

Company Registration Number: 07992852 (England & Wales)

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**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

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

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**HERTSWOOD ACADEMY**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Subscriber to the Memorandum: W Meller Subscriber to the Memorandum: G C Taylor Chair of Governors: M W Doe
<b>Governors</b>	R Jumazada (appointed 26 January 2023) <sup>1</sup> M W Doe, Chair of Governors (until 9 October 2022) <sup>3,5</sup> P Gillett, Headteacher <sup>5</sup> A M Harrison <sup>3</sup> R A Kirk <sup>3,5</sup> V M Hodge <sup>2,5</sup> P Kan <sup>1</sup> M Stark, Chair of Governors (from 10 October 2022) <sup>1,5</sup> M Redbart <sup>3,5</sup> P Bassill <sup>4,5</sup> J A Mensah (appointed 13 September 2022, resigned 25 July 2023) <sup>4</sup> N Neczyporczuk (appointed 19 January 2023) <sup>1</sup> J Dunsford (appointed 22 February 2023) <sup>1</sup> N Susman (appointed 16 December 2022) <sup>6</sup>  <sup>1</sup> Parent Governor <sup>2</sup> Staff Governor <sup>3</sup> Co-opted <sup>4</sup> Appointed by members <sup>5</sup> Member of the Resources Committee <sup>6</sup> Local Authority Governor
<b>Company registered number</b>	07992852
<b>Company name</b>	Hertswood Academy
<b>Principal and registered office</b>	Cowley Hill Borehamwood Hertfordshire WD6 5LG

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

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**Senior Leadership Team**

Peter Gillett, Headteacher  
Tora Hodge, Deputy Headteacher  
James Wood, Deputy Headteacher  
Terri Clifford, Deputy Headteacher  
Wanda Gill, Deputy Headteacher  
Shelagh Musk, Academy Business Manager (until 14 April 2023)  
Amanda Durrant, Academy Business Manager (from 1 April 2023)  
Laura Edgar, Assistant Headteacher  
Carey McFerran, Assistant Headteacher  
Debbie White, Assistant Headteacher  
Paul Marlow, Assistant Headteacher  
Iain Sands, Assistant Headteacher  
Angie Carr, Assistant Headteacher  
Sian Woollcott, Assistant Headteacher (from 1 July 2023)

**Independent auditor**

Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

**Bankers**

Lloyds Bank Plc  
32 and 32a Intu Shopping Centre  
Watford  
Hertfordshire  
WD17 2DU

**Solicitors**

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

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**HERTSWOOD ACADEMY**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

Hertswood Academy ("the Trust") operates an Academy for students ages 11 to 19 serving Borehamwood and surrounding areas. It has a capacity of 1,400 and had a roll of 1,212 in the School Census taken in October 2022.

The Academy Trust has, as its principal activity, advancing education through the provision of a non-selective secondary school in Borehamwood which provides a broad and balanced curriculum. Students moved into a new building on 1 September 2019.

The Academy Trust also provides, within the school, recreation and leisure facilities for the community of Borehamwood. Theatre and sports facilities are also provided for the benefit of the local community. These facilities have been updated and improved now the Academy has taken possession of the new state-of-the-art building.

**Structure, governance and management**

**a. Constitution**

The Academy is a charitable 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 Governors of Hertswood Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Hertswood Academy.

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

**b. Members' liability**

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

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

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

**c. Method of recruitment and appointment or election of Governors**

According to the Trust's Articles of Association, the members of the Academy Trust comprise:

- Subscribers to the Memorandum (D Meller resigned as a member in 2018. Therefore, only G Taylor and W Meller are still members under this category)
- The Meller Educational Trust (not in effect, due to the Meller Educational Trust resigning on 24 January 2020)
- The Sponsor (not in effect, due to the Sponsor resigning this role in 2018)
- Up to 1 person appointed by the Sponsor (not in effect; Sponsor ceded this power in 2018)
- The Chair and Vice Chair of Governors
- Up to 2 additional persons appointed unanimously by the Members
- 1 person appointed by the Secretary of State if required

Governors of the Academy comprise:

- Up to 2 persons appointed by the Members
- Up to 3 Staff Governors
- 1 Local Authority Governor
- Up to 5 Parent Governors
- The Headteacher
- Up to 4 co-opted Governors
- Governors appointed by the Secretary of State if required

The Trust follows the requirements of paragraphs 50-64 of its Articles in appointing Governors. The approach here is to ensure there is a balanced participation from local stakeholders in the Academy and elections are used to appoint Staff and Parent Governors.

