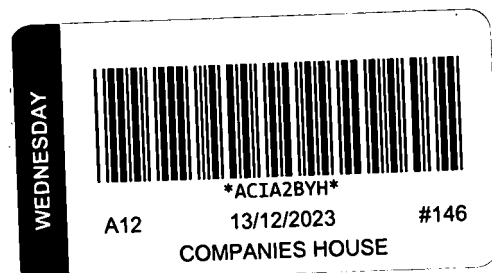


REGISTERED COMPANY NUMBER: 08271760 (England and Wales)

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2023
for

Kings Langley School
(A Company Limited by Guarantee)

Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD



Contents of the Financial Statements
for the Year Ended 31 August 2023

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Kings Langley School

Reference and Administrative Details
for the Year Ended 31 August 2023

MEMBERS:

G Lewis
J Harrison
M Stothard
D Helfgott
F Stickley

TRUSTEES

D Fisher Headteacher and Accounting Officer *
F Stickley Chair of Governors *
D Helfgott Vice Chair of Governors *
S C Wood Community Governor *
G J Craggs Community Governor *
S M Setterfield Community Governor *
H C Young Community Governor (resigned 17.10.22)
J C O'Sullivan Parent Governor
M Morant Community Governor *
D J Ludlow Parent Governor
P J Slade Community Governor *
T J Giles Parent Governor *
E L Kell Community Governor
P J Garner Parent Governor *
A J Ivey Parent Governor
S L Wilding Parent Governor

* members of the finance and general purpose committee

COMPANY SECRETARY

D M Bell

SENIOR MANAGEMENT TEAM:

A Sharp (Principal Assistant Headteacher)
G Searle (Deputy Headteacher)
P Lark (Associate Assistant Headteacher) (resigned 16.4.23)
S Butt (Associate Assistant Headteacher)
J Tubb (Associate Assistant Headteacher)
L Harris (Principal Assistant Headteacher)
J Shaw (Principal Assistant Headteacher)
H Pocklington (Principal Assistant Headteacher)
D M Bell (Deputy Head (School Manager))
R Jennings (Deputy Headteacher)
D Fisher (Headteacher)

REGISTERED OFFICE

Kings Langley School
Love Lane
Kings Langley
Hertfordshire
WD4 9HN

REGISTERED COMPANY NUMBER 08271760 (England and Wales)

AUDITORS Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

BANKERS Barclays Bank Plc
62/64 High Street
Watford
Hertfordshire
WD17 2BT

SOLICITORS Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Report of the Trustees
for the Year Ended 31 August 2023

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy trust operates an academy for students aged 11-18 serving a catchment area in Kings Langley and the surrounding area. The student capacity is 1,180 and had a roll of 1,101 in the school census on 1 October 2022.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for students of different abilities, with a strong emphasis on English, Maths, Science and vocational subjects.

The aims of the Academy during the period ended 31 August 2023 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all students.
- To provide a broad and balanced curriculum, including extra-curricular activities.
- To develop students as more effective learners.
- To develop the Academy site so that it enables students to achieve their full potential.
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To maximise the number of students who achieve Level 1-9 GCSE grades including English and Maths.
- To provide value for money for the funds expended.
- To develop greater coherence, clarity and effectiveness in school systems.
- To comply with all appropriate statutory and curriculum requirements.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Kings Langley School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

OBJECTIVES AND ACTIVITIES

Significant activities

The key priorities for the year are contained in our School Development Plan (SDP).

Our Motto: Unlocking Potential for Life

Our Mission Statement: "We will ensure the happiness of every individual in our school community by providing opportunities for growth and excellence through the education of the whole person"

The school development plan recognises, our biggest priority is to tackle all forms of social injustice so that all students can fulfil their potential.

In order to achieve the above, the following school priorities are key and form the foundation of our School Development Plan:

- 1) To improve further the already strong culture of safeguarding at Kings Langley School, for the benefit of all: improving a culture of empathy and integrity; and developing the character and attitudes of all stakeholders at Kings Langley School.
- 2) To ensure that every member of staff demonstrates improvement throughout each academic year through a well-planned Professional Development Programme, including developing all stakeholder's ability to use IT effectively, while at the same time, ensuring workload and wellbeing remain a priority.
- 3) To ensure that effective, tried and tested teaching techniques are embedded within classrooms so that all students achieve their full potential - regardless of their background.
- 4) To ensure our curriculum is rich, broad and knowledge based - both inside and outside of the classroom - so that students gain a deep understanding and develop into well rounded and positive members of society.
- 5) To evaluate systems and structures enabling a streamlining of priorities and processes for greater efficiency and efficacy, allowing for smarter working and better wellbeing for all.
- 6) To ensure Kings Langley School has the best possible site facilities and systems to enrich and enhance the quality of education: site facilities development - Sixth Form Centre/3G Pitch; financial growth and sustainability; ICT infrastructure development.

Kings Langley School Long Term Objectives

- Curriculum: We offer a world class curriculum.
- Classrooms: The quality of learning and teaching is exceptional.
- Aspirations: Everyone is able to realise their potential.
- Conduct: We are all respectful, positive, resilient and responsible.
- Community: Every person is supported to be the best they can be.
- Leadership: All of the above are underpinned by our outstanding leadership at all levels.

Kings Langley School Detailed Improvement Priorities:

Safeguarding:

1. To ensure staff, student and parental confidence in supporting a culture of vigilance where children's welfare is promoted, and timely and appropriate action is taken when necessary.
2. To educate all stakeholders on equality, language and understanding of race, gender and difference to create a culture of understanding and empathy.

OBJECTIVES AND ACTIVITIES

3. To continue to establish and embed appropriate school-wide policies and procedures to handle allegations of sexual harassment, online sexual abuse and sexual violence (including sexualised language) with understanding and empathy.
4. To embed a culture of positive mental health and wellbeing in the school community where positive interactions between students and staff are encouraged.
5. To develop the school's approach to online safety to ensure that students are protected, educated and supported both in school and outside of school to help keep themselves safe online.

