2023 and are signed on their behalf, by:



N Henson
Chair of Governors



M Whitehead
Accounting Officer

The notes on pages 31 to 55 form part of these financial statements.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | 2023 £ | 2022 £ |
|---|--------|-----------|-----------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 19 | (7,377) | 291,507 |
| Cash flows from investing activities | 20 | (24,452) | (1,768) |
| Change in cash and cash equivalents in the year | | (31,829) | 289,739 |
| Cash and cash equivalents at the beginning of the year | | 956,815 | 667,076 |
| Cash and cash equivalents at the end of the year | 21, 22 | 924,986 | 956,815 |

The notes on pages 31 to 55 form part of these financial statements

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

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

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

| | |
|-------------------------------|---|
| Freehold property - buildings | - 2.5% per annum on a straight line basis |
| Freehold property - land | - Not depreciated |
| Fixtures and equipment | - 20% per annum on a straight line basis |

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

3. Income from donations and capital grants

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 1,068 | 1,007 | - | 2,075 | 2,620 |
| Capital Grants | - | - | 27,663 | 27,663 | 8,887 |
| | <u>1,068</u> | <u>1,007</u> | <u>27,663</u> | <u>29,738</u> | <u>11,507</u> |
| <i>Total 2022</i> | <u>617</u> | <u>2,003</u> | <u>8,887</u> | <u>11,507</u> | |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the academy's charitable activities

| | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|--|---------------------------------------|---------------------------------------|
| Academy's Educational Operations | | | |
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 1,744,385 | 1,744,385 | 1,726,340 |
| Other DfE/ESFA grants | | | |
| Pupil Premium | 86,180 | 86,180 | 83,357 |
| UFSM | 62,504 | 62,504 | 61,221 |
| Others | 142,976 | 142,976 | 36,099 |
| | <u>-</u> | <u>2,036,045</u> | <u>1,907,017</u> |
| Other Government grants | | | |
| Local Authority Grants | 173,537 | 173,537 | 203,485 |
| | <u>173,537</u> | <u>173,537</u> | <u>203,485</u> |
| Other income from the academy's educational operations | 39,354 | 39,354 | 34,196 |
| | <u>2,248,936</u> | <u>2,248,936</u> | <u>2,144,698</u> |
| Total 2022 | <u>2,144,698</u> | <u>2,144,698</u> | |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Income from other trading activities

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Nursery Income | - | 11,260 | 11,260 | 10,637 |
| PrimeTime - after school club | 90,413 | - | 90,413 | 66,690 |
| Other income | 582 | 13,441 | 14,023 | 12,829 |
| Educational trips | - | 59,285 | 59,285 | 29,499 |
| Consultancy income | 34 | - | 34 | 1,082 |
| Swimming income | - | 16,588 | 16,588 | 9,483 |
| | <u>91,029</u> | <u>100,574</u> | <u>191,603</u> | <u>130,220</u> |
| <i>Total 2022</i> | <u>68,036</u> | <u>62,184</u> | <u>130,220</u> | |

6. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Investment income | 107 | 107 | 90 |
| | <u>90</u> | <u>90</u> | |
| <i>Total 2022</i> | <u>90</u> | <u>90</u> | |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Expenditure

| | Staff Costs 2023 £ | Premises 2023 £ | Other 2023 £ | Total 2023 £ | Total 2022 £ |
|-----------------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Academy's Educational Operations: | | | | | |
| Direct costs | 1,633,278 | - | 228,678 | 1,861,956 | 1,558,055 |
| Support costs | 243,250 | 109,525 | 349,251 | 702,026 | 768,927 |
| Other expenditure | 39,442 | - | 4,096 | 43,538 | 37,165 |
| | <u>1,915,970</u> | <u>109,525</u> | <u>582,025</u> | <u>2,607,520</u> | <u>2,364,147</u> |
| Total 2022 | <u>1,808,701</u> | <u>62,002</u> | <u>493,444</u> | <u>2,364,147</u> | |