The skills of serving Governors are taken into account when considering new appointments to the Board. For example, Natalie Susman was appointed as a Local Authority governor on 16 December 2022. Governors felt that her business and management experience would benefit the school, together with her community and volunteer work for women's groups and the Samaritans. Similarly, Jasmine Mensah was appointed to the Board by the members of the Academy Trust on 13 September 2022. Jasmine mentors and coaches young people and was previously a Commonwealth Parliamentary Association youth delegate and youth delegate to the UN. She also works with young people with SEND. Members felt that her insight and expertise would also be of great benefit to the Governing Body.

**d. Policies adopted for the induction and training of Governors**

Upon appointment, new governors are provided with a pack of documents which gives them basic information about their role. The Academy Trust subscribes to the governor training service provided by HFL Education (a trading name of Herts for Learning). Please see the related parties section for further information about the relationship with HFL Education. New governors will be booked onto the HFL Education governor induction course. Training courses on a wide variety of governance-related topics are available to governors during the academic year, increasingly online. Governors have access to online training materials from the National College, the National Governance Association, HFL Education and others.

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

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

**e. Organisational structure**

The membership structure of the Academy Trust is set out in the Articles of Association. Members have an Annual General Meeting, but can also hold other meetings in accordance with the provisions of the Articles.

As set out in the Articles of Association, the Governors are the Directors of the Trust and responsible for its business. There are at least four full governing body meetings each year. The Governors have established two standing committees that each meet six times a year. These are the Standards Committee and the Resources Committee. There is also an Audit and Risk Committee which meets three times a year. The Resources Committee deals with finance, human resources, premises and governance issues. The Audit and Risk committee deals with audits and any other areas where risk is identified. There are also other committees which meet as required, dealing with such matters as staff pay and the performance and review of the Headteacher. The Clerk to the Governors manages the business meetings in line with an established work programme and ensures that agenda and reports for meetings are circulated beforehand and proper minutes kept.

The Governors have put in place statutory and discretionary policies to manage the way the Academy operates. Of special note is the Scheme of Financial Delegation, which sets out the relevant authority levels and procedures for making different types of decisions. This ensures that the Headteacher has all the necessary authority to run the Academy on a daily basis and that key strategic issues are determined by Governors.

The Headteacher acts as Chief Accounting Officer.

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

The Governors consider the Senior Leadership team to be the key management personnel of the Academy as they have responsibility for directing and controlling, running and operating the Trust on a day to day basis. Details of the Senior Leadership Team who served during the period are included in the Reference and Administrative details on page 2.

The pay of the senior staff is reviewed as part of the annual performance management procedure. If staff have the scope to increment on the pay scale, this will be reviewed and agreed by the Headteacher and the governors' Pay Committee. Grading of key management personnel is benchmarked to similar-sized academies. The Pay Committee will also consider the Headteacher's pay and remuneration, taking into account the outcome of a performance review conducted by the governors' Headteacher Performance Review Committee.

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

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

**g. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	2

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

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

Total cost of facility time	-
Total pay bill	6,884,655
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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**Objectives and activities**

**a. Objects and aims**

The objects of the trust are to:

- Advance the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing, and develop an academy offering on a broad and balanced curriculum.
- To promote for the benefit the inhabitants of Borehamwood and the surrounding area, the provision of facilities for recreation and other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of the life of the said inhabitants.



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

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

**World-Class Ambitions:** Our ambition is to provide a world class educational environment for our community. We have the highest aspirations for all students and will ensure they achieve the best possible outcomes through outstanding teaching, an engaging curriculum and quality care and support.

**Ready to Succeed:** Our students will develop resilience, will be literate and numerate and be ready for challenges they will face in modern society. We have a clear expectation for our students to work hard, behave well and act with integrity so that they grow as confident individuals, responsible citizens and successful independent learners. Well-equipped for higher education and employment, our students will develop leadership skills and be ambitious for their future learning opportunities and career goals.

**Accomplish Through Effort:** As a fully inclusive academy within our community, we are committed to the principle of 'growth mindset' in that, no matter where one starts from, great accomplishments are possible through dedication and effort. We believe that all barriers can be overcome through our determination to succeed and the learning strategies we employ.

**Achievement For All:** We respect and value all members of our community, ensuring a safe, happy and secure learning environment to foster high self-esteem for all. As lifelong learners, Hertswood Academy staff are role models for our students, continually developing their own practice and inspiring the community to aim high and achieve excellence.