Quality of Education:

1. To continue to review, refine and implement a progressive knowledge-based curriculum that engages and challenges all students and reflects our priority of equality.
2. To develop the pedagogy and practice of staff, in particular, in relation to our focus on the pillars of our repertoire (learning behaviours; subject knowledge and pedagogy; literacy/reading, assessment and feedback; stretch and challenge).
3. To develop all stakeholder's literacy skills e.g. reading, oracy, spelling and grammar, through attitudes to learning, homework and supra curriculum, and taking relevant opportunities throughout the curriculum.
4. To review and refine a robust and timely assessment model that ensures all learners receive considered and effective feedback whilst carefully considering teacher workload.

Behaviour and Attitudes:

1. To further develop a positive learning culture of behaviours, post Covid, through improved behaviour and recognition systems that are applied in a firm but fair manner, using the language of character.
2. To improve rates of attendance and punctuality, closing the gap to ensure that Persistent Absence (PA) is above national for all students, taking a personalised approach to support individuals and their specific needs.
3. To ensure students are "school ready" with all the necessary equipment and a positive mind-set to achieve and learn.
4. To develop a personalised approach for small groups of individuals, who demonstrate repetitive behaviours; building trust and developing relationships through rehabilitation and restorative work.
5. To ensure any forms of bullying and prejudice are not tolerated and students know what to do about it if it happens.

Personal Development

1. Develop our ethos and culture of character across the school to enable students to flourish.
2. Provide an increased wider curriculum offer which gives a range of opportunities that raise aspirations, nurture, develop and stretch our student interests, while identifying and addressing non-engagement.
3. Ensure students are prepared for modern Britain and have opportunities to positively contribute to their community; encouraging reflection of the curriculum through different student lenses, to build a broader understanding of citizenship.
4. Continue to review, refine and maintain a high-quality Relationships and Sex Education curriculum which reflects current guidance and local context.
5. Ensure all students are well prepared for future education, training or employment and we maintain 100% Gatsby benchmarking.

Leadership and Management

1. To ensure that the progress of students from disadvantaged backgrounds are at least in line with the national average and they continue to close the gap with their peers.

OBJECTIVES AND ACTIVITIES

2. To ensure we develop and embed a culture of focused and highly effective continuous professional development by using a bespoke approach for all staff based on subject pedagogy for teachers.
3. To continually streamline systems to enable staff to be time efficient whilst developing digital competencies.
4. To ensure safety, workload and wellbeing continue to be a priority.
5. To recruit and retain high quality teaching and support staff.

Finance, Resources and Physical Environment

1. To continue to improve financial and HR management efficiency.
2. To ensure all streams of income generation are reviewed and further improved following the pandemic.
3. To improve and ensure our students have the best possible site facilities which enrich and enhance the quality of their education.
4. To continue to improve the provision and promotion of healthy lifestyles.
5. To ensure the Trust complies with the revised requirements of the Academy Trust Handbook September 2023.

Sixth Form

1. Ensure academic rigour and stability: Providing stability and consistency through establishing a rigorous academic provision with diligence in embedding QA, monitoring and processes.
2. Further develop the Sixth Form Culture: Creating an environment where students and staff have synergy in the journey towards an outstanding sixth form provision where all stakeholders are accountable and contribute.
3. Increase recruitment: Becoming the first choice for students (internal and external) through building on our reputation for academic and personal preparation for post-18 aspirations.
4. Further develop literacy and oracy: Ensuring that all students are equipped with not only the fundamental literacy skills but are literacy rich to provide increased opportunities for success and preparation for the future.

Public benefit

The Academy Trust's Trustees have shown due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

Kings Langley School is a slightly above average sized 11-18 school with 1101 students on roll. There is a broadly equal gender split across the school with females making up 47% and males 53%. The proportion of students entitled to Pupil Premium is 15%. The proportion of students receiving SEND support is 14%. The number of students within the SEND group with an Educational Healthcare Plans (EHCPs) is 16% of students. The proportion of students with a first language other than English is low at 8%. Students enter the school with results from KS2 broadly in line with national averages.

The school is heavily oversubscribed with parents citing the ethos, culture and moral stature of the school as a key factor in choosing the school for their child. There were 702 applications for 186 places for entry in September 2022. The school was requested by HCC to go over Published Admission Number (PAN) by 28 and therefore filled 214 places. The quality of education at Kings Langley School remains "Good" and improving according to outcome data. The school has an effective and well-developed approach to safeguarding. Attainment in 2022-23 demonstrated significant improvements compared to the last comparable set of results in 2018-19 and the majority of key performance indicators were in line with or exceed national figures for 2018-19:

	KLS 2023	National 2019	Difference
GCSE Overview of Results			
Attainment 8 (average total)	48.8	46.7	+2.1
Level 9 - 5 in English & Maths	52.7%	43.2%	+9.5%
% EBAC Entries	43.7%	40%	+3.7%
EBAC Average Point Score	4.35	4.07	+0.28

	KLS 2023	National 2019	Difference
Pupil Premium			
Average Attainment 8 Per Pupil	32.4	34.9	-2.5
Level 9 - 5 in English & Maths	10.5%	24.7%	-14.2%
% EBAC Entries	5.3%	27.5%	-22.2%
EBAC Average Point Score	2.59	3.08	-0.49

	KLS 2023	National 2019	Difference
SEND			
Average Attainment 8 Per Pupil	31.6	27.6	+4.0
Level 9 - 5 in English & Maths	11.8%	13.8%	-2.0%
% EBAC Entries	17.6%	13.5%	+4.1%
EBAC Average Point Score	2.53	2.24	+0.29

	KLS 2023		National 2019		Difference	
Girls v Boys	Girls	Boys	Girls	Boys	Girls	Boys
Average Attainment 8 Per Pupil	50.2	47.4	49.5	44.0	+0.7	+3.4
Level 9 - 5 in English & Maths	51.2%	54.0%	46.6%	40.0%	+4.6%	+14%
% EBAC Entries	51.2%	36.8%	45.9%	34.3%	+5.3%	+2.5%
EBAC Average Point Score	4.42	4.28	4.32	3.84	+0.10	+0.44

A Level data shows that across all grades in 2022-23, KLS results have increased compared to the last comparable set of results in 2018-19. There is no A-level value-added measure being published in 2023.