8. Analysis of expenditure by activities

| | Academy's Educational Operations 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------------|--|---|---------------------------------------|---------------------------------------|
| Academy's Educational Operations | <u>1,861,956</u> | <u>702,026</u> | <u>2,563,982</u> | <u>2,326,982</u> |
| Total 2022 | <u>1,558,055</u> | <u>768,927</u> | <u>2,326,982</u> | |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Academy's Educational Operations 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 1,615,756 | 1,615,756 | 1,396,466 |
| Agency supply and specialist teaching | 17,522 | 17,522 | 9,890 |
| Educational supplies | 187,380 | 187,380 | 117,613 |
| Staff development | 10,140 | 10,140 | 7,447 |
| Technology costs | 16,860 | 16,860 | 15,198 |
| Travel and subsistence | 1,669 | 1,669 | 1,127 |
| Other direct costs | 542 | 542 | 510 |
| Insurance | 12,087 | 12,087 | 9,804 |
| | <u>1,861,956</u> | <u>1,861,956</u> | <u>1,558,055</u> |
| <i>Total 2022</i> | <u>1,558,055</u> | <u>1,558,055</u> | |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Academy's Educational Operations 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Pension finance costs | 1,000 | 1,000 | 21,000 |
| Staff costs | 243,250 | 243,250 | 369,038 |
| Depreciation | 101,313 | 101,313 | 103,318 |
| Staff development | 4,415 | 4,415 | 5,972 |
| Technology costs | 14,990 | 14,990 | 11,698 |
| Bought in professional services | 20,800 | 20,800 | 19,746 |
| Maintenance of premises and equipment | 109,525 | 109,525 | 62,002 |
| Operating lease rentals | 1,014 | 1,014 | 1,014 |
| Rent, rates and water | 9,319 | 9,319 | 12,346 |
| Energy | 40,160 | 40,160 | 21,729 |
| Insurance | 9,293 | 9,293 | 8,360 |
| Catering | 105,897 | 105,897 | 93,751 |
| Other occupancy costs | 17,705 | 17,705 | 14,127 |
| Other support costs | 10,387 | 10,387 | 6,707 |
| CIF and other capital expenditure | 1,989 | 1,989 | 8,547 |
| Governance costs | 10,969 | 10,969 | 9,572 |
| | <u>702,026</u> | <u>702,026</u> | <u>768,927</u> |
| <i>Total 2022</i> | <u>768,927</u> | <u>768,927</u> | |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Other expenditure

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Prime Time - after school club costs | 4,096 | 4,096 | 3,858 |
| Prime Time - wages and salaries | 30,760 | 30,760 | 26,276 |
| Prime Time - national insurance | 1,848 | 1,848 | 1,171 |
| Prime Time - pension costs | 6,834 | 6,834 | 5,860 |
| | <u>43,538</u> | <u>43,538</u> | <u>37,165</u> |
| <i>Total 2022</i> | <u>37,165</u> | <u>37,165</u> | |

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2023 £ | 2022 £ |
|---------------------------------------|--------------|--------------|
| Operating lease rentals | 1,014 | 982 |
| Depreciation of tangible fixed assets | 101,313 | 103,318 |
| Fees paid to auditors for: | | |
| - audit | 7,325 | 6,975 |
| - other services | <u>1,695</u> | <u>1,615</u> |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2023 £ | 2022 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,416,149 | 1,246,204 |
| Social security costs | 121,537 | 99,604 |
| Pension costs | 360,762 | 453,003 |
| | <u>1,898,448</u> | <u>1,798,811</u> |
| Agency staff costs | 17,522 | 9,890 |
| | <u>1,915,970</u> | <u>1,808,701</u> |

b. Staff numbers

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

| | 2023 No. | 2022 No. |
|----------------------------|-------------|-------------|
| Teachers | 16 | 16 |
| Administration and support | 56 | 50 |
| Management | 10 | 9 |
| | <u>82</u> | <u>75</u> |