The key objectives for academic year 2023-24 are to:

- To raise achievement - showing sustainability post Centre Assessed Grades and Teacher Assessed Grades.
- To sustain improvements in pupil behaviour and attitudes and continue to pursue improvement.
- To ensure readiness for OFSTED.
- To create coherent and cohesive staff culture evidenced by strong leadership throughout the school.

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

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**Objectives and activities (continued)**

**c. Public benefit**

Governors have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The governors are aware that they must only operate the charity for the public benefit, to further its objects, and only for charitable purposes. The governors are committed to the school's policy of serving a diverse catchment area and not restricting intake based on ability. The school's catchment area includes Cowley Hill ward, which ranks among the top 10 percent most deprived areas in the country and highest in Hertfordshire, according to "Indices of Multiple Deprivation" data for 2019 (Borehamwood Times, 28 November 2019).

The following examples demonstrate how governors have kept the public benefit in mind in initiatives that they have taken or supported in this financial year:

- Continuing the provision of Chromebooks to an increasing number of students, to assist them in their studies. This will particularly help students in disadvantaged backgrounds.
- Continuing targeted support for those in financial difficulty, such as in the area of school uniform provision and free breakfast.
- Trying to ensure access for hirers to as many facilities as possible. The theatre has been made available for community hire on a limited basis. Now it is fully equipped, it will become fully operational as a community theatre outside of school hours once the community use agreement is in place. Trustees are mindful of the need to make hiring charges affordable for community organisations.
- Supporting the introduction of a second school dog as part of pastoral support for the school community.

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

**Objectives and activities (continued)**

**Strategic Report**

**Achievements and performance**

Academic Year 2022-23 has been a watershed for school improvement and development:

- The quality of teaching and learning has improved:

Quality of Education - Staff	Total	Intensive Support	Support & Development	Further Development	Consistently Strong	Excellent
Summer 2 (in post 9/22)	84 (72)	4 (4)	21 (19)	16 (14)	37 (35)	n/a
Autumn	81	6	25	16	34 (1 left)	n/a
Spring	83	6	17	23	30	7
Summer	83	6(4)	16	24 (23)	31 (30)	7(6)

- KS4 Progress at GCSE shows a third consecutive year of improvement:

	2019	Covid 2020/21	2022	2023
GCSE Progress 8	-0.52	TAG/CAG	-0.44	-0.34

- KS5 Outcomes in our already 'Good' Sixth Form have been maintained and top grades have improved despite a drop in national figures.

**a. Key performance indicators**

**a. KS4 Outcomes:**

- P8 improved by 0.1 (moved from 19th to 26th percentile nationally)
- P8 English improved by 0.1 (moved from 9th to 15th percentile nationally)
- P8 Ebacc improved by 0.3 (moved from 14th to 25th percentile nationally)
- P8 Open stayed equal (moved from 22nd to 25th percentile nationally)
- Science value added improved by 0.3 (moved from 15th to 32nd percentile nationally)
- Languages value added improved by 0.6 (moved from 6th to 17th percentile nationally)

**b. KS5 Outcomes:**

- A level APS 34.2 (2022: 34.2)
- BTEC APS 28.2 (2022: 23.0)
- Overall APS 32.6 (2022: 28.8)
- A Level A\*-A 23% (2022: 18%)
- BTEC D\*-D 39% (2022: 16%)
- Improvements whilst national trend showed a decrease in grades (National drop of 9.4% A\*-A)
- Improvements in outcomes in Art, Photography, Biology, Chemistry, English Literature, Geography, Further Mathematics, Physics, Theatre Studies, Applied Science, Business, Health and Social Care, ICT and Sport.

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

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**(continued)**

**b. Going concern**

Unrestricted reserves at the end of 2021/22 were £306k. The budgeted support staff pay rise not being agreed, the reversal of the National Insurance rise, and close monitoring of the budget this year has enabled the Academy to increase unrestricted reserves to £523k.

The Local Authority predictions for primary school numbers coming through to Secondary schools in Borehamwood has seen a drop again this year. The Academy is acutely aware that it is important to attract as many students as possible to enable us to set a balanced budget and provide an excellent education to our students. We have close relationships with the Primary Schools and work closely to ensure that those students want to come to Hertswood Academy as their first choice.

It is widely reported that most schools in the country are under financial pressures due to significant pay rises for Teaching and Support staff this year and the increase in utilities and many other expenses, due to the rise in inflation. Hertswood Academy set a balanced budget to cover the cost of the pay rises and secured a 4 year utilities contract before the increases.

The next few years are forecast to be more difficult as we wait to see whether school funding will be increased to help cover rising costs. The Teaching and Support staff pay increases for 2023-24 on top of these rising costs are forecast to leave the Academy with an in-year deficit. However, we have increased our reserves which means we will be able to support this deficit.

