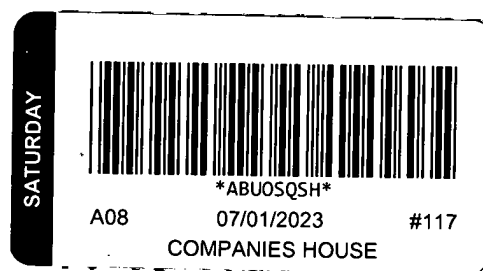


Company Registration Number: 07552786 (England & Wales)

**THE KNIGHTS TEMPLAR SCHOOL**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mrs Sue Welch Mrs Cath Connelly (appointed 1 September 2021) Mr Richard Picking (appointed 11 May 2022)
<b>Trustees</b>	Mrs Susan Welch, Chair of Trustees Miss Sarah Barker, Deputy Headteacher (resigned 1 October 2021) Ms Nicky Bull, Parent Trustee (resigned 1 October 2021) Ms Pam Buckle (appointed 18 June 2022) Mrs Beth Morris, Parent Trustee Mrs Pauline Poole, Community Trustee, Vice Chair of Trustees Mr Joe Grove, Staff Trustee (resigned 1 October 2021) Mr Duncan Wardrop, Community Trustee Mrs Claire Cooper, Parent Trustee (resigned 1 October 2021) Mr David Summer, Parent Trustee Mr Mark Lynam, Community Trustee Mrs Jane Millett, Community Trustee Mrs Hayley Moore, Community Trustee (resigned 1 October 2021) Mr Andrew Sills, Acting Headteacher (appointed 1 September 2022, resigned 31 December 2021) Mr John Swift (resigned 1 October 2021) Mr Edward Hutchings, Head Teacher (appointed 1 January 2022)
<b>Company registered number</b>	07552786
<b>Company name</b>	The Knights Templar School
<b>Principal and registered office</b>	Park Street Baldock Herts SG7 6DZ
<b>Company secretary</b>	Mrs Fiona Roper
<b>Senior leadership team</b>	Edward Hutchings, Headteacher (appointed 01 January 2022) Andrew Sills, Acting Headteacher (appointed 1 September 2021 - formerly Deputy Headteacher) Sarah Barker, Deputy Headteacher John Swift, School Business Manager / Finance Director Jonathan Milne, Assistant Headteacher Joseph Sherry, Assistant Headteacher Jenny Major, Assistant Headteacher Katie Curtis, Assistant Headteacher Gill Hopkins, Head of 6th Form

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Independent auditors**      MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
3 The Lakes  
Northampton  
Northamptonshire  
NN4 7HB

**Bankers**                      Lloyds Bank PLC  
1 Bancroft  
Hitchin  
Hertfordshire  
SG5 1JG

**Solicitors**                  Michelmores Solicitors  
12th Floor  
6 New St Square  
Holborn  
London  
EC4A 3BF

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year commencing 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Baldock and its surrounding villages. It has a pupil capacity of 1,450 and had a roll of 1,416, in the school census of October 2022.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary Trustee documents of the Academy Trust. The trustees of The Knights Templar School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Knights Templar School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

**b. Members' liability**

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

**c. Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy. Details are provided in note 12 to the financial statements.

**d. Method of recruitment and appointment or election of Trustees**

Trustees are appointed in accordance with Article 50 of the Academy's Articles of Association.

The Trustee Board includes the Headteacher, as the only staff trustee, in accordance with best practice guidelines issued by the Department for Education. Up to five Community Trustees are appointed by the Trustee Board following invitation, where the school deems that person to have skills and experience that would be helpful to the school. Community Trustees hold an initial four-year term of office. Between two and five Parent Trustees are elected by the school's parents who serve four-year terms of office.

**e. Policies adopted for the induction and training of Trustees**

New Trustees undergo an induction training programme offered by Hertfordshire County Council. All Trustees are offered periodic training courses dependent on their requirements and areas of specialisation within the various sub committees.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**f. Organisational structure**

The school's day to day management is overseen by the Senior Leadership Team (SLT) made up of the Headteacher, two Deputy Headteachers, four Assistant Headteachers, the Head of 6th Form and the School Business Manager. The SLT meets weekly during term time to discuss and make decisions on current affairs of the school. These invariably involve matters relating to teaching and learning, staffing issues, pastoral care, behaviour, community, finance, premises management and health & safety.

The school has four sub committees which meet once every term: Curriculum, Assessment & Achievement; Teaching, Learning and Students Welfare Committee; Finance & Strategy and Audit & Risk committee. Each committee has its own separate terms of reference and looks at the main issues and areas of policy within its own remit.

The chairs of each of the four sub committees and the Chair of Trustees and Vice Chair, form the Finance & Strategy Committee. This is the main financial decision-making committee and is the approving authority for all transactions and contracts in excess of £20,000. The committee meets once every term after each of the sub committees have met and before the full Trustee Board committee meetings, which take place towards the end of each term.

The Trustee Board is the ultimate decision making authority of the Academy, focusing on strategic matters, issues of policy and overall implementation of the School Improvement Plan.

The School Business Manager holds the role of Finance Director of the academy and the Headteacher is the Accounting Officer.

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

Key Management personnel comprise the Trustees and the Senior Leadership Team. The Trustees are not remunerated in their capacity as Trustees.

Remuneration of Key Management Personnel is set by a panel of three Trustees comprising the Chair and two other Trustees. The pay bands set for the Senior Leadership Team are reviewed based on benchmarking with other schools of a similar size and profile in the locality.

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**THE KNIGHTS TEMPLAR SCHOOL**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-
<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	-
Total pay bill	7,239,957
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**i. Related parties and other connected charities and organisations**

The Friends of Knights Templar School is a registered charity, founded to encourage donations from parents, former students and the local community. This is an independent charity which is not controlled by the Academy although the Headteacher and School Business Manager are Trustees and declare their interest.

The Baldock Forum is an association that enables regular contact with the wider school community.

The Academy has a partnership with Emil Dale Academy, a performing arts school, to which BTEC studies in Musical Theatre are sub contracted.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and activities**

**a. Objects and aims**

The Academy aims to develop all students to be successful citizens for the 21st century through the provision of a comprehensive education with a broad and balanced curriculum. Student experience is further enhanced from a wide range of extra curricular activities on offer.