The average headcount expressed as full-time equivalents was:

| | 2023 No. | 2022 No. |
|----------------------------|-------------|-------------|
| Teachers | 14 | 13 |
| Administration and support | 26 | 24 |
| Management | 10 | 9 |
| | <u>50</u> | <u>46</u> |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff (continued)

c. Higher paid staff

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

| | 2023 No. | 2022 No. |
|-------------------------------|-------------|-------------|
| In the band £70,001 - £80,000 | - | 1 |
| In the band £80,001 - £90,000 | 1 | - |

d. Key management personnel

The key management personnel of the academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £533,595 (2022 £550,880).

12. Governors' remuneration and expenses

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

| | | 2023 £ | 2022 £ |
|--|----------------------------|--------------------|--------------------|
| M Whitehead, Head Teacher | Remuneration | 80,000 - 85,000 | 75,000 - 80,000 |
| | Pension contributions paid | 15,000 - 20,000 | 15,000 - 20,000 |
| Staff Governor 1, Teacher | Remuneration | 40,000 - 45,000 | 35,000 - 40,000 |
| | Pension contributions paid | 10,000 - 15,000 | 5,000 - 10,000 |
| Staff Governor 2, Cover Supervisor/LSA | Remuneration | 20,000 - 25,000 | 15,000 - 20,000 |
| | Pension contributions paid | 5,000 - 10,000 | 0 - 5,000 |

During the year ended 31 August 2023, no Governor expenses have been incurred (2022 - £NIL).

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Governors' and Officers' insurance

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

14. Tangible fixed assets

| | Freehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---------------------------|------------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 September 2022 | 3,856,286 | 102,740 | 53,685 | 4,012,711 |
| Additions | - | 19,277 | 5,282 | 24,559 |
| Disposals | - | - | (1,046) | (1,046) |
| At 31 August 2023 | 3,856,286 | 122,017 | 57,921 | 4,036,224 |
| Depreciation | | | | |
| At 1 September 2022 | 594,420 | 56,789 | 49,911 | 701,120 |
| Charge for the year | 79,907 | 17,908 | 3,498 | 101,313 |
| On disposals | - | - | (1,046) | (1,046) |
| At 31 August 2023 | 674,327 | 74,697 | 52,363 | 801,387 |
| Net book value | | | | |
| At 31 August 2023 | 3,181,959 | 47,320 | 5,558 | 3,234,837 |
| At 31 August 2022 | 3,261,866 | 45,951 | 3,774 | 3,311,591 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Other debtors | 39,099 | 43,814 |
| Prepayments and accrued income | 74,479 | 57,751 |
| | <u>113,578</u> | <u>101,565</u> |

16. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 79,494 | 30,208 |
| Accruals and deferred income | 83,298 | 131,018 |
| | <u>162,792</u> | <u>161,226</u> |

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Deferred income at 1 September 2022 | 82,030 | 51,228 |
| Resources deferred during the year | 56,261 | 82,030 |
| Amounts released from previous periods | (82,030) | (51,228) |
| | <u>56,261</u> | <u>82,030</u> |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Statement of funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2023 £ |
|---|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 356,004 | 92,204 | (43,538) | - | - | 404,670 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 528,903 | 1,744,385 | (1,832,712) | - | - | 440,576 |
| Other EFSA Grants | 5,587 | 331,014 | (313,690) | - | - | 22,911 |
| Local Authority Grants | 176 | 173,537 | (173,537) | - | - | 176 |
| Donations | - | 1,007 | (1,007) | - | - | - |
| Other income | 233 | 100,574 | (100,734) | - | - | 73 |
| Pension reserve | (76,000) | - | (39,000) | - | 115,000 | - |
| | 458,899 | 2,350,517 | (2,460,680) | - | 115,000 | 463,736 |
| Restricted fixed asset funds | | | | | | |
| Tangible Fixed Assets | 3,311,593 | - | (101,313) | 24,559 | - | 3,234,839 |
| Devolved Formula Capital | 340 | 8,948 | (1,989) | (7,299) | - | - |
| Conditional Improvement Funding 2020 | 5,909 | - | - | - | - | 5,909 |
| Energy Improvements | - | 18,715 | - | (17,260) | - | 1,455 |
| | 3,317,842 | 27,663 | (103,302) | - | - | 3,242,203 |
| Total Restricted funds | 3,776,741 | 2,378,180 | (2,563,982) | - | 115,000 | 3,705,939 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Statement of funds (continued)