The phase 3 development work will start next year and we have ambitious plans to provide impressive facilities for the students and local community. This should further enhance our lettings income to support balancing the budget. The Academy are in discussions with Hertsmere Borough Council to finalise the community use agreement so that once the theatre equipment is installed in Autumn 2023, the usage of the theatre can be expanded to professional productions. Again this will generate more income.

The Academy is currently looking at the possibility of installing solar panels to bring down the cost of the electricity used as a further cost-cutting measure.

As detailed in the "Principal Risks and Uncertainties" section, the Academy Trust meets the legal definition of a school that is "coasting" within the meaning of the Coasting Schools (England) Regulations 2022. Consequently, the Secretary of State has a new power, as of 1 September 2022, to intervene in the Academy. The Trust has been advised by the Department for Education that the Secretary of State's policy is that this can generally best be provided by ensuring that the Academy is part of a multi-academy trust with the capacity to drive sustained improvements. The Trust continues to implement the improvements recommended by Ofsted and is working towards achieving a "Good" rating at the next inspection.

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

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**Financial review**

**a. Reserves policy**

The Academy Trust is aware that it must have sufficient funds available to meet its liabilities. Trustees have approved a balanced budget for 2023/24, but this has been supported by reserves. Unrestricted reserves have increased by £217k.

Despite the financial challenges of the past few years, we have been able to manage the finances of the Academy. We do anticipate additional demands on the budget for 2023/24, with the teaching and support staff pay rises in particular, and we are looking at additional income streams and partnerships to support the budget.

The Resources Committee receives budget monitoring reports predicting funds available and reviews the spending to ensure it is effectively used. In doing so, the governors have regard to the Education Funding Agency's guidelines on the level of reserves.

**b. Investment policy**

The Trust's chief assets, held on behalf of the Secretary of State, are the remaining land and the new buildings. The Trust does not operate an investment portfolio. However, during 2022/23 overage income was held in short term high interest deposit accounts whilst capital works were being agreed.

**c. Principal risks and uncertainties**

In common with state-funded schools generally, the Academy Trust faces a challenging financial climate because income is not keeping pace with rising costs. Nonetheless, the Trust has used reserves to set a balanced budget for 2023/24, and is ensuring that costs are managed so that spending remains within this. The Trust is monitoring its cash flow to ensure that it continues to have liquidity.

The Trust has now fully equipped the theatre to the standard needed to operate professionally, and it can be used fully as a facility for the community which will increase lettings income. The theatre needs to be self-financing and the scale of charges for community users will be reviewed regularly to ensure that the Trust is not subsidising external users. The Trust has recommenced talks with Hertsmere Borough Council to finalise the Community Use Agreement. This document covers the sporting facilities as well as the theatre.

The Trust has begun Phase 3 of the building development using the overage income received. This will be used to improve and potentially add to the existing sporting facilities. This, again, will generate well needed additional income.

During the Academy's two most recent full inspections by Ofsted, it was graded overall as "Requires Improvement". As a result of two such consecutive judgements, it now meets the legal definition of a school that is "coasting" within the meaning of the Coasting Schools (England) Regulations 2022. Consequently, the Secretary of State has a new power, as of 1 September 2022, to intervene in the Academy. The Trust has been advised by the Department for Education that the Secretary of State's policy is that this can generally best be provided by ensuring that the Academy is part of a multi-academy trust with the capacity to drive sustained improvements. The Trust continues to implement the improvements recommended by Ofsted and is working towards achieving a "Good" rating at the next inspection.

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

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**Fundraising**

The Academy raises additional funds by letting out its premises. These lettings are administered by the Finance Manager with the support of the Business Manager. Local football clubs utilise the astroturf after school and during holidays. Two local theatre groups run workshops for students in the dance studio and theatre respectively. We have a regular letting in the hall providing trampolining and gymnastics lessons for local children. We have two church groups who meet weekly in the theatre and theatre foyer. The Academy also hires out the facilities to a community organisation who run the Friday Night Project for local teenagers.

Adverts for the available spaces on social media, in local publications and a noticeboard at the local station have helped to bring in many enquiries regarding hires. Unfortunately some facilities, such as the sports hall and astro, have reached their full capacity.

Income from production companies has continued this year. The Academy has been able to provide parking facilities for several large productions.

The Academy, in line with our Charging and Remissions Policy, will occasionally request voluntary contributions towards the cost of educational activities or resources.

