

Company Registration Number: 07552786 (England & Wales)

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

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THE KNIGHTS TEMPLAR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Governors	Mrs Susan Welch, Chair of Governors Miss Sarah Barker, Deputy Headteacher (resigned 1 October 2021) Ms Nicky Bull, Parent Governor (resigned 1 October 2021) Mrs Catherine Connolly, Community Governor (resigned 22 October 2020) Mr Graham Kingsley (resigned 3 December 2020) Mr Timothy Litchfield, Headteacher (resigned 31 August 2021) Mrs Beth Morris, Parent Governor Mrs Pauline Poole, Community Governor, Vice Chair of Governors Mr Joe Grove, Staff Governor (resigned 1 October 2021) Mr John Swift, School Business Manager (resigned 31 August 2021) Mr Duncan Wardrop, Community Governor Mrs Claire Cooper, Parent Governor (resigned 1 October 2021) Mr David Summer, Parent Governor Mr Mark Lynam, Community Governor (appointed 7 July 2021) Mrs Jane Millett, Community Governor (appointed 23 March 2021) Mrs Hayley Moore, Community Governor (appointed 22 October 2020) Mrs Christine Gough (resigned 21 October 2020) Mr Andrew Sills (appointed 1 September 2021)
Company registered number	07552786
Company name	The Knights Templar School
Principal and registered office	Park Street Baldock Hertfordshire SG7 6DZ
Company secretary	Mrs Fiona Roper
Senior leadership team	Timothy Litchfield, Headteacher (retired 31 August 2021) 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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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ
Bankers	Lloyds Bank PLC 1 Bancroft Hitchin Hertfordshire SG5 1JG
Solicitors	Michelmores Solicitors 12th Floor 6 New St Square Holborn London EC4A 3BF

THE KNIGHTS TEMPLAR SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year commencing 1st September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' 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 1,336, and had a roll of 1,469 in the school census of October 2021.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Knights Templar School 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 page 1.

Members' liability

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

Trustees' indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors 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.

Method of recruitment and appointment or election of Governors

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 Governing 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 Governors are elected by the school's parents who serve four-year terms of office.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Policies adopted for the induction and training of Governors

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

Organisational structure

The school's day to day management is overseen by the Senior Leadership Team (SLT) made up of the Headteacher, Deputy Headteacher, four Assistant Headteachers, the Head of 6th Form and the School Business Manager. The SLT meets twice 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 three sub committees which meet once every term: Curriculum, Assessment & Achievement; Teaching, Learning and Students and Finance & Strategy. Each committee has its own separate terms of reference and looks at main issues and areas of policy within its own remit.

The chairs of each of the three sub committees and the Chair of Governors 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 Governing Board committee meetings, which take place towards the end of each term.

The Governing 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.

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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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	792
Total pay bill	6,807,377
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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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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

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.

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 governors are confident in their understanding of the current school priorities and are able to explain how their role/Job contributes to achieving them.

Public benefit

The Governors 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 Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Governors 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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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Please see section below for our Financial Review.

Key performance indicators

Please see section below for our Financial Review.

Going concern

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

Financial review

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 £7,217,694. Other income received from the DfE included £183,238 of Pupil Premium. Income also benefited from an award of 6th Form Exceptional Growth Funding from the EFSA due to an increase in the number of 6th Form students in year 12.

A further £115,168 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 £72,045 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. Capital funding was used to improve facilities for the 6th Form given the growth in numbers and a student well-being centre opened to support the school's pastoral offering. An additional minibus was also purchased given the need to transport certain 6th Form students from an area without suitable public transport to school.

GAG funding was the core funding element to the provision of education services for the year. Capital funding amounted to a total of £213,500 in the year.

Cash at bank and in hand of £1,010,406.

The school was successful in its bid to the Condition Improvement Fund for new security fencing around the school playing fields. This project is set to commence this Autumn and be completed by the end of the calendar year.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

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 and growing levels of 6th Form students at the school is a positive factor in mitigating this risk.

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 2021 were £19,644,859 comprising £127,429 of restricted general funds, £182,254 of unrestricted general funds, £23,891,176 of restricted fixed asset funds and a pension deficit of £4,556,000.