Report of the Trustees
for the Year Ended 31 August 2023

A-Level Overview	2023	2019	Difference
APS per Pupil	95.3	77.5	+17.8
APS per Entry	31.5	28.4	+3.1
Average Grade	C	C	-
Value Added	N/A	-0.19	N/A

Students are well supported by high quality Careers guidance (100% GATSBY), Personal, Social and Health Education (PSHE) and Character Development programmes. The school remains an inclusive school and supports the local authority with hard to place students and Children Looked After (CLA).

The last Ofsted Inspection Report from May 2018 describes the school as a good school with outstanding behaviour.

Overall student attendance in 2022-23 was above national average according to FFT tracking due to a lack of national 2022-23 attendance data at this time (see appendix).

Our Financial performance is monitored by actuals against budget as well as challenging our spending and ensuring procurement represents value for money by following our Financial Handbook. As a school we are looking into the use of a Balanced Scorecard to support the collation of the various management information/data already in place, and to add to where appropriate. This will help us to take a rounded view of our performance and support the on-going monitoring, review and improvement of our school.

Promoting the success of the company

The Board of Trustees carefully consider the likely consequences of decisions taken in the long term through research and careful planning which can be viewed in the School Improvement Plan and the Self Evaluation Framework documentation held by the school. The school pays due regard to its employees' health and wellbeing and takes steps to ensure that they have quality support in place should this be required during their career at the school. The school fosters good relationships with a variety of stakeholders and ensures that feedback is listened to and acted upon appropriately. The school has good relationships with the local community and ensures that steps are taken to positively contribute to the local environment. The school has a good reputation in the locality and any issues that are raised are dealt with quickly and usually to a satisfaction of all parties. The school has policies and procedures in place to ensure that if any issues arise they are dealt with fairly.

STRATEGIC REPORT

Financial review

Financial position

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities. The restricted fixed asset balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2023, total expenditure excluding depreciation of £7,556,211 was more than covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period for unrestricted funds totalled £78,967. The excess of income over expenditure on restricted funds in the year totalled £29,006 but this included pension charges of £57,000.

At 31 August 2023 the net book value of fixed assets was £23,506,221 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The school runs various fundraising events through the Friends of Kings Langley (FoKLS) such events as a car boot sale, quiz nights, stalls at the local carnival. The school runs a biannual sponsored walk where the funds raised go to charities chosen by the students. The school also has a Covenanted School Fund where parents can make donations to the school on a regular basis.

Investment policy and objectives

Kings Langley School has a policy of investing its cash balances with a view to maximizing returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

Reserves policy

The Academy's Reserves Policy is to carry forward the maximum amount in case of any unexpected expenditure to meet its aims and objectives as long as this does not affect its current activities.

Kings Langley School reviews 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. In normal circumstances, the Governors have determined that the appropriate level of free reserves should be equivalent to six week's gross salary expenditure (approximately £550,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Going concern

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

STRATEGIC REPORT

Fundraising

The Academy continues to focus on fundraising to specifically apply for funding relating to adding to the school environment. The school community has worked hard and raised a significant amount of money which has been spent on new equipment and loose furniture adding to the environment. The Friends of Kings Langley (FoKLS) Fundraising Group will continue its fundraising initiatives, to ensure we have a continual means of funding to provide replacement furniture and equipment. The Covenanted Fund also provides an income from donations from parents and this is reinvested for example into the Sixth Form Centre project.

Principal risks and uncertainties

Other principal risks and uncertainties are as follows:

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academies Trust Handbook.

Funding - clearly the school has a responsibility to ensure funds are managed appropriately. However, the increase in staffing costs over the last few years and the changes in recent years to the employer Pension contributions, could add significant pressure to the school's budget if the funding allocation support were not to continue to support this area in future years. These are ongoing costs and therefore the school is at risk of financial deficit should support be withdrawn. The school will continue to review all areas of expenditure to ensure best value is always achieved.

Future plans

Due to funding pressure the school will continue to review staffing and restructure as appropriate. The Academy will continue to examine ALL methods to reduce costs. The Academy will also explore how they can best hire their facilities out of school hours to generate further income. The school will also seek funding to build new facilities which can also contribute to out of hour's income generation.

Report of the Trustees
for the Year Ended 31 August 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven months within the year ended 31 August 2023.

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

145

1%-50%

51%-99%

100%

Percentage of pay bill spent on facility time: 0%

Paid trade union activities: 0%

FUNDS HELD AS CUSTODIAN FOR OTHERS

There are no funds held during this period.

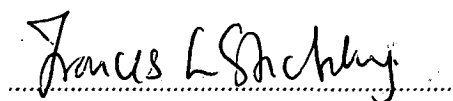
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11/12/23 and signed on the board's behalf by:



F Stickley - Trustee

Governance Statement
for the Year Ended 31 August 2023

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Kings Langley School 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 of loss.

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Kings Langley School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
F Stickley (Chair)	6	6
S Wood	2	6
D Helfgott	4	6
M Morant	6	6
G Craggs	5	6
S Setterfield	5	6
H Young	0	1
J O'Sullivan	5	6
D Ludlow	4	6
D Fisher (Headteacher and Accounting Officer)	6	6
T Giles	5	6
P Slade	3	6
P Garner	5	6
A Ivey	6	6
E Kell	5	6
S Wilding	4	6

The Chair of Governors continues to encourage Governors to visit school more frequently but acknowledges this is difficult for the majority have professional 'day jobs' and it is a challenge for them to be available during school hours. However, when Governors do visit the school they write a link visit report which is shared with the Full Governing Board.

Governance Statement
for the Year Ended 31 August 2023

The Audit and Risk, and, Resources Committee is a sub-committee of the main Board of Governors. Its purpose and function are:

- the initial review and authorisation of the annual budget.
- the regular monitoring of actual expenditure and income against budget.
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act and ESFA guidance issued to academies.

Attendance at the Audit and Risk, and, Resources Committee meetings in the year was as follows, there were 5 scheduled meetings between 1 September 2022 - 31 August 2023.