The Academy has signed up to [easyfundraising.co.uk](https://www.easyfundraising.co.uk). This is a website that generates income from online purchases made by those who sign up to support the Academy. Income generated through the website has been ring-fenced with the intention of purchasing some outdoor gym equipment for the students.

The initial meeting of the Hertswood Parent Teacher Association took place in September 2022. We have high hopes that the association will provide fun and exciting events for our students and raise some funds in the process. They have hosted a Popcorn and Pyjama party since their introduction, and a Halloween disco is planned for Autumn 2023.

The Academy is in talks with various sporting organisations to see if funding is available to help with improving sporting facilities further.

The fundraising activities undertaken by the Academy did not have to comply with any voluntary scheme for regulating fundraising, during the reporting period.

The Academy has received no complaints about activities for the purpose of fundraising.

The only contact that the Academy has with individuals to ask for donations is when parents or carers are asked to contribute towards the cost of certain activities or equipment. The Academy has a policy for this, and consciously avoids any behaviour that could be perceived as invading privacy, being unreasonable, persistent or placing undue pressure to make financial contributions.

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

**Fundraising (continued)**

**Plans for future periods**

Our 3 Year Strategic Plan is set out in the table below:

Success Criteria	Actions
SP1.OFSTED : Section 5 good or better for overall effectiveness	<ul style="list-style-type: none"> <li>• Implement AIP &amp; SIP</li> <li>• Termly review SIP and action improvements</li> <li>• Regular external review to ratify improvement actions</li> </ul>
SP2. Good Financial Health : Positive cash flow and 100k+ reserves	<ul style="list-style-type: none"> <li>• Increase overall student numbers</li> <li>• Optimise staffing and curriculum</li> <li>• Maximise income from community use of facilities</li> </ul>
SP3. Buildings : Complete internal and external works	<ul style="list-style-type: none"> <li>• Internal works : finalise defects list</li> <li>• External works : prioritise and cost further works</li> <li>• Investigate and secure external funding sources</li> </ul>
SP4. Staff Recruitment, Training and Development : Fully staffed with relevant training and outstanding teaching	<ul style="list-style-type: none"> <li>• Fully staff teaching and support areas</li> <li>• Ensure 95%+ Faculty specialist teaching</li> <li>• All statutory training up to date</li> <li>• Shared &amp; consistent framework for outstanding teaching &amp; learning</li> </ul>
SP5. Trust Governance : Building future proof governance	<ul style="list-style-type: none"> <li>• Appoint new Governors with relevant experience</li> <li>• Ensure Governors have appropriate training</li> <li>• Investigate future MAT possibilities</li> <li>• Devise standard reporting for key areas to enable effective communication between Senior Leaders and Governors</li> </ul>
SP6. Personalising the curriculum to meet the needs of the community	<ul style="list-style-type: none"> <li>• Programme to enter higher education</li> <li>• Programme for vocational qualifications and training</li> </ul>
SP7. Engaging students to establish a culture of aspiration	<ul style="list-style-type: none"> <li>• Student aspiration, expectation, accomplishment and achievement targets set</li> <li>• Optimise careers education through PDP and audit student voice on employment ambitions</li> <li>• All subject areas promote relevant careers</li> </ul>
SP8. Developing outstanding leadership at all levels	<ul style="list-style-type: none"> <li>• Effective and high quality leadership at all levels</li> <li>• Vision is communicated clearly by all stakeholders and reinforced continuously to ensure consistency of purpose and implementation</li> </ul>
SP9. Developing communication with governors	<ul style="list-style-type: none"> <li>• Timely and accurate sharing of self-evaluation data</li> <li>• Robust evaluative conversations between governors and senior leaders leading to school improvement</li> </ul>

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

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


The Trust held no funds during the period as custodians.


**Disclosure of information to auditor**

Insofar as the Governors are aware:

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

The Governors' report was approved by order of the Board of Governors, as the company directors, on 15-12-2023 | 15:41 GMT and signed on its behalf by:

DocuSigned by:  
  
.....AB685CF57E8A46F.....  
**M Stark**  
Chair of Governors

DocuSigned by:  
  
.....A9AF8B865D3C456.....  
**P Gillett, Headteacher**  
Accounting Officer



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**HERTSWOOD ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Hertswood Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

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

**HERTSWOOD ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The board of Governors has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
M W Doe, Chair of Governors (until 9 October 2022)	4	4
M Stark, Chair of Governors (from 10 October 2022)	4	4
P Gillett, Headteacher	4	4
A M Harrison	4	4
R A Kirk	2	4
V M Hodge	4	4
P Kan	4	4
M Redbart	3	4
P Bassill	3	4
J A Mensah	3	4
R Jumazada	1	2
N Neczyporczuk	2	2
J Dunsford	2	2
N Susman	1	3

The board is aware that auditors highlighted that members and trustees should differ to a greater degree in terms of people who are filling those roles. The board agreed with this and is still committed to this goal. The Articles of Association have been redrafted with the intention of facilitating this. Governors have approved the draft, and they have now been approved by the Department for Education and the Charity Commission. The Trust's members will be asked to approve the new Articles at their meeting on 4th December 2023.