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 23. 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 Governors, and represent approximately 1/6th of one month's worth of Academy educational expenditure. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment policy

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

Principal risks and uncertainties

The principal risks facing the Academy are:

Covid-19 pandemic risk

- Potential for further school closures due to the Covid-19 pandemic, as was experienced during the 2020/21 academic year.
- Concerns regarding the absence of children from school, particularly disadvantaged students.
- The on-going management of Covid-19 risks.

Reputational risk mitigated by:

- strong demand for places at the school from catchment area and beyond.
- consistently strong 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 Governing Board and Senior Leadership Team with an established track record.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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, unfunded major capital repairs or additional costs to the school arising from the Covid-19 pandemic. The risks presented here are mitigated by:

- Strong demand for school places at Key Stage 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.
- The potential for government funding to support schools with exceptional costs arising from the Covid-19 pandemic

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 Governing 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 Governing 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 Governing Board collectively, whilst more minor risks are dealt with by senior executive officers.

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. Over the last year, Friends money contributed to the well-being centre, the 6th Form building work that took place in the year and improving certain outdoor areas with various landscaping initiatives.

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Funds held as custodian on behalf of others

No such funds are held by The Knights Templar School.

Disclosure of information to auditors

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



.....
Mrs Susan Welch
Chair of Governors

Date: 2 Dec 21.

THE KNIGHTS TEMPLAR SCHOOL
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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 4 times during the year.

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

Governor	Meetings attended	Out of a possible
Mrs Susan Welch, Chair of Governors	4	4
Miss Sarah Barker, Deputy Headteacher (resigned 1 October 2021)	3	4
Ms Nicky Bull, Parent Governor (resigned 1 October 2021)	3	3
Mr Graham Kingsley (resigned 3 December 2020)	0	1
Mr Timothy Litchfield, Headteacher (resigned 31 August 2021)	4	4
Mrs Beth Morris, Parent Governor	4	4
Mrs Pauline Poole, Community Governor, Vice Chair of Governors	4	4
Mr Joe Grove, Staff Governor (resigned 1 October 2021)	4	4
Mr John Swift, Parent Governor (resigned 31 August 2021)	4	4
Mr Duncan Wardrop, Community Governor	4	4
Mrs Claire Cooper, Parent Governor (resigned 1 October 2021)	3	4
Mr David Summer, Parent Governor	4	4
Mrs Jane Millett, Community Governor (appointed 23 March 2021)	1	1
Mrs Hayley Moore, Community Governor (appointed 22 October 2020)	3	3

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GOVERNANCE STATEMENT (CONTINUED)

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:

Governor	Meetings attended	Out of a possible
Miss Sarah Barker (resigned 1 October 2021)	4	5
Mrs Catherine Connolly (resigned 22 October 2020)	0	0
Mr Timothy Litchfield (resigned 31 August 2021)	5	5
Mrs Beth Morris	5	5
Mrs Pauline Poole	5	5
Mr John Swift (resigned 31 August 2021)	5	5
Mrs Susan Welch	1	3

Other sub-committee attendance during the year was as follows.

Governor	Meetings attended	Out of a possible
Ms Nicky Bull (resigned 1 October 2021)	1	1
Mrs Claire Cooper (resigned 1 October 2021)	2	2
Mrs Christine Gough (resigned 21 October 2020)	0	0
Mr Joe Grove (resigned 1 October 2021)	3	3
Mr Graham Kingsley (resigned 3 December 2021)	0	1
Mr Timothy Litchfield (resigned 31 August 2021)	3	3
Mrs Beth Morris	3	3
Mrs Pauline Poole	3	3
Mrs Susan Welch	5	5

The **Teaching, Learning and Student Welfare Committee** is a sub-committee of the main board of Governors. 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:

Governor	Meetings attended	Out of a possible
Sarah Barker (resigned 1 October 2021)	3	3
Paul Barnett	1	2
Nicky Bull (resigned 1 October 2021)	1	1
Claire Cooper (resigned 1 October 2021)	2	3
Tim Litchfield (resigned 31 August 2021)	3	3
Hayley Moore (appointed 22 October 2020)	1	2
Pauline Poole	3	3
Duncan Wardrop	3	3
Sue Welch	2	3

GOVERNANCE STATEMENT (CONTINUED)

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 Governing Body 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 scrutineer, Herts for Learning, to carry out a series of Financial Checks termly and report these to the Audit 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 1st September to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Governors has decided not to appoint an internal auditor. However, the Governing Body have appointed Herts for Learning, the Internal 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:

- Purchase to pay;
- Payroll procedures;
- Staff expenses and debit card expenditure.