| | | | | | | |
|--------------------|------------------|------------------|--------------------|----------|----------------|------------------|
| Total funds | 4,132,745 | 2,470,384 | (2,607,520) | - | 115,000 | 4,110,609 |
|--------------------|------------------|------------------|--------------------|----------|----------------|------------------|

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

General Funds:

The Academy's general funds represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

Restricted Funds:

The Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium. High Needs and Early Years grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the academy. The unspent funds have been carried forward to future accounting periods.

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

Pension Reserve:

As stated in note 23 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to The Hills Academy can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

Restricted Fixed Asset Fund:

The Academy received Devolved Capital Formula funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Asset reserve.

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

| | <i>Balance at 1 September 2021 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2022 £</i> |
|---------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds | 324,426 | 68,743 | (37,165) | - | - | 356,004 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 306,691 | 1,726,340 | (1,502,270) | (1,858) | - | 528,903 |
| Other EFSA Grants | 31,381 | 180,676 | (206,470) | - | - | 5,587 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Statement of funds (continued)

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|--------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Local Authority Grants | 9,696 | 203,485 | (213,005) | - | - | 176 |
| Other income | 1,221 | 64,188 | (65,176) | - | - | 233 |
| Pension reserve | (1,367,000) | - | (194,000) | - | 1,485,000 | (76,000) |
| | <u>(1,018,011)</u> | <u>2,174,689</u> | <u>(2,180,921)</u> | <u>(1,858)</u> | <u>1,485,000</u> | <u>458,899</u> |
| Restricted fixed asset funds | | | | | | |
| Tangible Fixed Assets | 3,413,053 | - | (103,318) | 1,858 | - | 3,311,593 |
| Devolved Formula Capital | - | 8,887 | (8,547) | - | - | 340 |
| Conditional Improvement Funding 2020 | 5,909 | - | - | - | - | 5,909 |
| | <u>3,418,962</u> | <u>8,887</u> | <u>(111,865)</u> | <u>1,858</u> | <u>-</u> | <u>3,317,842</u> |
| Total Restricted funds | <u>2,400,951</u> | <u>2,183,576</u> | <u>(2,292,786)</u> | <u>-</u> | <u>1,485,000</u> | <u>3,776,741</u> |
| Total funds | <u>2,725,377</u> | <u>2,252,319</u> | <u>(2,329,951)</u> | <u>-</u> | <u>1,485,000</u> | <u>4,132,745</u> |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 3,234,837 | 3,234,837 |
| Current assets | 404,670 | 626,528 | 7,366 | 1,038,564 |
| Creditors due within one year | - | (162,792) | - | (162,792) |
| Total | 404,670 | 463,736 | 3,242,203 | 4,110,609 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 3,311,591 | 3,311,591 |
| Current assets | 356,004 | 696,125 | 6,251 | 1,058,380 |
| Creditors due within one year | - | (161,226) | - | (161,226) |
| Provisions for liabilities and charges | - | (76,000) | - | (76,000) |
| Total | 356,004 | 458,899 | 3,317,842 | 4,132,745 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Reconciliation of net expenditure to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (137,136) | (77,632) |
| Adjustments for: | | |
| Depreciation | 101,313 | 103,318 |
| Interest receivable | (107) | (90) |
| Defined benefit pension scheme cost less contributions payable | 38,000 | 173,000 |
| Defined benefit pension scheme finance cost | 1,000 | 21,000 |
| (Increase)/decrease in debtors | (12,013) | 2,776 |
| Increase in creditors | 1,566 | 69,135 |
| Net cash (used in)/provided by operating activities | (7,377) | 291,507 |