The Academy also recognises its responsibilities to the wider Baldock community and seeks to engage with all community stakeholders for mutual benefit. The school's facilities are available to the local community with a particular emphasis on sport given the school's excellent sports facilities. These include a modern sports hall, gymnasium and floodlit 3G Astroturf facility.

**b. Objectives, strategies and activities**

Our core purpose is to nurture all of our students as uniquely talented individuals and principled global citizens, maximising their academic outcomes, their personal development and their capacity to be independent autonomous learners. It is our responsibility to ensure they leave school respectful, happy, well rounded individuals who are a credit to themselves and their community.

Key school priorities in this regard are to ensure:

- Achievement practices focus on students with the greatest needs to allow them to make rapid progress
- The impact on learning for all students in all years regarding the Key Concepts and the Habits of Mind is reviewed and developed
- Processes and procedures across the school are in place to identify and minimise the impact of barriers to learning for all students in all years
- All staff and Trustees are confident in their understanding of the current school priorities and are able to explain how their role/Job contributes to achieving them

**c. Public benefit**

The Trustees have considered their obligation with regard to demonstrating identifiable benefits to a section of the public which in its case, would be to the students, parents and wider community of The Knights Templar School. By so doing the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Trustees consider that provision of this benefit is clearly evidenced by the school's good performance and reputation, measured by:

- its demonstrable success in student attainment through examination results that are consistently above national averages.
- its reputation, noted by OFSTED, in contributing to outstanding student behaviour.
- its strong community links.

The Academy is a non selective school. Admissions are based on a priority ranking system which adheres to the School Admissions Code.



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**THE KNIGHTS TEMPLAR SCHOOL**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Please see section below for our Financial Review.

**b. Going concern**

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

**c. Promoting the success of the company**

The Trustees are committed to promoting the success of the school and in doing so have regard to:

- the likely consequences of any decision in the long term
- the interest of the school's employees and students
- the need to foster the school's business relationships with suppliers, customers and others
- the impact of the school's operations on the community and the environment
- the desire of the school to maintain a reputation for high standards
- the need to act fairly as between members of the company

**Financial review**

The school continues to manage its revenue budget sustainably to ensure that a financial deficit position is avoided. Despite some unforeseen costs relating to the Covid pandemic that were not subsidised by the Department for Education, the school maintained a healthy cash position at year end.

The Academy's main source of income for the period was the General Annual Grant, received from the Department for Education, a total of £7,630,866. Other income received from the DfE included £182,768 of Pupil Premium.

A further £243,576 was received by the Academy in payment for food and beverages from the school canteen which is paid to Herts Catering as part of arrangements between the school and its contract caterer. Some £73,523 of Music Department income was received from students for music lessons. This is used to fund the related tuition costs. It is included in the special educational projects income.

Expenditure was tightly monitored through monthly management accounts and strong budgetary disciplines. Oversight of financial management is provided by the Finance & Strategy committee and the Audit & Risk committee.

GAG funding was the core funding element to the provision of education services for the year. Capital funding amounted to a total of £30,308 in the year.

Cash at bank and in hand of £956,827, adjusted for short term debtors and creditors, amounted to net funds of £641,249 at the balance sheet date.

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**THE KNIGHTS TEMPLAR SCHOOL**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

The school made provision during the year to increase the number of pastoral support staff to support students in the aftermath of the Covid-19 pandemic.

The school was unsuccessful in its bid to the Condition Improvement Fund for a large scale replacement roofing project to replace existing worn and dilapidated flat roofs. New security fencing around the school playing fields was installed from the previous year's Condition Improvement Funding award.

The key financial risk to the school relates to future government policy for school funding and whether future staff pay awards and inflationary pressures are fully funded. Robust financial management practices by Trustees and school staff will continue to provide support in maintaining financial sustainability. In addition, the risk of falling 6th Form numbers to a level where 6th Form funding allocated does not break-even with the related cost of provision is a concern, but the current levels of 6th Form students at the school is a positive factor in mitigating this risk.

**a. Reserves policy**

The levels of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves. This applies particularly to funds earmarked for future capital projects. The level of reserves will be kept under review by the Trustees.

Reserves at the end of the year to 31 August 2022 were £23,165,150 comprising £56,362 of restricted general funds, £81,016 of unrestricted general funds, £23,588,772 of restricted fixed asset funds and a pension deficit of £561,000.

The deficit on the pension reserve relates to the non teaching staff pension scheme (Local Government Pension Scheme) where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Plans are in place to reduce the pension deficit. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent approximately 1/6th of one month's worth of Academy educational expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

At 31 August 2022 the total funds comprised:

Unrestricted		81,016
Restricted:	Fixed asset funds	23,588,772
	Pension reserve	(561,000)
	Other	56,362
		<hr/>
		23,165,150
		=====

**b. Investment policy**

A formal investment policy has been approved by the Trustee Board and allows for cash surpluses to be placed on short term deposit with Lloyds Bank.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**c. Principal risks and uncertainties**

The principal risks facing the Academy are:

Reputational risk - mitigated by:

- strong demand for places at the school from catchment area and beyond.
- consistently good examination results that are above national averages.
- strong community links as the only secondary school in Baldock.
- experienced and professional staff, all trained in safeguarding of children.
- "Good" OFSTED judgment from September 2017.
- a stable Trustee Board and Senior Leadership Team with an established track record.

Risks from failing infrastructure and accommodation (e.g leaking roofs, faulty boilers etc.) - mitigated by:

- the development of new school buildings under a whole school Redevelopment Plan.
- tried and tested policies and procedures in place that are regularly reviewed.
- adequate insurance cover in place through government RPA scheme.
- a Business Continuity Plan.

Financial Risk:

The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unfunded increases in staff and non-staff costs and unfunded major capital repairs. The risks presented here are mitigated by:

- Strong demand for school places at Key Stages 3 and 4 and marketing efforts continue to improve student numbers in Key Stage 5 uptake.
- Curriculum review will address reduction in central government funding and reserves will cushion the immediate impact of these cuts.
- Contingency funding in place for costs of teaching staff absences.
- Unbudgeted major capital repairs could be funded by the Academies Condition Improvement Fund or emergency support requested from ESFA.