Trustee	Meetings attended	Out of a possible
F Stickley	5	5
M Morant	4	5
D Helfgott	1	5
S Wood	4	5
G Craggs	5	5
S Setterfield	5	5
D Fisher	5	5
T Giles	5	5
P Slade	4	5
P Garner	5	5

The General Purposes Committee is a sub-committee of the main Board of Governors. Its purpose and function are:

1. To undertake activities as requested by the full Governing Body which do not fall under the remit of any other Committee.
2. To provide guidance to the Governing Body and support to the Headteacher on the above activities.
3. To coordinate the production and review of School policies.
4. To input into the strategic thinking of the Governing Body and the Senior Leadership Team.
5. To review the annual financial audit report and pose any questions to the Resources committee.

The General Purposes Committee did not meet this year as all relevant business was absorbed into either the other Committee Meetings or presented at the Full Governing Body meetings.

The school maintains a register of interests and this is available on the school web site. At the beginning of each meeting it is confirmed whether or not there are any conflicts of interest arising from the items circulated on the agenda.

A formal self-evaluation was conducted to ensure the continued effectiveness of the governing board. Strategy sessions have included governors and have been instrumental in shaping the new framework. Planning and support for the new sixth form centre have been appreciated. Governor support has also helped with the bid for a new 3G pitch.

Link visits were undertaken to support and challenge individual subjects and leadership processes. Committees scrutinised the development of the new curriculum and supported the move to more streamlined HR and Finance packages.

Governance Statement
for the Year Ended 31 August 2023

Significant input from governors has ensured the development of a robust risk management process. Training and development for all governors has continued to be a priority. There has continued to be a high level of attendance at school events and this helped to ensure that governors can better understand the work of the school and receive feedback from staff and students to drive improvement.

Review of Value for Money

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

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

- The successful Appraisal Management system is at the core of the school's improvement system, which directly links teacher's pay with national standards and student outcomes. The data management system (Access HR People) allows senior and middle leaders to effortlessly match training needs and provision with specifically identified areas of weakness. The school believes this appraisal management system permits the efficient use of all resources, both human and financial, to ensure that they continue to be targeted at priority areas.
- The school has provided Governors with reports and presentations based around measurable assessment and other objective data. This enables them to map progress of identified areas and measure the impact due to the allocation of resources. A key part of the objective measurement of all activity in the school has been provided through regular benchmarking exercises with other similar schools in the East of England and all local secondary schools. COVID-19 has meant that the data is not comparable year on year but provides an oversight of performance within adjusted parameters for measurement.
- The school has reviewed the quality and "best value" provided by its service providers. This has resulted in new contracts being negotiated with external providers. Existing contracts for services from the Local Authority have been renegotiated to ensure higher levels of service, often at reduced cost.
- Governors have been provided with regular and appropriate inspection reports from externally appointed professional agencies. Detailed reports from commissioned accountants and legal advisers indicate proper adherence to all national standards of financial management, procurements and personnel management.
- All financial arrangements are overseen by the governors' Audit and Risk, and, Resources Committee and the detailed minutes of these meetings continue to highlight the level of information provided by the school, specifically concerning benchmarking of income, expenditure and employee salaries.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kings Langley School for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an external representative from School Business Services to act as the Responsible Officer.

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

Internal Audit Checks

Spring 2023 Internal Audit

Safeguarding Policy
GDPR Policy

Summer 2023 Internal Audit

Financial Procedures
Banking Procedures
Purchasing and Procurement

On a twice yearly basis, the Responsible Officer reports to the board of trustees, through the Audit and Risk, and, Resources Committee on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities. On an annual basis the Responsible Officer prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditor carried out their schedule of planned work and the following recommendations were made in the spring term;

- Overall thorough Safeguarding and GDPR policies are in place. Evidence provided demonstrates that staff are made aware of such policies and asked to sign a declaration form to ensure their engagement. However, a questionnaire may want to be considered to ensure staff have read the policy and understood it. Any incorrect responses to these questionnaires could then be followed up with further training and guidance. Both policies have also not been signed so it is not clear or evident that it has been agreed to by Governors, this should be actioned and kept on top of after each review.

The recommendations from the summer term visit were as follows;

- Overall, strong internal controls were found in terms of financial procedures paperwork in place and banking procedures (petty cash and bank accounts). The information provided within the finance manual and scheme of delegation is overall good and provides detail.

Governance Statement
for the Year Ended 31 August 2023

- However, charge cards need some attention to ensure procedures are meeting the requirements of the ATH, such as completing monthly reconciliations that are signed/countersigned. Similarly, tweaks and further clarity is needed the ordering processes. Extra information should be provided within the finance manual and the paperwork associated to ordering should be strengthened. Order should always be placed as per the requirements of the finance manual and they should always be pre-approved before the ordering occurs. Goods received notes should also be sought and signed off as much as possible. Although invoices are signed when goods received notes are not present, as the finance manual states this is not required the goods received note should be chased to ensure sufficient checking is in place so that only items delivered and being utilised by the school are being paid for. Finally, a "change in details" form for suppliers should be adopted and regularly used, especially when it comes to updated bank details. This is very prevalent in current times due to sophisticated scams and the interception of emails.

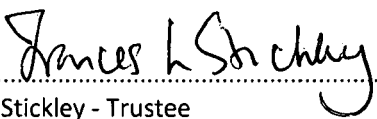
Review of Effectiveness


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

- The work of the internal auditor.
- The financial management and Governance self-assessment process or the school resource management self-assessment tool.
- The work of the executive managers within the academy trust, who have responsibility for the development and maintenance of the internal control framework.
- The work of the external auditor.
- Correspondence from ESFA e.g. FNTI/NtI and 'minded to' letters.

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

Approved by order of the members of the board of trustees on11/12/23..... and signed on its behalf by:


.....
F Stickley - Trustee


.....
David Fisher - Accounting Officer

Kings Langley School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2023

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

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

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



.....
David Fisher - Accounting Officer

Date: 11. 12. 2023

Statement of Trustees' Responsibilities
for the Year Ended 31 August 2023

The trustees (who act as governors of Kings Langley School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

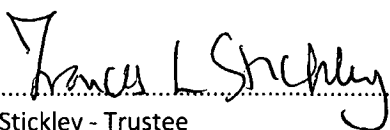
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the board of trustees on11/12/23..... and signed on its behalf by:


.....
F Stickley - Trustee

Report of the Independent Auditors to the Members of
Kings Langley School

Opinion

We have audited the financial statements of Kings Langley School (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Report of the Independent Auditors to the Members of
Kings Langley School

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of
Kings Langley School

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we discussed with management what systems they use to prevent and detect potential fraud as well as the key areas in the financial statements where fraud might occur;
- we reviewed the training procedures for staff and governors to ensure appropriate training was in place around fraud including what actions should be taken if fraud is suspected;
- the audit engagement team were briefed on how and where fraud may occur and potential indicators of fraud.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



John David Lee BA FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Date:11/12/23.....