On a termly basis, the internal scrutineer reports to the Board of Trustees, through the Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual 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 work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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


.....
Mrs Susan Welch
Chair of Governors

Date: 2 Dec 21


.....
Mr Andrew Sills
Accounting Officer

03/12/21

THE KNIGHTS TEMPLAR SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Knights Templar School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Governors and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Governors and ESFA:

Matter 1 – Publication of executive pay on website

During the year, the Academy Trust failed to comply with section 2.32 of the Academies Financial Handbook in respect of the separate disclosure of the number of employees whose benefits exceeded £100k on their website (separate to their disclosure in the financial statements). This is the first year of which these conditions occurred, and the academy Trust is to upload this onto their website.

Matter 2 - Whistleblowing procedures

During the year, the Academy Trust failed to comply with section 2.44 of the Academies Financial Handbook in respect of the publication of their whistleblowing procedures on their website. The academy Trust has rectified this issue post year end.

Matter 3 - Audit and risk committee

During the year, the Academy Trust failed to comply with sections 3.6 to 3.14 of the Academies Financial Handbook in respect of establishing an audit and risk committee. It was evident within the board minutes that the process of establishing a committee had taken place, however no meetings of the audit and risk committee were officially held or finalised.

Matter 4 – External audit reappointment

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

Matter 5 – Control framework

During the first 9 months of the year, the Academy Trust failed to comply with section 2.7 of the Academies Financial Handbook in respect of documenting their review of monthly trade debtors and trade creditors reconciliations. We note, however, that these controls were implemented from June 21 onwards.



.....
Mr Andrew Sills
Accounting Officer

Date: 03/12/21

THE KNIGHTS TEMPLAR SCHOOL
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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


.....
Mrs Susan Welch
Chair of Governors

Date: 2 Dec 21

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of The Knights Templar School (the 'Academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report (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 Governors' Report including the Strategic Report.

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

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

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

Responsibilities of Trustees

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

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

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 specific procedures for this engagement and the extent to which these 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. This description forms part of our Auditors' Report.

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

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

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.



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Milton Keynes

Date: 14 December 2021

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

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

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 2020 to 2021, 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 2020 to 31 August 2021 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 Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

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

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.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1 – Publication of executive pay on website

During the year, the Academy Trust failed to comply with section 2.32 of the Academies Financial Handbook in respect of the separate disclosure of the number of employees whose benefits exceeded £100k on their website (separate to their disclosure in the financial statements). This is the first year of which these conditions occurred, and the academy Trust is to upload this onto their website.

Matter 2 - Whistleblowing procedures

During the year, the Academy Trust failed to comply with section 2.44 of the Academies Financial Handbook in respect of the publication of their whistleblowing procedures on their website. The academy Trust has rectified this issue post year end.

Matter 3 - Audit and risk committee

During the year, the Academy Trust failed to comply with sections 3.6 to 3.14 of the Academies Financial Handbook in respect of establishing an audit and risk committee. It was evident within the board minutes that the process of establishing a committee had taken place, however no meetings of the audit and risk committee were officially held or finalised.

Matter 4 – External audit reappointment

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

Matter 5 – Control framework

During the first 9 months of the year, the Academy Trust failed to comply with section 2.7 of the Academies Financial Handbook in respect of documenting their review of monthly trade debtors and trade creditors reconciliations. We note, however, that these controls were implemented from June 21 onwards.



MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Date: 14 December 2021

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	330	-	213,500	213,830	50,870
Charitable activities	4	-	8,270,835	-	8,270,835	7,734,157
Other trading activities	5	36,657	7,543	-	44,200	103,091
Investments	6	135	-	-	135	544
Total income		37,122	8,278,378	213,500	8,529,000	7,888,662
Expenditure on:						
Raising funds		-	9,295	-	9,295	19,637
Charitable activities		25,079	8,387,603	519,336	8,932,018	8,653,155
Total expenditure	7	25,079	8,396,898	519,336	8,941,313	8,672,792
Net income/(expenditure)		12,043	(118,520)	(305,836)	(412,313)	(784,130)
Transfers between funds	17	-	(178,755)	178,755	-	-
Net movement in funds before other recognised losses		12,043	(297,275)	(127,081)	(412,313)	(784,130)
Other recognised losses						
Actuarial losses on defined benefit pension schemes	23	-	(1,041,000)	-	(1,041,000)	(949,000)
Net movement in funds		12,043	(1,338,275)	(127,081)	(1,453,313)	(1,733,130)

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 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	170,211	(3,090,296)	24,018,257	21,098,172	22,831,302
Net movement in funds	12,043	(1,338,275)	(127,081)	(1,453,313)	(1,733,130)
Total funds carried forward	182,254	(4,428,571)	23,891,176	19,644,859	21,098,172

The notes on pages 28 to 55 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021


	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		23,507,181		23,837,094
Current assets					
Debtors	14	317,599		186,239	
Cash at bank and in hand	21,22	1,010,406		842,665	
		1,328,005		1,028,904	
Creditors: amounts falling due within one year	15	(543,910)		(466,038)	
Net current assets			784,095		562,866
Total assets less current liabilities			24,291,276		24,399,960
Creditors: amounts falling due after more than one year	16		(90,417)		(120,788)
Net assets excluding pension liability			24,200,859		24,279,172
Defined benefit pension scheme liability	23		(4,556,000)		(3,181,000)
Total net assets			19,644,859		21,098,172

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Funds of the Academy					
Restricted funds:					
Fixed asset funds	17	23,891,176		24,018,257	
Restricted funds	17	127,429		90,704	
Restricted funds excluding pension asset	17	24,018,605		24,108,961	
Pension reserve	17	(4,556,000)		(3,181,000)	
Total restricted funds	17		19,462,605		20,927,961
Unrestricted income funds	17		182,254		170,211
Total funds			19,644,859		21,098,172

The financial statements on pages 23 to 55 were approved and authorised for issue by the Governors and are signed on their behalf, by:



Mrs Susan Welch
 (Chair of Governors)

Date: 2 Dec 21

The notes on pages 28 to 55 form part of these financial statements.

THE KNIGHTS TEMPLAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	126,732	88,125
Cash flows from investing activities	20	41,009	20,681
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		167,741	108,806
Cash and cash equivalents at the beginning of the year		842,665	733,859
Cash and cash equivalents at the end of the year	21, 22	<hr/> 1,010,406 <hr/>	<hr/> 842,665 <hr/>

The notes on pages 28 to 55 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

- **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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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.

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 27.

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 Governors.

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

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

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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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	330	45,930	46,260	22,542
Capital Grants	-	167,570	167,570	28,328
Total 2021	330	213,500	213,830	50,870

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4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	7,217,694	7,217,694	6,548,979
Other DfE/ESFA grants			
Pupil Premium	183,238	183,238	190,813
Teachers pay grant	370,970	370,970	387,389
Other DfE/ESFA group grants	10,657	10,657	21,400
	<u>7,782,559</u>	<u>7,782,559</u>	<u>7,148,581</u>
Other Government grants			
Special educational projects	65,976	65,976	75,325
Other funding	64,170	64,170	50,986
	<u>130,146</u>	<u>130,146</u>	<u>126,311</u>
	<u>198,987</u>	<u>198,987</u>	<u>459,265</u>
Other income			
COVID-19 additional funding (DfE/ESFA)			
Catch up premium grant	82,320	82,320	-
Additional FSM income	4,355	4,355	-
Summer School funding	36,934	36,934	-
COVID-19 Mass Testing funding	35,130	35,130	-
	<u>158,739</u>	<u>158,739</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	404	404	-
	<u>404</u>	<u>404</u>	<u>-</u>
	<u>8,270,835</u>	<u>8,270,835</u>	<u>7,734,157</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teachers pension grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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4. Funding for the Academy's educational operations (continued)

During the financial year, the academy received monies in relation to the coronavirus catch-up grant of £82,320 (2020: £nil) in order to assist with supporting students who's learning has been impaired due to the coronavirus. Cost incurred in respect of this funding totalled £39,000, with the remaining £43,320 to be spent in 2021/22.