Risks associated with personnel - mitigated by:

- Strong track record for quality staff recruitment given school's good reputation.
- Recruitment process is rigorous to ensure best available staff are recruited.
- Performance management and HR systems in place to monitor staff and ensure best possible performance output from all staff.

The Academy manages risks through its Trustee Board and the constituted sub committees. Any major risks highlighted at any sub committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Trustee Board accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trustee Board collectively, whilst more minor risks are dealt with by the Senior Leadership Team.

**Fundraising**

The school continues to benefit from donations from Friends of Knights Templar School, a registered charity set up by the parent community to raise money for school projects.

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Plans for future periods**

Future plans are to focus on the provision of a top-quality education for our students in line with the School Improvement Plan, despite on-going business interruption threats from the current Covid-19 pandemic. Further development work on the "School At Home" programme will ensure that students continue to receive lessons remotely should there be further school closures or if students are required to isolate at home. The health and safety of the school site will continue to be a top priority during the pandemic. The school will continue to bid for improvements to the school site through the government's Condition Improvement Fund.

**Funds held as custodian on behalf of others**

See note 28 for agency arrangements.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

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

  
.....  
**Mrs Susan Welch**  
Chair of Trustees

Date: 8 DEC 2022

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**

---

**Scope of responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that The Knights Templar 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 or loss.

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

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

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

Trustee	Meetings attended	Out of a possible
Mrs Susan Welch, Chair of Trustees	5	5
Ms Pam Buckle, (appointed 18 June 2022)	1	1
Mr Mark Lynam	4	5
Mrs Beth Morris, Parent Trustee	5	5
Mrs Pauline Poole, Community Trustee, Vice Chair of Trustees	5	5
Mr Andrew Sills, Acting Headteacher (appointed 01 September 2021, resigned 31 December 2021)	2	2
Mr Duncan Wardrop, Community Trustee	5	5
Mrs Hayley Moore, (resigned 01 October 2021)	0	0
Mr David Summer, Parent Trustee	5	5
Mrs Jane Millett, Community Trustee	5	5
Mr Edward Hutchings, Head Teacher (appointed 01 January 2022)	4	4

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**THE KNIGHTS TEMPLAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The finance and general purposes committee is a sub-committee of the main Board of Trustees. Its purpose is to have oversight of all financial and strategic matters relating to the Academy and to approve transactions / contracts in excess of £20,000 in accordance with Academy's Financial Procedures Manual.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Edward Hutchings (appointed 1 January 2022)	2	2
Mr Duncan Wardrop	1	3
Mrs Beth Morris	3	3
Mrs Pauline Poole	3	3
Mr Andrew Sills, Acting Headteacher (appointed 01 September 2021, resigned 31 December 2021)	1	1
Mrs Susan Welch	3	3

The **Curriculum, Assessment and Achievement** Committee is a sub-committee of the main board of Trustees. It is responsible for monitoring the content and breadth of the curriculum and ensuring that this meets the needs of students. In addition, they monitor the way students are assessed for their learning and what levels of achievement are reached.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
Mr Edward Hutchings, Headteacher (appointed 01 January 2022)	2	2
Mrs Jane Millett	2	3
Mr Andrew Sills, Acting Headteacher (appointed 01 September 2021, resigned 31 December 2021)	1	1
Mr David Summer	2	3
Mrs Beth Morris	2	3
Mrs Pauline Poole	3	3
Mrs Susan Welch	0	3

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**THE KNIGHTS TEMPLAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

The **Teaching, Learning and Student Welfare Committee** is a sub-committee of the main board of Trustees. Its purpose is to ensure that teaching and learning standards are maintained to the highest possible level and addresses issues of general student wellbeing.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
Mr Edward Hutchings, Headteacher (appointed 01 January 2022)	2	2
Mr Paul Barnett	3	3
Mr Andrew Sills, Acting Headteacher (appointed 01 September 2021, resigned 31 December 2021)	1	1
Mrs Hayley Moore, (resigned 01 October 2021)	1	1
Mrs Pauline Poole	3	3
Mr Duncan Wardrop	3	3
Mrs Susan Welch	3	3

The **Audit and Risk Committee** is a sub-committee of the main board of trustees. Its purpose is to comply with the need for internal scrutiny of the academy's finances through engagement with a third-party audit provider. Herts for Learning provide this service and visit the school termly to produce an internal audit report for the Audit & Risk committee.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
Mr Edward Hutchings, Headteacher (appointed 01 January 2022)	2	3
Mr Mark Lynam	3	4
Mrs Pauline Poole	4	4
Mr Duncan Wardrop	3	4
Mrs Susan Welch	4	4

**Conflicts of interest**

Conflicts of interest are managed through the annual request for Trustees and Key Management Personnel to complete related parties questionnaires.

**Meetings**

The Board of Trustees meets termly to ensure a minimum of three meetings each year. Sub-committees similarly meet at least termly.

**Governance reviews:**

Trustees conduct an annual skills appraisal to ensure that the Board is suitably represented with the necessary professional skills to oversee the running of the Academy.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustee Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- ensuring the school's financial procedures are closely adhered to, including the requirement to tender for goods and services as appropriate.
- conducting a curriculum efficiency review to ensure staffing costs are aligned to meet the teaching and learning priorities of the school.
- ensuring rigorous financial monitoring using monthly management accounts.
- arranging for the school's internal auditor to carry out a series of internal audit reports each term and report these to the Audit & Risk committee.
- Conducting an efficiency review of the current support staff structure.

**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 The Knights Templar School for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

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



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**THE KNIGHTS TEMPLAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

---

**The risk and control framework (continued)**

The Board of Trustees has decided not to appoint an internal auditor. However, the Governing Body have appointed Herts for learning, the external scrutineer, to perform additional checks.