The Resources Committee is a committee of the main board of Governors. Its purpose is to take a strategic view on financial, premises and personnel matters and review and monitor performance in these areas. Other committees include the Audit and Risk Committee (introduced in the 2021-2022 academic year), Standards Committee, Pay Committee, and the Headteacher's Performance Review Committee.

Attendance during the year at meetings of the Resources Committee was as follows:

Governor	Meetings attended	Out of a possible
M W Doe	4	6
P Gillett	6	6
R A Kirk	5	6
P Bassill	6	6
M Redbart	6	6
M Stark	6	6
V Hodge	6	6

The Audit and Risk Committee is also a sub-committee of the main board of Governors.

Attendance during the year at meetings was as follows:

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Governor	Meetings attended	Out of a possible
M Stark	3	3
M Redbart	3	3
M W Doe	3	3
R A Kirk	2	3
P Gillett	3	3
P Bassill	2	3

**Review of value for money**

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

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

- The curriculum and teaching and learning model is optimised to ensure that the Quality of Education continues to improve and reserves continue to grow.
- Pupil Teacher Ratios are now in line with National Averages.
- GCSE progress improved for the 3rd consecutive year and overall Sixth Form performance was maintained.
- OFSTED recognising the Sixth Form to be good.

**The purpose of the system of internal control**

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

**Capacity to handle risk**

The board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors. The governors have an Audit and Risk Committee, to give greater focus to the whole issue of risk.

**The risk and control framework**

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors.
- Regular reviews by the Resources Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Governors has decided to employ Herts for Learning as internal auditor.

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

- Procurement
- Top 10 Musts
- Premises Review

On a semi-annual basis, the internal auditor reports to the board of Governors through the Resources Committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

As a result of these checks the following actions were recommended:

**Procurement:**

- Action - Procurement Policy: Revise limits for quotes, update Financial Regulations Policy to confirm delegated limited, add policy to school's policy hub.
- Response - Recommendation noted and amendments made to policies.
- Action - Schedule of Delegation: Update Schedule of Delegation with specified limits for Budget Holders, review references to Business Manager where appropriate, include date of ratification on front page.
- Response - The Schedule of Delegation has been updated accordingly and the policies have been ratified and dated.
- Action - Contracts Register: Share the contracts register more regularly with the Resources Committee.
- Response - The contracts register review has been scheduled termly on the Resources Committee agenda.

**Compliance with the Academy Trust Handbook Top 10 Musts:**

- Action - Personal Responsibilities: Update the Governor Induction Pack to include reference to Governance Handbook and Academy Trust Handbook.
- Response - Both documents are in the Governor's Gogle Drive but will be included in the Induction pack moving forward.
- Action - Structures: To formally minute in all Trust Board meetings that the meeting is quorate.
- Response - Discussed with the Clerk to Governors - this is an oversight and she sometimes just forgets to put this in the minutes.

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**GOVERNANCE STATEMENT (CONTINUED)**

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

- Action - Money and Oversight: Management accounts to be prepared monthly, and to include cash flow forecasts and balance sheet reports. Management accounts must be reviewed when the Trust Board meets and this is clearly evidenced in the meeting minutes.
- Response - A budget monitoring report is provided for every resources committee meeting. Frequency of reports were discussed with the board who were happy to receive the reports at the resources meetings only. It was agreed that should any concerns arise in between these meetings, the Chair of Governors would be emailed. Historically, reports have not been prepared for September and October due to there not being variances to budget at this point in the year. Governors have previously been given balance sheet reports but reported that they found these unhelpful. They will continue to be issued for resources meetings. The new summarised cashflow report is being finalised and will be issued for resources meetings for the academic year 2023/24. Cashflow is monitored by the Finance Manager on a weekly basis and if any concerns arise, these are raised with the Headteacher and Chair of Governors. Minutes from all subsidiary committees are shared with the full governing body and the Chair of Governors sits on the Resources Committee and feeds back any concerns.
- Action - Money and Oversight: Internal reports should go first to the Audit and Risk Committee.
- Response - The Resources Committee has the same membership as the Audit and Risk Committee and therefore the Trust considers that it is the best to share the audit report as the next meeting, whichever takes place first, to ensure that reports are reviewed on a timely basis.