The academy furloughed a supply music teacher and several educational support staff under the government's CJRS. The funding received of £404 (2020: £5,600) relates to staff costs in respect of 1 staff member (2020: 5 staff members).

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	9,658	-	9,658	9,123
Fundraising events	-	7,543	7,543	18,894
Other facilities income	26,999	-	26,999	40,770
Other income	-	-	-	34,304
	<u>36,657</u>	<u>7,543</u>	<u>44,200</u>	<u>103,091</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	<u>135</u>	<u>135</u>	<u>544</u>

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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income:					
Direct costs	-	-	9,295	9,295	19,637
Educational operations:					
Direct costs	6,044,577	-	388,742	6,433,319	6,347,217
Support costs	762,800	727,512	1,008,387	2,498,699	2,305,938
	<u>6,807,377</u>	<u>727,512</u>	<u>1,406,424</u>	<u>8,941,313</u>	<u>8,672,792</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	<u>6,433,319</u>	<u>2,498,699</u>	<u>8,932,018</u>	<u>8,653,155</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Wages, salaries, NI and pensions	762,800	734,523
Depreciation	502,539	521,472
Other professional fees	25,772	22,250
Defined benefit pension scheme - net finance cost	56,000	37,000
Maintenance of premises and equipment	224,973	227,548
Cleaning	136,342	129,615
Water and rates	52,409	61,679
Light and heat	122,044	128,686
Insurance	25,344	24,138
Catering	182,320	286,700
Security and transport	13,705	18,661
Other costs	371,163	91,770
Bank charges	203	203
Governance costs	23,085	21,693
	<u>2,498,699</u>	<u>2,305,938</u>

9. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	8,745	8,745
Depreciation of tangible fixed assets	502,539	521,472
Fees paid to auditors for:		
- audit	8,900	8,750
- other services	6,910	1,300
	<u>518,154</u>	<u>531,517</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,933,976	4,535,053
Social security costs	444,124	420,662
Pension costs	1,413,341	1,344,704
	<u>6,791,441</u>	<u>6,300,419</u>
Agency staff costs	15,936	7,410
	<u><u>6,807,377</u></u>	<u><u>6,307,829</u></u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	91	85
Administration and support	64	62
Senior Leadership Team	8	7
	<u>163</u>	<u>154</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	77	72
Administration and support	44	43
Senior leadership team	8	7
	<u>129</u>	<u>122</u>

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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:

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

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

Four of the above employees participated in the Teachers' Pension Scheme and one in the Local Government Pension Scheme (2020: four and one respectively). During the year ended 31 August 2021 pension contributions for these staff members amounted to £74,091 and £18,149 (2020: £71,295 and £18,831) respectively.

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £849,547 (2020 - £734,856).

NOTES TO THE FINANCIAL STATEMENTS
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11. Governors' remuneration and expenses

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

Mr Timothy Litchfield, Headteacher:

Remuneration	£100,000 - £105,000 (2020: £95,000 - £100,000)
Pension contributions paid	£20,000 - £25,000 (2020: £20,000 - £25,000)

Mr John Swift, School Business Manager:

Remuneration	£80,000 - £85,000 (2020: £75,000 - £80,000)
Pension contributions paid	£15,000 - £20,000 (2020: £15,000 - £20,000)

Miss Sarah Barker, Deputy Headteacher:

Remuneration	£75,000 - £80,000 (2020: £75,000 - £80,000)
Pension contributions paid	£15,000 - £20,000 (2020: £15,000 - £20,000)

Mr Joe Grove, Staff Governor:

Remuneration	£45,000 - £50,000 (2020: £45,000 - £50,000)
Pension contributions paid	£10,000 - £15,000 (2020: £10,000 - £15,000)

During the year ended 31 August 2021, expenses totaling £631 were reimbursed or paid directly to 2 Governors (2020 - £1,048 to 4 Governors).

12. Governors' 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 Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	26,560,995	182,166	1,241,425	60,812	28,045,398
Additions	-	24,374	131,757	16,495	172,626
Disposals	-	-	(49,389)	-	(49,389)
At 31 August 2021	26,560,995	206,540	1,323,793	77,307	28,168,635
Depreciation					
At 1 September 2020	2,900,365	148,167	1,106,681	53,091	4,208,304
Charge for the year	389,320	15,059	95,091	3,069	502,539
On disposals	-	-	(49,389)	-	(49,389)
At 31 August 2021	3,289,685	163,226	1,152,383	56,160	4,661,454
Net book value					
At 31 August 2021	23,271,310	43,314	171,410	21,147	23,507,181
At 31 August 2020	23,660,630	33,999	134,744	7,721	23,837,094

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.