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

In accordance with the terms of our engagement 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 Kings Langley School during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kings Langley School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kings Langley School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kings Langley School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kings Langley School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kings Langley School's funding agreement with the Secretary of State for Education 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 period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material misstatement and irregularity across the Academy's activities;
- testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion;
- reviewing the minutes of the meetings of the Governing Body relevant to our consideration of regularity.

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Xeinadin Audit Limited

Xeinadin Audit Limited
Reporting Accountant
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Date: 11/12/23

Statement of Financial Activities
for the Year Ended 31 August 2023

				31.8.23	31.8.22
		Unrestricted funds	Restricted General funds	Restricted Fixed Asset fund	
	Notes	£	£	£	
				Total funds	Total funds
		£		£	£
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	3	548	-	467,129	59,533
Charitable activities					
Funding for the academy's educational operations	4	526,051	7,094,321	-	6,734,436
Other trading activities	5	13,940	-	-	23,497
Investment income	6	8,078	-	-	175
Other income		21,246	-	-	28,398
Total		569,863	7,094,321	467,129	6,846,039
EXPENDITURE ON					
Charitable activities					
Academy's educational operations	8	490,896	7,065,315	567,324	7,687,351
Total		490,896	7,065,315	567,324	7,687,351
NET INCOME/(EXPENDITURE)					
Transfers between funds	18	78,967 (639,053)	29,006 -	(100,195) 639,053	7,778 -
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		-	553,000	-	3,063,000
Net movement in funds		(560,086)	582,006	538,858	2,221,688
RECONCILIATION OF FUNDS					
Total funds brought forward		770,200	(45,543)	22,967,363	21,470,332
TOTAL FUNDS CARRIED FORWARD		210,114	536,463	23,506,221	23,692,020

The notes form part of these financial statements

Kings Langley School

Balance Sheet
31 August 2023

				31.8.23	31.8.22
		Unrestricted	Restricted	Restricted	
		funds	General	Fixed	
		£	funds	Asset	
	Notes	£	£	fund	
				£	Total
					funds
					£
FIXED ASSETS					
Tangible assets	14	-	-	23,506,221	23,506,221
					22,967,363
CURRENT ASSETS					
Debtors	15	12,426	256,405	-	268,831
Cash at bank		197,688	759,932	-	957,620
		<u>210,114</u>	<u>1,016,337</u>	<u>-</u>	<u>1,226,451</u>
					2,271,990
CREDITORS					
Amounts falling due within one year	16	-	(635,874)	-	(635,874)
		<u>-</u>	<u>(635,874)</u>	<u>-</u>	<u>(1,207,333)</u>
NET CURRENT ASSETS		<u>210,114</u>	<u>380,463</u>	<u>-</u>	<u>590,577</u>
					1,064,657
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>210,114</u>	<u>380,463</u>	<u>23,506,221</u>	<u>24,096,798</u>
					24,032,020
PENSION ASSET/(LIABILITY)	19	-	156,000	-	156,000
		<u>-</u>	<u>156,000</u>	<u>-</u>	<u>(340,000)</u>
NET ASSETS		<u>210,114</u>	<u>536,463</u>	<u>23,506,221</u>	<u>24,252,798</u>
					23,692,020

The notes form part of these financial statements

Balance Sheet - continued

31 August 2023

FUNDS

18

Restricted funds:

General Annual Grant (GAG)	376,463	290,457
Pupil premium	4,000	4,000
Pension reserve	156,000	(340,000)
Restricted fixed asset funds	23,506,221	22,967,363
	<u>24,042,684</u>	<u>22,921,820</u>

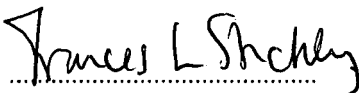
Unrestricted funds:

General fund	201,397	749,858
Fund account	8,717	20,342
	<u>210,114</u>	<u>770,200</u>

TOTAL FUNDS

24,252,798 23,692,020

The financial statements were approved by the Board of Trustees and authorised for issue on 11/12/23 and were signed on its behalf by:



F Stickley - Trustee

Cash Flow Statement
for the Year Ended 31 August 2023

	Notes	31.8.23 £	31.8.22 £
Cash flows from operating activities			
Cash generated from operations	24	(65,356)	331,343
Net cash (used in)/provided by operating activities		(65,356)	331,343
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,106,182)	(75,231)
Capital grants from DfE/EFA		94,266	431,876
Interest received		8,078	175
Net cash (used in)/provided by investing activities		(1,003,838)	356,820
Change in cash and cash equivalents in the reporting period		(1,069,194)	688,163
Cash and cash equivalents at the beginning of the reporting period		2,026,814	1,338,651
Cash and cash equivalents at the end of the reporting period		957,620	2,026,814

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Kings Langley School meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised 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.

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

1. ACCOUNTING POLICIES - continued

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

The academy acts as an agent in distributing funds from Hertfordshire County Council. Payments from Hertfordshire County Council and subsequent disbursements to partnership schools are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. A 20% uplift is included in the funding to support the management role and this is recognised in the Statement of Financial Activities.

The academy also acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

Other income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- 2% on cost
Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

The academy trust is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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.

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Pfi arrangement

The buildings used by Kings Langley school were completed during the 2016-17 year under a Private Finance Initiative (PFI) contract. The Academy Trust entered into an arrangement which stipulates that the Academy Trust will pay a monthly contribution towards maintenance. The PFI arrangement is due to end of 9 November 2041.

PFI Payments

The Payments made in respect of the PFI arrangement charge is therefore expensed in the Statement of Financial Activities in the period to which they relate.

The Trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with the Education and Skills Funding Agency, thus the future payments are disclosed as commitments and not recognised as a liability.