The internal scrutineer 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:

- Month end procedures and financial reporting
- Sales to receipt process
- Budget setting and monitor review

On a termly basis, the internal scrutineer reports to the Board of Trustees, through the Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor/reviewer prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**Review of effectiveness**

As accounting officer, the 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 scrutineer;
- 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 framework;
- the work of the external auditor;
- correspondence from ESFA

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

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

  
.....  
**Susan Welch**  
Chair of Trustees

  
.....  
**Edward Hutchings**  
Headteacher

Date: 8 Dec 2022

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Knights Templar 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 received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

I confirm that the following 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.

**Matter 1 – Monitoring the budget – Management accounts**

During the year, the Academy Trust failed to comply with section 2.21 of the Academy Trust Handbook in respect of including all the required information in the management accounts. The monthly management accounts were prepared throughout the year ended 31 August 2022; however they did not include the necessary requirement of cash flows, although this information would be available by the monthly monitoring of the cash position.

**Matter 2 – Monitoring the budget - Management accounts to Trustees**

During the year, the Academy Trust failed to comply with section 2.19 of the Academy Trust Handbook in respect of sharing the management accounts with the chair of trustees every month and the other trustees six times a year.

It was noted by the academy trust that the chair of trustees would see the management accounts in person every month, however there is no documentation to support this.

It was also noted that the management accounts were only shared with the other trustees 3 times a year, as the management accounts review had been taken out of the general meetings and only reviewed within the finance meetings.

**Matter 3 – External audit oversight**

During the year, the Academy Trust failed to comply with section 4.17 of the Academy Trust Handbook in respect of minuting the consideration of reappointment of the auditors along with the basis of the decision made.

**Matter 4 – Oversight of the risk register**

During the year, the Academy Trust failed to comply with section 2.38 of the Academy Trust Handbook in respect of minuting the annual review of the risk report with the board of Trustees.

**Matter 5 – Control framework**

During the last 5 months of the year, the Academy Trust failed to comply with section 2.7 of the Academy Trust Handbook in respect of documenting their review of monthly trade debtors and trade creditors reconciliations. It was confirmed that the signed reviews stopped in April 2022 after their movements onto the new accounting software 'Access'.

**Matter 6 – Procurement**

During the year, the Academy Trust failed to comply with section 2.28 of the Academy Trust Handbook in respect of following tendering procedures. One of the larger tenders (£13,346) of the academy trust only had one quote obtained due to the urgency and need for the purchase.

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THE KNIGHTS TEMPLAR SCHOOL  
(A Company Limited by Guarantee)

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE (CONTINUED)

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.....  
Mr Edward Hutchings  
Accounting Officer

Date: 8/12/22

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

  
.....  
**Mrs Susan Welch**  
Chair of Trustees

Date: 8 Dec 2022

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
KNIGHTS TEMPLAR SCHOOL**

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**Opinion**

We have audited the financial statements of The Knights Templar School (the 'Academy') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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'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.

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
KNIGHTS TEMPLAR SCHOOL (CONTINUED)**

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**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report (incorporating the Strategic report and the Directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic report and the Directors report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KNIGHTS TEMPLAR SCHOOL (CONTINUED)**

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**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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'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 or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
KNIGHTS TEMPLAR SCHOOL (CONTINUED)**

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**Use of our report**

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



**Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)**  
for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors  
Northampton

Date: 13 December 2022



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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
KNIGHTS TEMPLAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 August 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Knights Templar School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Knights Templar School's Accounting Officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Knights Templar School's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the Minutes of meetings of the Governing Board and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- Testing a sample of payroll payments to staff;
- Consideration of governance issues; and
- Evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
KNIGHTS TEMPLAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

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**Conclusion**

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Matter 1 – Monitoring the budget – Management accounts**

During the year, the Academy Trust failed to comply with section 2.21 of the Academy Trust Handbook in respect of including all the required information in the management accounts. The monthly management accounts were prepared throughout the year ended 31 August 2022; however they did not include the necessary requirement of cash flows, although this information would be available by the monthly monitoring of the cash position.

**Matter 2 – Monitoring the budget - Management accounts to Trustees**

During the year, the Academy Trust failed to comply with section 2.19 of the Academy Trust Handbook in respect of sharing the management accounts with the chair of trustees every month and the other trustees six times a year.

It was noted by the academy trust that the chair of trustees would see the management accounts in person every month, however there is no documentation to support this.

It was also noted that the management accounts were only shared with the other trustees 3 times a year, as the management accounts review had been taken out of the general meetings and only reviewed within the finance meetings.

**Matter 3 – External audit oversight**

During the year, the Academy Trust failed to comply with section 4.17 of the Academy Trust Handbook in respect of minuting the consideration of reappointment of the auditors along with the basis of the decision made.

**Matter 4 – Oversight of the risk register**

During the year, the Academy Trust failed to comply with section 2.38 of the Academy Trust Handbook in respect of minuting the annual review of the risk report with the board of Trustees.

**Matter 5 – Control framework**

During the last 5 months of the year, the Academy Trust failed to comply with section 2.7 of the Academy Trust Handbook in respect of documenting their review of monthly trade debtors and trade creditors reconciliations. It was confirmed that the signed reviews stopped in April 2022 after their movements onto the new accounting software 'Access'.

**Matter 6 – Procurement**

During the year, the Academy Trust failed to comply with section 2.28 of the Academy Trust Handbook in respect of following tendering procedures. One of the larger tenders (£13,346) of the academy trust only had one quote obtained due to the urgency and need for the purchase.

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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

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*MHA MacIntyre Hudson*

**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors  
Northampton

Date: 13 December 2022

**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	4,100	-	30,308	34,408	213,830
Other trading activities	5	69,833	20,460	-	90,293	44,200
Investments	6	155	-	-	155	135
Charitable activities		7,907	8,750,789	-	8,758,696	8,270,835
<b>Total income</b>		<b>81,995</b>	<b>8,771,249</b>	<b>30,308</b>	<b>8,883,552</b>	<b>8,529,000</b>
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	9,295
Charitable activities		183,233	9,190,561	511,467	9,885,261	8,932,018
<b>Total expenditure</b>	7	<b>183,233</b>	<b>9,190,561</b>	<b>511,467</b>	<b>9,885,261</b>	<b>8,941,313</b>
<b>Net income/ (expenditure)</b>		<b>(101,238)</b>	<b>(419,312)</b>	<b>(481,159)</b>	<b>(1,001,709)</b>	<b>(412,313)</b>
Transfers between funds	17	-	(178,755)	178,755	-	-
<b>Net movement in funds before other recognised losses</b>		<b>(101,238)</b>	<b>(598,067)</b>	<b>(302,404)</b>	<b>(1,001,709)</b>	<b>(412,313)</b>
<b>Other recognised losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	4,522,000	-	4,522,000	(1,041,000)
<b>Net movement in funds</b>		<b>(101,238)</b>	<b>3,923,933</b>	<b>(302,404)</b>	<b>3,520,291</b>	<b>(1,453,313)</b>