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	5,748	17,452
Other debtors	204,807	68,611
Prepayments and accrued income	107,044	100,176
	317,599	186,239

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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	29,621	29,250
Trade creditors	22,957	6,755
Other taxation and social security	130,164	105,189
Other creditors	166,651	146,619
Accruals and deferred income	194,517	178,225
	<u>543,910</u>	<u>466,038</u>

Other loans of £29,621 (2020: £29,250) 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.

	2021 £	2020 £
Deferred income at 1 September	128,500	154,827
Resources deferred during the year	102,092	128,500
Amounts released from previous periods	(88,178)	(154,827)
Deferred income at 31 August	<u>142,414</u>	<u>128,500</u>

At the balance sheet date, the Academy was holding funds received in advance for the following purposes:

	2021 £	2020 £
School trips	14,775	21,730
ESFA Rates Relief	24,419	24,390
North Hertfordshire Schools Sports Partnership	92,523	66,479
Baldock Nurture Funds/North Herts DSPL	5,406	8,978
Student income	-	6,375
Other income	5,291	548
	<u>142,414</u>	<u>128,500</u>

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

	2021 £	2020 £
Other loans	<u>90,417</u>	<u>120,788</u>

Other loans of £90,417 (2020: £120,788) 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
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	170,211	37,122	(25,079)	-	-	182,254
Restricted general funds						
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)
	(3,090,296)	8,278,378	(8,396,898)	(178,755)	(1,041,000)	(4,428,571)

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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
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>
Total Restricted funds	<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>
Total funds	<u>21,098,172</u>	<u>8,529,000</u>	<u>(8,941,313)</u>	<u>-</u>	<u>(1,041,000)</u>	<u>19,644,859</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 2021.

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.

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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General unrestricted funds	157,939	48,383	(36,111)	-	-	170,211
Restricted general funds						
General Annual Grant (GAG)	(177,306)	6,548,981	(6,364,112)	-	-	7,563
Other ESFA	264,855	1,242,970	(1,424,684)	-	-	83,141
Pension reserve	(1,918,000)	-	(314,000)	-	(949,000)	(3,181,000)
	<u>(1,830,451)</u>	<u>7,791,951</u>	<u>(8,102,796)</u>	<u>-</u>	<u>(949,000)</u>	<u>(3,090,296)</u>
Restricted fixed asset funds						
Fixed asset fund	24,503,814	48,328	(533,885)	(181,163)	-	23,837,094
Unspent capital grants	-	-	-	181,163	-	181,163
	<u>24,503,814</u>	<u>48,328</u>	<u>(533,885)</u>	<u>-</u>	<u>-</u>	<u>24,018,257</u>
Total Restricted funds	<u>22,673,363</u>	<u>7,840,279</u>	<u>(8,636,681)</u>	<u>-</u>	<u>(949,000)</u>	<u>20,927,961</u>
Total funds	<u><u>22,831,302</u></u>	<u><u>7,888,662</u></u>	<u><u>(8,672,792)</u></u>	<u><u>-</u></u>	<u><u>(949,000)</u></u>	<u><u>21,098,172</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	23,837,094	23,837,094
Current assets	170,211	527,492	331,201	1,028,904
Creditors due within one year	-	(436,788)	(29,250)	(466,038)
Creditors due in more than one year	-	-	(120,788)	(120,788)
Provisions for liabilities and charges	-	(3,181,000)	-	(3,181,000)
Total	170,211	(3,090,296)	24,018,257	21,098,172

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(412,313)	(784,130)
Adjustments for:		
Depreciation	502,539	521,472
Capital grants from DfE and other capital income	(213,500)	(48,328)
Interest from investments	(135)	(544)
Defined benefit pension scheme cost less contributions payable	278,000	277,000
Defined benefit pension scheme finance cost	56,000	37,000
(Increase)/decrease in debtors	(131,360)	170,820
Increase/(decrease) in creditors	47,501	(85,165)
Net cash provided by operating activities	126,732	88,125

20. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(172,626)	(28,191)
Capital grants from DfE Group	213,500	25,786
Capital funding received from sponsors and others	-	22,542
Interest income	135	544
Net cash provided by investing activities	41,009	20,681

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,010,406	842,665
Total cash and cash equivalents	1,010,406	842,665

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	842,665	167,741	-	1,010,406
Debt due within 1 year	(29,250)	-	(371)	(29,621)
Debt due after 1 year	(120,788)	-	30,371	(90,417)
	<u>692,627</u>	<u>167,741</u>	<u>30,000</u>	<u>890,368</u>

23. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £786,704 (2020 - £790,704).

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 2021 was £358,000 (2020 - £349,000), of which employer's contributions totalled £280,000 (2020 - £277,000) and employees' contributions totalled £ 78,000 (2020 - £72,000). 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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23. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums	50	50

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

	2021	2020
	Years	Years
Retiring today		
Males	22.1	21.9
Females	24.5	24.1
Retiring in 20 years		
Males	23.2	22.8
Females	26.2	25.5

Sensitivity analysis

	2021	2020
	£	£
Discount rate +0.1% (2020: +0.5%)	246,000	1,002,000
Discount rate -0.1% (2020: -0.5%)	(246,000)	(1,002,000)
Mortality assumption - 1 year increase	439,000	259,000
Mortality assumption - 1 year decrease	(439,000)	(259,000)
CPI rate +0.1% (2020: +0.5%)	218,000	880,000
CPI rate -0.1% (2020: -0.5%)	(218,000)	(880,000)

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23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	3,408,000	2,894,000
Bonds	1,865,000	1,911,000
Property	707,000	491,000
Cash and other liquid assets	450,000	164,000
Total market value of assets	6,430,000	5,460,000

The actual return on scheme assets was £639,000 (2020 - £216,000).

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

	2021 £	2020 £
Current service cost	(558,000)	(546,000)
Past service cost	-	(8,000)
Interest income	95,000	91,000
Interest cost	(151,000)	(128,000)
Total amount recognised in the Statement of Financial Activities	(614,000)	(591,000)

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

	2021 £	2020 £
At 1 September	8,641,000	6,845,000
Current service cost	558,000	546,000
Interest cost	151,000	128,000
Employee contributions	78,000	72,000
Actuarial losses	1,680,000	1,165,000
Benefits paid	(121,000)	(123,000)
Past service costs	-	8,000
At 31 August	10,987,000	8,641,000

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23. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	5,460,000	4,927,000
Interest income	95,000	91,000
Actuarial gains	639,000	216,000
Employer contributions	280,000	277,000
Employee contributions	78,000	72,000
Benefits paid	(121,000)	(123,000)
At 31 August	6,431,000	5,460,000

The amounts recognised in the Balance Sheet are as follows:

	2021 £	2020 £
Present value of funded obligations	(10,987,000)	(8,641,000)
Fair value of scheme assets	6,431,000	5,460,000
	(4,556,000)	(3,181,000)

Total remeasurements recognised in Other Comprehensive Income:

	2021 £	2020 £
Changes in financial assumptions	(1,642,000)	(62,000)
Changes in demographic assumptions	(143,000)	28,000
Other remeasurements	744,000	(915,000)
	(1,041,000)	(949,000)

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Other finance income

	2021 £	2020 £
Interest income on pension scheme assets	95,000	91,000
Interest on pension scheme liabilities	(151,000)	(128,000)
	<u>(56,000)</u>	<u>(37,000)</u>

24. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	3,728	8,745
Later than 1 year and not later than 5 years	-	3,728
	<u>3,728</u>	<u>12,473</u>

25. Members' liability

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

26. Related party transactions

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 governor 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 Governors of the Academy, are Trustees. During the year the Academy received donations from parents association fundraising events amounting to £15,000 (2020 - £20,000) 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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27. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ending 31 August 2021 the Trust received £13,865 (2020: £16,397) and disbursed £11,200 (2020: £20,580) from the fund. The balance of £2,665 (2020: £4,183) has been added to the bursary funds carried forward so that an amount of £30,903 (2020: £28,931) is included in other creditors relating to the undistributed funds that are repayable to the ESFA.