Land and buildings

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

1. ACCOUNTING POLICIES - continued

Pfi arrangement

As the Academy Trust takes on the risks and rewards associated with the land and buildings, including the long term maintenance of the property once the PFI contract has ended, the land and buildings are capitalised within fixed assets on the Academy Trust's balance sheet at valuation on completion. The Freehold property is depreciated as disclosed in the notes.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments 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 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. DONATIONS AND CAPITAL GRANTS

	31.8.23	31.8.22
	£	£
Donations	548	520
Grants	467,129	59,013
	<u>467,677</u>	<u>59,533</u>

Grants received, included in the above, are as follows:

	31.8.23	31.8.22
	£	£
DfE Capital Grants: Devolved Formula	66,134	22,624
Non-govt capital grants	36,384	1,000
Local authority capital grants	364,611	35,389
	<u>467,129</u>	<u>59,013</u>

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	6,177,527	6,177,527	5,862,139
Other DfE/EFSA grant				
Pupil Premium	-	189,058	189,058	161,518
Rates Relief	-	40,632	40,632	44,312
Other DfE/EFSA grants	-	419,042	419,042	134,796
	-	6,826,259	6,826,259	6,202,765
Other Government grant				
Other Local Authority grants	-	268,062	268,062	86,620
COVID-19 additional funding				
Covid Mass Testing	-	-	-	19,103
Other income from the academy trust's educational operations	526,051	-	526,051	425,948
	526,051	7,094,321	7,620,372	6,734,436

5. OTHER TRADING ACTIVITIES

	31.8.23 £	31.8.22 £
Hire of facilities	13,940	23,497

6. INVESTMENT INCOME

	31.8.23 £	31.8.22 £
Deposit account interest	8,078	175

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

7. EXPENDITURE

	Non-pay expenditure			31.8.23	31.8.22
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	5,174,784	-	1,068,474	6,243,258	5,572,890
Allocated support costs	525,050	862,369	492,858	1,880,277	2,114,461
	<u>5,699,834</u>	<u>862,369</u>	<u>1,561,332</u>	<u>8,123,535</u>	<u>7,687,351</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.23 £	31.8.22 £
The auditing of accounts of any associate of the charity	7,500	4,500
Audit-related assurance services	1,650	1,650
Internal audit services	850	1,499
Other non-audit services	1,724	3,850
Depreciation - owned assets	567,324	570,340
Other operating leases	<u>24,592</u>	<u>32,772</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Direct costs	490,896	5,752,362	6,243,258	5,572,890
Support costs	-	1,880,277	1,880,277	2,114,461
	<u>490,896</u>	<u>7,632,639</u>	<u>8,123,535</u>	<u>7,687,351</u>

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

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.23	31.8.22
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	525,050	825,207
Depreciation	60,516	63,849
Technology costs	76,878	76,056
Premises costs	862,369	809,855
Other support costs	343,740	327,995
Governance costs	11,724	11,499
	<hr/>	<hr/>
Total support costs	1,880,277	2,114,461
	<hr/> <hr/>	<hr/> <hr/>

9. STAFF COSTS

	31.8.23	31.8.22
	£	£
Wages and salaries	4,032,486	3,797,199
Social security costs	430,558	413,416
Operating costs of defined benefit pension schemes	952,777	1,210,194
Apprenticeship levy	6,380	4,939
	<hr/>	<hr/>
	5,422,201	5,425,748
Supply teacher costs	277,633	76,547
	<hr/>	<hr/>
	5,699,834	5,502,295
	<hr/> <hr/>	<hr/> <hr/>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.23	31.8.22
Teaching	56	57
Administration and support	78	71
Management	11	8
	<hr/>	<hr/>
	145	136
	<hr/> <hr/>	<hr/> <hr/>

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

9. STAFF COSTS - continued

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

	31.8.23	31.8.22
£60,001 - £70,000	4	3
£70,001 - £80,000	3	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
	<u>9</u>	<u>6</u>

10. KEY MANAGEMENT PERSONNEL

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,039,897 (2022: £776,667).

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees 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 trustees' remuneration and other benefits was as follows:

D Fisher (Head Teacher):

Remuneration £105,001 - £110,000 (2022: £100,001 - £105,000)

Employer's pension contributions paid £20,001 - £25,000 (2022: £20,001 - £25,000)

During the year ended 31 August 2023, no expenses were reimbursed or paid directly to trustees (2022: £NIL).

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

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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 trustees and officers indemnity element from the overall cost of the RPA scheme.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	520	-	59,013	59,533
Charitable activities				
Funding for the academy's educational operations	425,948	6,308,488	-	6,734,436
Other trading activities	23,497	-	-	23,497
Investment income	175	-	-	175
Other income	28,398	-	-	28,398
Total	478,538	6,308,488	59,013	6,846,039
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	419,055	6,697,956	570,340	7,687,351
Total	419,055	6,697,956	570,340	7,687,351
NET INCOME/(EXPENDITURE)	59,483	(389,468)	(511,327)	(841,312)
Transfers between funds	(16,218)	-	16,218	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	3,063,000	-	3,063,000
Net movement in funds	43,265	2,673,532	(495,109)	2,221,688
RECONCILIATION OF FUNDS				
Total funds brought forward	726,935	(2,719,075)	23,462,472	21,470,332
TOTAL FUNDS CARRIED FORWARD	770,200	(45,543)	22,967,363	23,692,020

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

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Totals £
COST					
At 1 September 2022	25,332,127	348,844	798,550	37,369	26,516,890
Additions	-	101,682	44,780	959,720	1,106,182
At 31 August 2023	25,332,127	450,526	843,330	997,089	27,623,072
DEPRECIATION					
At 1 September 2022	2,461,242	324,725	763,560	-	3,549,527
Charge for year	506,808	22,765	37,751	-	567,324
At 31 August 2023	2,968,050	347,490	801,311	-	4,116,851
NET BOOK VALUE					
At 31 August 2023	22,364,077	103,036	42,019	997,089	23,506,221
At 31 August 2022	22,870,885	24,119	34,990	37,369	22,967,363

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23 £	31.8.22 £
Trade debtors	68,868	65,855
VAT	167,079	63,130
Accruals	6,000	23,550
Prepayments	26,884	92,641
	<u>268,831</u>	<u>245,176</u>

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

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade creditors	3,990	47,733
Social security and other taxes	105,797	105,797
Pension creditor	107,382	105,024
Deferred income	138,600	801,134
Accrued expenses	280,105	147,645
	635,874	1,207,333

17. MEMBERS' LIABILITY

Each member of the academy trust undertakes to contribute to the assets of the 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 cease to be a member.