20. Cash flows from investing activities

| | 2023 £ | 2022 £ |
|--|-----------------|----------------|
| Dividends, interest and rents from investments | 107 | 90 |
| Purchase of tangible fixed assets | (24,559) | (1,858) |
| Net cash used in investing activities | (24,452) | (1,768) |

21. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Cash in hand and at bank | 924,986 | 956,815 |
| Total cash and cash equivalents | 924,986 | 956,815 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | At 31 August 2023 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 956,815 | (31,829) | 924,986 |
| | <u>956,815</u> | <u>(31,829)</u> | <u>924,986</u> |

23. Pension commitments

The academy'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 Bedford Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £200,297 (2022 - £178,449).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £153,000 (2022 - £128,000), of which employer's contributions totalled £122,000 (2022 - £102,000) and employees' contributions totalled £ 31,000 (2022 - £26,000). The agreed contribution rates for future years are 24.4 per cent for employers and between 5.5% and 12.5% per cent for employees.

As described in note 2 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Pension commitments (continued)

Principal actuarial assumptions

| | 2023 % | 2022 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.85 | 3.95 |
| Rate of increase for pensions in payment/inflation | 2.85 | 2.95 |
| Discount rate for scheme liabilities | 5.30 | 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 Years | 2022 Years |
|-----------------------------|---------------|---------------|
| <i>Retiring today</i> | | |
| Males | 21.1 | 22.0 |
| Females | 33.9 | 24.4 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.1 | 22.9 |
| Females | 25.5 | 26.1 |

Sensitivity analysis

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Discount rate -0.1% | (109) | (42) |
| Mortality assumption - 1 year increase | 102 | 50 |
| CPI rate +0.1% | 109 | 39 |

Share of scheme assets

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

| | At 31 August 2023 £ | At 31 August 2022 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 1,058,000 | 991,000 |
| Corporate bonds | 303,000 | 376,000 |
| Property | 245,000 | 229,000 |
| Cash and other liquid assets | 65,000 | 60,000 |
| Total market value of assets | 1,671,000 | 1,656,000 |

THE HILLS ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Pension commitments (continued)

The actual return on scheme assets was £(9,000) (2022 - £(35,000)).

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

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Current service cost | (160,000) | (275,000) |
| Interest income | 73,000 | 27,000 |
| Interest cost | (74,000) | (48,000) |
| Total amount recognised in the Statement of Financial Activities | (161,000) | (296,000) |

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

| | 2023 £ | 2022 £ |
|------------------------|------------------|------------------|
| At 1 September | 1,732,000 | 2,919,000 |
| Current service cost | 160,000 | 275,000 |
| Interest cost | 74,000 | 48,000 |
| Employee contributions | 31,000 | 26,000 |
| Actuarial gains | (307,000) | (1,522,000) |
| Benefits paid | (25,000) | (14,000) |
| At 31 August | 1,665,000 | 1,732,000 |

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

| | 2023 £ | 2022 £ |
|------------------------|------------------|------------------|
| At 1 September | 1,656,000 | 1,552,000 |
| Interest income | 73,000 | 27,000 |
| Actuarial losses | (186,000) | (37,000) |
| Employer contributions | 122,000 | 102,000 |
| Employee contributions | 31,000 | 26,000 |
| Benefits paid | (25,000) | (14,000) |
| At 31 August | 1,671,000 | 1,656,000 |

The actuarial report valued a pension scheme surplus of £6,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

THE HILLS ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Operating lease commitments

At 31 August 2023 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 £ | 2022 £ |
|--|--------------|--------------|
| Not later than 1 year | 1,014 | 1,014 |
| Later than 1 year and not later than 5 years | 761 | 1,775 |
| | <u>1,775</u> | <u>2,789</u> |

25. Members' liability

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

26. Related party transactions

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 12.