**Premises Review:**

- Action - Consideration should be given to producing a high-level flow chart to show the purpose of the various estate management policies and how they link together. Consideration should be given to getting an Estates Management Strategy and Plan in place in the next 3 months to ensure best value use of all funds.
- Response - The Business Manager agrees with these recommendations and has started work on the Estates Management and Strategy and Plan. The Business Manager has met with Hertsmere Borough Council to discuss the Community Use Agreement and how the development of the site will not only benefit the Academy but the wider community. This will then generate further income streams for the Academy.
- Action - Consideration should be given to developing an Asset Management Plan for works and their potential costs as the school move out of the defects period for their 2019 build. This would form part of the Estates Strategy that the school need to develop. Bouygues provision of the evidence of checks having taken place is an issue. The person who updates the sheet will, understandably, not say this has been evidenced until they have seen the paperwork. However, the school has no reassurance or evidence that the work has been completed and this is a high risk situation for the school should there be an incident related to any of these checks. Bouygues need to put in place a faster system for receiving the paperwork and evidencing that for the school so that they can be reassured they are compliant. The current system is not acceptable.
- Response - The Business Manager and Governors receive a report from Bouygues approximately every 6 weeks which updates any completed and outstanding works so that we are aware of current compliance. The Business Manager recently had a satisfaction survey meeting with a representative from Bouygues and the issue of the spreadsheet not always being updated until evidence has been received was raised. This issue will be taken back and discussed to see if a better system can be implemented for all customers.
- Action - The contract register should be checked against the compliance register and completed fully to avoid any potential rollover contracts and any unexpected costs to the finance of the school. A date should be planned, at least annually in the governor calendar for this to be discussed and signed off.

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**HERTSWOOD ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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

- Response - At the time of review the Finance Manager was undertaking a review of the information entered into the contract register. This was raised on a previous audit and the work had not been completed. More information does sit in the software, but the format of the report does not export all the information so we are also looking at a new format.
- Action - The consultant would recommend identifying the potential cost of an additional staff member carrying out the tasks within the FM contract v the cost of the school employing them directly (with on costs), to be able to reforecast this within the budget and to explore the recruitment market in this regard ahead of the retirement.
- Response - The Business Manager is already having conversations about the replacement of the Senior Caretaker. It would be a good opportunity to look at the role and develop the position to take more responsibility for Health and Safety to support the Business Manager.
- Action - The consultant would recommend exploring the DFE Decarbonisation scheme to see whether the school would be eligible as soon as possible. This and other strands need to be pulled together to create a School's Sustainability Strategy.
- Response - The Business Manager is in talks with Procuresmart regarding solar panels for the roof and the possibility of installing solar panel s over the new car park. There are several different options for the funding of these installations and these are being explored alongside the DFE Decarbonisation Scheme.

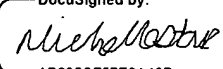
**Review of effectiveness**

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

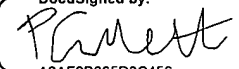
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework; and
- the work of the external auditor.

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

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

DocuSigned by:  
  
.....AB885CF57E8A48F.....  
**M Stark**  
Chair of Governors

Date: 15-12-2023 | 15:41 GMT

DocuSigned by:  
  
.....A9AF8B865D3C456.....  
**P Gillett**  
Accounting Officer

18-12-2023 | 01:24 PST

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**HERTSWOOD ACADEMY**  
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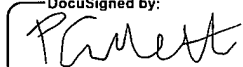
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Hertswood Academy I have considered my responsibility to notify the Academy board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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

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

DocuSigned by:  
  
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**P Gillett, Headteacher**

Accounting Officer

Date: 18-12-2023 | 01:24 PST

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

DocuSigned by:



...A8685CF57E8A48F.....

**M Stark**

Chair of Governors

Date: 15-12-2023 | 15:41 GMT



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**HERTSWOOD ACADEMY**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HERTSWOOD ACADEMY**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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.

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**HERTSWOOD ACADEMY**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HERTSWOOD ACADEMY (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has 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.

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

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

**Responsibilities of Governors**

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

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

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**HERTSWOOD ACADEMY**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HERTSWOOD ACADEMY (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

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

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

- the control environment and performance of the Academy, including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We considered the results of our enquiries of management and internal audit about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023 and relevant tax legislation.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

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**HERTSWOOD ACADEMY**  
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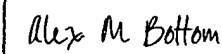
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HERTSWOOD ACADEMY (CONTINUED)**

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**Use of our report**

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditor's 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.