18. MOVEMENT IN FUNDS

	At 1.9.22	Net movement in funds	Transfers between funds	At 31.8.23
	£	£	£	£
Restricted general funds				
General Annual Grant (GAG)	290,457	86,006	-	376,463
Pupil premium	4,000	-	-	4,000
Pension reserve	(340,000)	496,000	-	156,000
	(45,543)	582,006	-	536,463
Restricted fixed asset fund				
Restricted fixed asset funds	22,967,363	(100,195)	639,053	23,506,221
Total restricted funds	22,921,820	481,811	639,053	24,042,684
Unrestricted funds				
General fund	749,858	90,592	(639,053)	201,397
Fund account	20,342	(11,625)	-	8,717
	770,200	78,967	(639,053)	210,114
TOTAL FUNDS	23,692,020	560,778	-	24,252,798

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

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	6,277,133	(6,191,127)	-	86,006
Pupil premium	189,058	(189,058)	-	-
Rates relief	40,632	(40,632)	-	-
Other Government funding	587,498	(587,498)	-	-
Pension reserve	-	(57,000)	553,000	496,000
	<u>7,094,321</u>	<u>(7,065,315)</u>	<u>553,000</u>	<u>582,006</u>
Restricted fixed asset fund				
Restricted fixed asset funds	467,129	(567,324)	-	(100,195)
	<u>467,129</u>	<u>(567,324)</u>	<u>-</u>	<u>(100,195)</u>
Total restricted funds	<u>7,561,450</u>	<u>(7,632,639)</u>	<u>553,000</u>	<u>481,811</u>
Unrestricted funds				
General fund	548,617	(458,025)	-	90,592
Fund account	21,246	(32,871)	-	(11,625)
	<u>569,863</u>	<u>(490,896)</u>	<u>-</u>	<u>78,967</u>
TOTAL FUNDS	<u>8,131,313</u>	<u>(8,123,535)</u>	<u>553,000</u>	<u>560,778</u>

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

18. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Restricted general funds				
General Annual Grant (GAG)	267,313	23,144	-	290,457
Pupil premium	6,612	(2,612)	-	4,000
Pension reserve	(2,993,000)	2,653,000	-	(340,000)
	<u>(2,719,075)</u>	<u>2,673,532</u>	<u>-</u>	<u>(45,543)</u>
Restricted fixed asset fund				
Restricted fixed asset funds	<u>23,462,472</u>	<u>(511,327)</u>	<u>16,218</u>	<u>22,967,363</u>
Total restricted funds	<u>20,743,397</u>	<u>2,162,205</u>	<u>16,218</u>	<u>22,921,820</u>
Unrestricted funds				
General fund	701,634	64,442	(16,218)	749,858
Fund account	<u>25,301</u>	<u>(4,959)</u>	<u>-</u>	<u>20,342</u>
	<u>726,935</u>	<u>59,483</u>	<u>(16,218)</u>	<u>770,200</u>
TOTAL FUNDS	<u>21,470,332</u>	<u>2,221,688</u>	<u>-</u>	<u>23,692,020</u>

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

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	5,862,139	(5,838,995)	-	23,144
Pupil premium	161,518	(164,130)	-	(2,612)
Rates relief	44,312	(44,312)	-	-
Other Government funding	240,519	(240,519)	-	-
Pension reserve	-	(410,000)	3,063,000	2,653,000
	<u>6,308,488</u>	<u>(6,697,956)</u>	<u>3,063,000</u>	<u>2,673,532</u>
Restricted fixed asset fund				
Restricted fixed asset funds	59,013	(570,340)	-	(511,327)
	<u>59,013</u>	<u>(570,340)</u>	<u>-</u>	<u>(511,327)</u>
Total restricted funds	<u>6,367,501</u>	<u>(7,268,296)</u>	<u>3,063,000</u>	<u>2,162,205</u>
Unrestricted funds				
General fund	450,140	(385,698)	-	64,442
Fund account	28,398	(33,357)	-	(4,959)
	<u>478,538</u>	<u>(419,055)</u>	<u>-</u>	<u>59,483</u>
TOTAL FUNDS	<u>6,846,039</u>	<u>(7,687,351)</u>	<u>3,063,000</u>	<u>2,221,688</u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

The Pupil Premium fund is for allocation of funding to schools with pupils that come from low income families and are known to be eligible for free school meals.

The Other ESFA fund is for allocation of funding to schools from the ESFA that is separate from the General Annual Grant (GAG) funding.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and through which all the pension scheme movements are recognised.

19. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £107,382 were payable to the schemes at 31 August 2023 (2022 - £105,024) and are included within creditors.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in 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.

19. PENSION AND SIMILAR OBLIGATIONS - 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. The 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 2024.

The employer's pension costs paid to TPS in the period amounted to £726,138 (2022 - £686,987).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £291,000 (2022: £279,000), of which employer's contributions totalled £227,000 (2022: £218,000) and employees' contributions totalled £64,000 (2022: £61,000). The agreed contribution rates for future years are 22.10 per cent for employers and from 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minutes published on GOV.UK.