**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	182,254	(4,428,571)	23,891,176	19,644,859	21,098,172
Net movement in funds	(101,238)	3,923,933	(302,404)	3,520,291	(1,453,313)
<b>Total funds carried forward</b>	<b>81,016</b>	<b>(504,638)</b>	<b>23,588,772</b>	<b>23,165,150</b>	<b>19,644,859</b>

The notes on pages 31 to 59 form part of these financial statements.

**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07552786**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2022 £</b>	<b>2021 £</b>	<b>2021 £</b>
<b>Fixed assets</b>					
Tangible assets	13		<b>23,143,969</b>		23,507,181
<b>Current assets</b>					
Debtors	14	<b>265,834</b>		317,599	
Cash at bank and in hand	22,23	<b>956,827</b>		1,010,406	
		<b>1,222,661</b>		<b>1,328,005</b>	
Creditors: amounts falling due within one year	15	<b>(581,412)</b>		<b>(543,910)</b>	
<b>Net current assets</b>			<b>641,249</b>		784,095
<b>Total assets less current liabilities</b>			<b>23,785,218</b>		24,291,276
Creditors: amounts falling due after more than one year	16		<b>(59,068)</b>		<b>(90,417)</b>
<b>Net assets excluding pension liability</b>			<b>23,726,150</b>		24,200,859
Defined benefit pension scheme liability	24		<b>(561,000)</b>		<b>(4,556,000)</b>
<b>Total net assets</b>			<b>23,165,150</b>		<b>19,644,859</b>

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07552786**

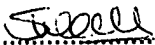
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

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	Note	2022 £	2022 £	2021 £	2021 £
<b>Funds of the Academy</b>					
<b>Restricted funds:</b>					
Fixed asset funds	17	23,588,772		23,891,176	
Restricted funds	17	56,362		127,429	
Restricted funds excluding pension asset	17	23,645,134		24,018,605	
Pension reserve	17	(561,000)		(4,556,000)	
<b>Total restricted funds</b>	17		<b>23,084,134</b>		19,462,605
<b>Unrestricted income funds</b>	17		<b>81,016</b>		182,254
<b>Total funds</b>			<b>23,165,150</b>		<b>19,644,859</b>

The financial statements on pages 26 to 59 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

  
 .....  
**Mrs Susan Welch**  
 (Chair of Trustees)

Date: 8 Dec 2022

The notes on pages 31 to 59 form part of these financial statements.

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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>90,973</b>	126,732
<b>Cash flows from investing activities</b>	21	<b>(114,552)</b>	41,009
<b>Cash flows from financing activities</b>	20	<b>(30,000)</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>(53,579)</b>	167,741
Cash and cash equivalents at the beginning of the year		<b>1,010,406</b>	842,665
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<b>956,827</b>	1,010,406

The notes on pages 31 to 59 form part of these financial statements



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**THE KNIGHTS TEMPLAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies**

The Knights Templar School is a private company limited by guarantee, incorporated in England. Its registered number and address of registered office are detailed on page 1. The nature of the academy trust's operations and principal activity are detailed in the Trustees Report.

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

The financial statements are prepared in £ sterling, rounded to the nearest £1.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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1. Accounting policies (continued)

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% per annum on a straight line basis
Leasehold land	-	Over the length of the 125 year lease
Furniture and fixtures	-	25% per annum on a straight line basis
Plant and equipment	-	25% to 33.3% per annum on a straight line basis
Motor vehicles	-	25% per annum on a straight line basis

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Operating leases**

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

**1.13 Pensions**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating deficit 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 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. Accounting policies (continued)**

**1.14 Agency arrangements**

The Academy Trust 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. The funds received and paid as well as any balances still held are disclosed in note 28.

**1.15 Fund accounting**

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

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

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

**2. Critical accounting estimates and areas of judgment**

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 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 24, 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.

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**THE KNIGHTS TEMPLAR SCHOOL**  
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**3. Income from donations and capital grants**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Donations	4,100	-	<b>4,100</b>	46,260
Capital Grants	-	30,308	<b>30,308</b>	167,570
<b>Total 2022</b>	<b>4,100</b>	<b>30,308</b>	<b>34,408</b>	<b>213,830</b>

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**4. Funding for the Academy's charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Educational operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,630,866	<b>7,630,866</b>	7,217,694
Other DfE/ESFA grants				
Pupil Premium	-	182,768	<b>182,768</b>	183,238
Teachers pay/Pension grant	-	109,401	<b>109,401</b>	370,970
Other DfE/ESFA group grants	-	210,000	<b>210,000</b>	10,657
	-	8,133,035	<b>8,133,035</b>	7,782,559
<b>Other Government grants</b>				
Special educational projects	-	75,926	<b>75,926</b>	65,976
Other funding	-	138,858	<b>138,858</b>	64,170
	-	214,784	<b>214,784</b>	130,146
	7,907	356,185	<b>364,092</b>	198,987
<b>Other income</b>				
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch up premium grant	-	26,245	<b>26,245</b>	82,320
Additional FSM income	-	-	-	4,355
Summer School funding	-	-	-	36,934
COVID-19 Mass Testing funding	-	20,540	<b>20,540</b>	35,130
	-	46,785	<b>46,785</b>	158,739



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**4. Funding for the Academy's charitable activities (continued)**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds £
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme grant	-	-	-	404
	<u>7,907</u>	<u>8,750,789</u>	<u>8,758,696</u>	<u>8,270,835</u>

**5. Income from other trading activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	12,276	-	12,276	9,658
Fundraising events	-	20,460	20,460	7,543
Other facilities income	-	-	-	26,999
Other income	57,557	-	57,557	-
	<u>69,833</u>	<u>20,460</u>	<u>90,293</u>	<u>44,200</u>