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Current service cost	269,000	576,000
Net interest from net defined benefit asset/liability	15,000	52,000
Past service cost	-	-
	<u>284,000</u>	<u>628,000</u>
Actual return on plan assets	<u>166,000</u>	<u>65,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening defined benefit obligation	4,130,000	6,814,000
Current service cost	269,000	576,000
Contributions by scheme participants	64,000	61,000
Interest cost	181,000	117,000
Benefits paid	(67,000)	(60,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(150,000)	(21,000)
Actuarial (gains)/losses from changes in financial assumptions	(1,011,000)	(3,369,000)
Oblig other remeasurement	499,000	12,000
	<u>3,915,000</u>	<u>4,130,000</u>

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening fair value of scheme assets	3,790,000	3,821,000
Contributions by employer	227,000	218,000
Contributions by scheme participants	64,000	61,000
Expected return	166,000	65,000
Benefits paid	(67,000)	(60,000)
Remeasurements:		
Return on plan assets (excluding interest income)	(280,000)	(315,000)
Assets other remeasurement	171,000	-
	4,071,000	3,790,000

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	150,000	21,000
Actuarial (gains)/losses from changes in financial assumptions	1,011,000	3,369,000
Oblig other remeasurement	(499,000)	(12,000)
Return on plan assets (excluding interest income)	(280,000)	(315,000)
Assets other remeasurement	171,000	-
	553,000	3,063,000

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
Equities	51%	50%
Bonds	24%	23%
Property	14%	15%
Cash	11%	12%
	100%	100%

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.23	31.8.22
Discount rate	5.20%	4.25%
Future salary increases	3.50%	3.45%
Future pension increases	3.00%	3.05%

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

Retiring today		
Males	20.9	21.9
Females	24.7	24.4
Retiring in 20 years		
Males	21.7	22.9
Females	25.8	26

Sensitivity analysis

	31.8.23	31.8.22
	£	£
Discount rate +0.1%	(89,000)	(99,000)
Discount rate -0.1%	89,000	99,000
Mortality assumption - 1 year increase	157,000	165,000
Mortality assumption - 1 year decrease	(157,000)	(165,000)
CPI rate +0.1%	85,000	93,000
CPI rate -0.1%	(85,000)	(93,000)

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

20. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.23	31.8.22
	£	£
Within one year	29,424	29,985
Between one and five years	82,347	109,880
	<hr/>	<hr/>
	111,771	139,865
	<hr/>	<hr/>

Minimum lease payments under other contractual commitments fall due as follows:

	31.8.23	31.8.22
	£	£
Within one year	132,386	129,157
Between one and five years	563,478	549,735
In more than five years	2,306,941	2,453,070
	<hr/>	<hr/>
	3,002,805	3,131,962
	<hr/>	<hr/>

As noted in the accounting policies, the new school build was constructed under a Private Finance Initiative (PFI) agreement.

The PFI arrangement commitments as disclosed above relate to the amounts payable to Education and Skills Funding Agency as the school's contribution to the PFI contract payments.

The commitment under the agreement is based on estimated RPI figures for the monthly contributions. The payment will increase by RPI for the remainder of the PFI contract which expires on 9 November 2041.

The trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with Education and Skills Funding agency, thus the future payments are disclosed as commitments and not recognised as a liability.

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

21. OTHER FINANCIAL COMMITMENTS

At 31 August 2023 the academy had annual commitments under contracts held totalling £243,247 (2022: £292,774)

22. RELATED PARTY DISCLOSURES

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

23. AGENCY ARRANGEMENTS

The Academy Trust distributes funds as an agent for the local council. For the year ended 31 August 2023 the Academy Trust received £391,032 (2022: £446,583) and distributed £408,422 (2022: £452,871). An amount of £103,037 (2022: £120,427) is included in other creditors.

24. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.23 £	31.8.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	7,778	(841,312)
Adjustments for:		
Depreciation charges	567,324	570,340
Capital grants from DfE/ESFA	(94,266)	(431,876)
Interest received	(8,078)	(175)
Increase in debtors	(23,655)	(27,061)
(Decrease)/increase in creditors	(571,459)	651,427
Difference between pension charge and cash contributions	57,000	410,000
Net cash (used in)/provided by operations	(65,356)	331,343

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	2,026,814	(1,069,194)	957,620
	<u>2,026,814</u>	<u>(1,069,194)</u>	<u>957,620</u>
Total	2,026,814	(1,069,194)	957,620

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

25. ANALYSIS OF CHANGES IN NET FUNDS - continued

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**Detailed Statement of Financial Activities
for the Year Ended 31 August 2023**

	31.8.23	31.8.22
	£	£
INCOME AND ENDOWMENTS		
Donations and capital grants		
Donations	548	520
Grants	467,129	59,013
	467,677	59,533
Other trading activities		
Hire of facilities	13,940	23,497
Investment income		
Deposit account interest	8,078	175
Charitable activities		
Other income	526,051	425,948
Grants	7,094,321	6,308,488
	7,620,372	6,734,436
Other income		
School fund income	21,246	28,398
Total incoming resources	8,131,313	6,846,039
EXPENDITURE		
Charitable activities		
Trustees' salaries	782,724	728,254
Trustees' social security	94,994	96,607
Trustees' pension contributions	184,639	165,207
Wages	2,870,273	2,704,853
Social security	306,715	288,379
Pensions	651,426	612,302
Supply teacher costs	277,633	76,547
Apprenticeship levy	6,380	4,939
Technology costs	27,211	21,733
Educational supplies	372,681	290,272
Examination fees	106,373	88,485
Staff development	71,313	76,257
Carried forward	5,752,362	5,153,835

Detailed Statement of Financial Activities
for the Year Ended 31 August 2023

	31.8.23 £	31.8.22 £
Charitable activities		
Brought forward	5,752,362	5,153,835
Goods and services	458,025	386,866
School fund expenditure	32,871	32,189
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	6,243,258	5,572,890
Support costs		
Management		
Wages	379,489	364,092
Social security	28,849	28,430
Pensions	116,712	432,685
Other operating leases	24,592	32,772
Technology costs	76,878	76,056
Recruitment and support	50,050	11,288
Maintenance of premises and equipment	58,206	55,947
Cleaning	158,350	108,553
Rent and rates	43,165	45,552
Energy costs	92,263	89,339
Insurance	25,525	24,575
Security and transport	3,577	3,973
Long leasehold	506,808	506,491
Fixtures and fittings	22,765	14,970
Computer equipment	37,751	48,879
Expected return on pension scheme assets	(166,000)	(65,000)
Interest on pension scheme liabilities	181,000	117,000
Other costs	228,573	207,360
	<hr/>	<hr/>
	1,868,553	2,102,962
Governance costs		
Auditors' remuneration for non audit work	11,724	11,499
	<hr/>	<hr/>
Total resources expended	8,123,535	7,687,351
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Net income/(expenditure)	7,778	(841,312)
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