**6. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	<u>155</u>	<u>155</u>	<u>135</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other costs 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Expenditure on raising voluntary income:					
Direct costs	-	-	-	-	9,295
Educational operations:					
Direct costs	6,544,174	-	949,334	<b>7,493,508</b>	6,433,319
Support costs	695,783	325,458	1,370,512	<b>2,391,753</b>	2,498,699
	<u>7,239,957</u>	<u>325,458</u>	<u>2,319,846</u>	<u><b>9,885,261</b></u>	<u>8,941,313</u>

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Educational operations	<u>7,493,508</u>	<u>2,391,753</u>	<u><b>9,885,261</b></u>	<u>8,932,018</u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Wages, salaries, NI and pensions	<b>695,783</b>	762,800
Depreciation	<b>508,227</b>	502,539
Other professional fees	<b>12,128</b>	25,772
Defined benefit pension scheme	<b>79,000</b>	56,000
Maintenance of premises and equipment	<b>269,734</b>	224,973
Cleaning	<b>136,647</b>	136,342
Water and rates	<b>44,187</b>	52,409
Light and heat	<b>142,179</b>	122,044
Insurance	<b>51,231</b>	25,344
Catering	<b>254,425</b>	182,320
Security and transport	<b>2,670</b>	13,705
Other costs	<b>172,748</b>	371,163
Bank charges	<b>1,173</b>	203
Governance costs	<b>21,621</b>	23,085
	<b>2,391,753</b>	2,498,699

**9. Net expenditure**

Net expenditure for the year includes:

	<b>2022 £</b>	<b>2021 £</b>
Operating lease rentals	<b>4,015</b>	8,745
Depreciation of tangible fixed assets	<b>508,227</b>	502,539
Fees paid to auditors for:		
- audit	<b>14,496</b>	8,900
- other services	<b>6,939</b>	6,910

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	5,095,002	4,933,976
Social security costs	500,633	444,124
Pension costs	1,618,008	1,413,341
	<u>7,213,643</u>	<u>6,791,441</u>
Agency staff costs	26,314	15,936
	<u>7,239,957</u>	<u>6,807,377</u>

**b. Staff numbers**

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

	2022 No.	2021 No.
Teachers	89	91
Administration and support	68	64
Senior Leadership Team	9	8
	<u>166</u>	<u>163</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	75	77
Administration and support	47	44
Senior leadership team	9	8
	<u>131</u>	<u>129</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**10. Staff (continued)**

**c. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	-	1

The above banding's state annualised employee emoluments before employer's pension contributions.

Three of the above employees participated in the Teachers' Pension Scheme and one in the Local Government Pension Scheme (2021: four and one respectively). During the year ended 31 August 2022 pension contributions for these staff members amounted to £51,999 and £18,108 (2021: £74,091 and £18,149) respectively.

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £802,651 (2021 - £849,547).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

Mr Edward Hutchings: (appointed 01 January 2022)

Remuneration £55,000 - £60,000 (2021: £N/a)

Pension contributions paid £10,000 - £15,000 (2021: £N/a)

Ms Jane Millet:

Remuneration £0 - £5,000 (2021: £N/a)

Pension contributions paid £0 - £5,000 (2021: £N/a)

Mr Andrew Sills:

Remuneration £75,000 - £80,000 (2021: £N/a)

Pension contributions paid £15,000 - £20,000 (2021: £N/a)

Mr Timothy Litchfield, Headteacher: (Resigned 31 August 2021)

Remuneration £N/a (2021: £100,000 - £105,000)

Pension contributions paid £N/a (2021: £20,000 - £25,000)

Mr John Swift, School Business Manager: (Resigned as Trustee 01 October 2021)

Remuneration £5,000 - £10,000 (2021: £80,000 - £85,000)

Pension contributions paid £1 - £5,000 (2021: £15,000 - £20,000)

Miss Sarah Barker, Deputy Headteacher: (Resigned 01 October 2021)

Remuneration £N/a (2021: £75,000 - £80,000)

Pension contributions paid £N/a (2021: £15,000 - £20,000)

Mr Joe Grove, Staff Trustee: (Resigned 01 October 2021)

Remuneration £N/a (2021: £45,000 - £50,000)

Pension contributions paid £N/a (2021: £10,000 - £15,000)

During the year ended 31 August 2022, expenses totaling £299 were reimbursed or paid directly to 2 Trustees (2021 - £631 to 2 Trustees).

**12. Trustees' and Officers' insurance**

The Academy 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 membership.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2021	26,560,995	206,540	1,323,793	77,307	28,168,635
Additions	93,390	2,485	52,380	-	148,255
Disposals	-	-	(43,062)	-	(43,062)
At 31 August 2022	<u>26,654,385</u>	<u>209,025</u>	<u>1,333,111</u>	<u>77,307</u>	<u>28,273,828</u>
<b>Depreciation</b>					
At 1 September 2021	3,289,685	163,226	1,152,383	56,160	4,661,454
Charge for the year	390,346	14,014	97,018	6,849	508,227
On disposals	-	-	(39,822)	-	(39,822)
At 31 August 2022	<u>3,680,031</u>	<u>177,240</u>	<u>1,209,579</u>	<u>63,009</u>	<u>5,129,859</u>
<b>Net book value</b>					
At 31 August 2022	<u>22,974,354</u>	<u>31,785</u>	<u>123,532</u>	<u>14,298</u>	<u>23,143,969</u>
At 31 August 2021	<u>23,271,310</u>	<u>43,314</u>	<u>171,410</u>	<u>21,147</u>	<u>23,507,181</u>

The leasehold property is held under a 125 year lease from Hertfordshire County Council ending 31 March 2136. No rent is payable under the terms of the lease.

The property additions during the year related to exterior fencing, which was purchased by the academy trust at a value of £93,390.

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**14. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	25,967	5,748
Other debtors	67,374	204,807
Prepayments and accrued income	172,493	107,044
	<u>265,834</u>	<u>317,599</u>

**15. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other loans	30,970	29,621
Trade creditors	34,428	22,957
Other taxation and social security	126,569	130,164
Other creditors	137,605	166,651
Accruals and deferred income	251,840	194,517
	<u>581,412</u>	<u>543,910</u>

Other loans of £30,970 (2021: £29,621) relate to a Salix loan given as part of the CIF funding for 2017/18. The loan of £150,000 bears interest at 1.07% and is repayable in 60 monthly installments of £2,581 and will be fully repaid in August 2025.

	2022 £	2021 £
Deferred income at 1 September	142,414	128,500
Resources deferred during the year	153,545	102,092
Amounts released from previous periods	(103,220)	(88,178)
<b>Deferred income at 31 August</b>	<u>192,739</u>	<u>142,414</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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At the balance sheet date, the Academy was holding funds received in advance for the following purposes:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
School trips	<b>17,864</b>	14,775
ESFA Rates Relief	<b>24,420</b>	24,419
North Hertfordshire Schools Sports Partnership	<b>85,784</b>	92,523
Baldock Nurture Funds/North Herts DSPL	-	5,406
ESFA 16-19 Bursary Funding	<b>32,508</b>	-
Student income	<b>24,697</b>	-
Other income	<b>7,468</b>	5,291
	<b>192,741</b>	<b>142,414</b>

**16. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loans	<b>59,068</b>	90,417

Other loans of £59,068 (2021: £90,417) relate to a Salix loan given as part of the CIF funding for 2017/18. The loan of £150,000 bears interest at 1.07% and is repayable in 60 monthly installments of £2,581 and will be fully repaid in August 2025.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds - all funds	182,254	81,995	(183,233)	-	-	81,016
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	7,630,866	(7,630,866)	-	-	-
Other ESFA	79,766	310,532	(203,356)	(178,755)	-	8,187
Other Restricted Funds	4,343	647,083	(651,426)	-	-	-
Pupil Premium	-	182,768	(160,678)	-	-	22,090
Catchup Premium Grant	43,320	-	(17,235)	-	-	26,085
Pension reserve	(4,556,000)	-	(527,000)	-	4,522,000	(561,000)
	<b>(4,428,571)</b>	<b>8,771,249</b>	<b>(9,190,561)</b>	<b>(178,755)</b>	<b>4,522,000</b>	<b>(504,638)</b>

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**17. Statement of funds (continued)**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Restricted fixed asset funds</b>						
Fixed asset fund	23,507,181	30,308	(511,467)	117,947	-	23,143,969
Unspent capital grants	383,995	-	-	60,808	-	444,803
	<u>23,891,176</u>	<u>30,308</u>	<u>(511,467)</u>	<u>178,755</u>	<u>-</u>	<u>23,588,772</u>
<b>Total Restricted funds</b>	<u>19,462,605</u>	<u>8,801,557</u>	<u>(9,702,028)</u>	<u>-</u>	<u>4,522,000</u>	<u>23,084,134</u>
<b>Total funds</b>	<u>19,644,859</u>	<u>8,883,552</u>	<u>(9,885,261)</u>	<u>-</u>	<u>4,522,000</u>	<u>23,165,150</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Following a deed of variation to the original funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes school trips, catering, music services, consortium activities for which income received is used to cover costs associated with these activities.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit but given the nature of the liability this is not payable immediately and plans are in place to meet the deficit such that it is not a constraint on funds going forward.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the Hertfordshire local authority following the transfer of the land and buildings and capital grants received for the acquisition of fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The transfer of £178,755 from restricted funds to restricted fixed asset funds represents the amounts capitalised during the period.

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**17. Statement of funds (continued)**

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General Funds - all funds	170,211	37,122	(25,079)	-	-	182,254
<b>Restricted general funds</b>						
General Annual Grant (GAG)	7,563	7,217,694	(7,122,076)	(103,181)	-	-
Other ESFA	3,802	381,223	(305,259)	-	-	79,766
Other Restricted Funds	79,339	337,080	(336,502)	(75,574)	-	4,343
Pupil Premium	-	183,238	(183,238)	-	-	-
Catchup Premium Grant	-	82,320	(39,000)	-	-	43,320
Coronavirus Job Retention Scheme Grant	-	404	(404)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	76,419	(76,419)	-	-	-
Pension reserve	(3,181,000)	-	(334,000)	-	(1,041,000)	(4,556,000)
	<u>(3,090,296)</u>	<u>8,278,378</u>	<u>(8,396,898)</u>	<u>(178,755)</u>	<u>(1,041,000)</u>	<u>(4,428,571)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	23,837,094	30,430	(519,336)	158,993	-	23,507,181
Unspent capital grants	181,163	183,070	-	19,762	-	383,995
	<u>24,018,257</u>	<u>213,500</u>	<u>(519,336)</u>	<u>178,755</u>	<u>-</u>	<u>23,891,176</u>
<b>Total Restricted funds</b>	<u>20,927,961</u>	<u>8,491,878</u>	<u>(8,916,234)</u>	<u>-</u>	<u>(1,041,000)</u>	<u>19,462,605</u>

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**17. Statement of funds (continued)**

<b>Total funds</b>	<b>21,098,172</b>	<b>8,529,000</b>	<b>(8,941,313)</b>	<b>-</b>	<b>(1,041,000)</b>	<b>19,644,859</b>
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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	23,143,969	<b>23,143,969</b>
Current assets	81,016	696,842	444,803	<b>1,222,661</b>
Creditors due within one year	-	(581,412)	-	<b>(581,412)</b>
Creditors due in more than one year	-	(59,068)	-	<b>(59,068)</b>
Provisions for liabilities and charges	-	(561,000)	-	<b>(561,000)</b>
<b>Total</b>	<b>81,016</b>	<b>(504,638)</b>	<b>23,588,772</b>	<b>23,165,150</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	-	-	23,507,181	<b>23,507,181</b>
Current assets	554,129	269,843	504,033	<b>1,328,005</b>
Creditors due within one year	(371,875)	(142,414)	(29,621)	<b>(543,910)</b>
Creditors due in more than one year	-	-	(90,417)	<b>(90,417)</b>
Provisions for liabilities and charges	-	(4,556,000)	-	<b>(4,556,000)</b>
<b>Total</b>	<b>182,254</b>	<b>(4,428,571)</b>	<b>23,891,176</b>	<b>19,644,859</b>

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(1,001,709)</b>	<b>(412,313)</b>
<b>Adjustments for:</b>		
Depreciation	<b>508,227</b>	502,539
Capital grants from DfE and other capital income	<b>(30,308)</b>	(213,500)
Interest from investments	<b>(155)</b>	(135)
Defined benefit pension scheme cost less contributions payable	<b>448,000</b>	278,000
Defined benefit pension scheme finance cost	<b>79,000</b>	56,000
Decrease/(increase) in debtors	<b>51,765</b>	(131,360)
Increase in creditors	<b>36,153</b>	47,501
<b>Net cash provided by operating activities</b>	<b>90,973</b>	126,732

**20. Cash flows from financing activities**

	2022 £	2021 £
Repayments of borrowing	<b>(30,000)</b>	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(30,000)</b>	-

**21. Cash flows from investing activities**

	2022 £	2021 £
Loss on disposal of tangible fixed assets	<b>3,240</b>	-
Purchase of tangible fixed assets	<b>(148,255)</b>	(172,626)
Capital grants from DfE Group	<b>30,308</b>	213,500
Interest income	<b>155</b>	135
<b>Net cash (used in)/provided by investing activities</b>	<b>(114,552)</b>	41,009

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**22. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	956,827	1,010,406
<b>Total cash and cash equivalents</b>	<b>956,827</b>	<b>1,010,406</b>

**23. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,010,406	(53,579)	956,827
Debt due within 1 year	(29,621)	(1,349)	(30,970)
Debt due after 1 year	(90,417)	31,349	(59,068)
	<b>890,368</b>	<b>(23,579)</b>	<b>866,789</b>

**24. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 31 March 2019.

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

**Teachers' Pension Scheme**

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

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

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**24. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £873,008 (2021 - £786,704).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £379,000 (2021 - £358,000), of which employer's contributions totalled £297,000 (2021 - £280,000) and employees' contributions totalled £ 82,000 (2021 - £78,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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



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**24. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.45</b>	3.30
Rate of increase for pensions in payment/inflation	<b>3.05</b>	2.90
Discount rate for scheme liabilities	<b>4.25</b>	1.65
Inflation assumption (CPI)	<b>3.05</b>	2.90
Commutation of pensions to lump sums	<b>50.00</b>	50.00

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

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
Males	<b>21.9</b>	22.1
Females	<b>24.4</b>	24.5
Retiring in 20 years		
Males	<b>22.9</b>	23.2
Females	<b>26.0</b>	26.2

**Sensitivity analysis**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>152,000</b>	246,000
Discount rate -0.1%	<b>(152,000)</b>	(246,000)
Mortality assumption - 1 year increase	<b>273,000</b>	439,000
Mortality assumption - 1 year decrease	<b>(273,000)</b>	(439,000)
CPI rate +0.1%	<b>139,000</b>	218,000
CPI rate -0.1%	<b>(139,000)</b>	(218,000)

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**24. Pension commitments (continued)**

**Share of scheme assets**

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	3,129,000	3,408,000
Bonds	1,439,000	1,865,000
Property	939,000	707,000
Cash and other liquid assets	751,000	450,000
<b>Total market value of assets</b>	<b>6,258,000</b>	<b>6,430,000</b>

The actual return on scheme assets was £(417,000) (2021 - £639,000).

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

	2022 £	2021 £
Current service cost	(745,000)	(558,000)
Interest income	108,000	95,000
Interest cost	(187,000)	(151,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(824,000)</b>	<b>(614,000)</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>10,987,000</b>	<b>8,641,000</b>
Current service cost	745,000	558,000
Interest cost	187,000	151,000
Employee contributions	82,000	78,000
Actuarial (gains)/losses	(5,047,000)	1,680,000
Benefits paid	(136,000)	(121,000)
<b>At 31 August</b>	<b>6,818,000</b>	<b>10,987,000</b>

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**24. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>6,431,000</b>	5,460,000
Interest income	<b>108,000</b>	95,000
Actuarial (losses)/gains	<b>(525,000)</b>	639,000
Employer contributions	<b>297,000</b>	280,000
Employee contributions	<b>82,000</b>	78,000
Benefits paid	<b>(136,000)</b>	(121,000)
<b>At 31 August</b>	<b>6,257,000</b>	6,431,000

The amounts recognised in the Balance Sheet are as follows:

	2022 £	2021 £
Present value of funded obligations	<b>(6,818,000)</b>	(10,987,000)
Fair value of scheme assets	<b>6,257,000</b>	6,431,000
	<b>(561,000)</b>	(4,556,000)

Total remeasurements recognised in Other Comprehensive Income:

	2022 £	2021 £
Changes in financial assumptions	<b>5,026,000</b>	(1,642,000)
Changes in demographic assumptions	<b>37,000</b>	(143,000)
Other remeasurements	<b>(541,000)</b>	744,000
	<b>4,522,000</b>	(1,041,000)

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**Other finance income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	<b>108,000</b>	95,000
Interest on pension scheme liabilities	<b>(187,000)</b>	(151,000)
	<b>(79,000)</b>	(56,000)

**25. Operating lease commitments**

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>1,147</b>	3,728
Later than 1 year and not later than 5 years	<b>3,057</b>	-
	<b>4,204</b>	3,728

**26. Members' liability**

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

**27. Related party transactions**

Owing to the nature of the Academy's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

**Income related party transactions**

The following related party transactions took place in the period of account:

- The Friends of Knights Templar is a charity in which Timothy Litchfield (retired 31 August 2021) and John Swift, both Trustees of the Academy. During the year the Academy received donations from parents association fundraising events amounting to £nil (2021: £15,000) through this charity.

No other related party transactions took place in the period of account other than those disclosed above and those disclosed in note 11.

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**28. Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ending 31 August 2022 the Trust received £19,883 (2021: £13,865) and disbursed £17,615 (2021: £11,200) from the fund. The balance of £2,268 (2021: £2,665) has been added to the bursary funds carried forward so that an amount of £33,171 (2021: £30,903) is included in other creditors relating to the undistributed funds that are repayable to the ESFA.