DocuSigned by:



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**Alexander Bottom ACA (Senior statutory auditor)**

for and on behalf of

**Hillier Hopkins LLP**

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Herts

WD17 1HP

Date: 18-12-2023 | 16:39 GMT

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

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In accordance with the terms of our engagement letter dated 8 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hertswood Academy during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Hertswood Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hertswood Academy's funding agreement with the Secretary of State for Education dated 28 August 2018 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;

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

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- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

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

DocuSigned by:

*Hillier Hopkins LLP*

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**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: 18-12-2023 | 16:40 GMT

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

		Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note					
<b>Income from:</b>						
Donations and capital grants	4	2,400	-	2,742,274	2,744,674	27,788
Other trading activities	6	151,264	-	-	151,264	148,612
Investments	7	38,874	-	-	38,874	136
Charitable activities		298,558	8,995,218	-	9,293,776	8,764,093
<b>Total income</b>		<b>491,096</b>	<b>8,995,218</b>	<b>2,742,274</b>	<b>12,228,588</b>	<b>8,940,629</b>
<b>Expenditure on:</b>						
Charitable activities	8,9	274,068	9,118,124	743,450	10,135,642	10,202,242
<b>Total expenditure</b>		<b>274,068</b>	<b>9,118,124</b>	<b>743,450</b>	<b>10,135,642</b>	<b>10,202,242</b>
<b>Net income/(expenditure)</b>		<b>217,028</b>	<b>(122,906)</b>	<b>1,998,824</b>	<b>2,092,946</b>	<b>(1,261,613)</b>
Transfers between funds	18	-	(22,946)	22,946	-	-
<b>Net movement in funds before other recognised gains</b>		<b>217,028</b>	<b>(145,852)</b>	<b>2,021,770</b>	<b>2,092,946</b>	<b>(1,261,613)</b>
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension schemes	24	-	560,000	-	560,000	3,441,000
<b>Net movement in funds</b>		<b>217,028</b>	<b>414,148</b>	<b>2,021,770</b>	<b>2,652,946</b>	<b>2,179,387</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		305,918	(160,354)	37,289,429	37,434,993	35,255,606
Net movement in funds		217,028	414,148	2,021,770	2,652,946	2,179,387
<b>Total funds carried forward</b>		<b>522,946</b>	<b>253,794</b>	<b>39,311,199</b>	<b>40,087,939</b>	<b>37,434,993</b>

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

The notes on pages 33 to 61 form part of these financial statements.

**HERTSWOOD ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07992852**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**


	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	36,646,923	37,238,049
Investments	15	25	25
		<u>36,646,948</u>	<u>37,238,074</u>
<b>Current assets</b>			
Debtors	16	217,326	233,383
Cash at bank and in hand		3,922,417	1,276,857
		<u>4,139,743</u>	<u>1,510,240</u>
Creditors: amounts falling due within one year	17	(621,752)	(741,321)
<b>Net current assets</b>		<u>3,517,991</u>	<u>768,919</u>
<b>Total assets less current liabilities</b>		<u>40,164,939</u>	<u>38,006,993</u>
<b>Net assets excluding pension liability</b>		<u>40,164,939</u>	<u>38,006,993</u>
Defined benefit pension scheme liability	24	(77,000)	(572,000)
<b>Total net assets</b>		<u><u>40,087,939</u></u>	<u><u>37,434,993</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	39,311,199	37,289,429
Restricted income funds	18	330,794	411,646
		<u>39,641,993</u>	<u>37,701,075</u>
Restricted funds excluding pension asset	18	39,641,993	37,701,075
Pension reserve	18	(77,000)	(572,000)
<b>Total restricted funds</b>	18	<u>39,564,993</u>	<u>37,129,075</u>
<b>Unrestricted income funds</b>	18	<u>522,946</u>	<u>305,918</u>
<b>Total funds</b>		<u><u>40,087,939</u></u>	<u><u>37,434,993</u></u>




**HERTSWOOD ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07992852**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2023**

The financial statements on pages 29 to 61 were approved and authorised for issue by the Governors and are signed on their behalf, by:

DocuSigned by:  
  
AB685CF57E8A46F...  
**M Stark**  
Chair of Governors  
Date: 15-12-2023 | 15:41 GMT

DocuSigned by:  
  
A9AF8B865D3C456...  
**P Gillett, Headteacher**  
Accounting Officer  
18-12-2023 | 01:24 PST

The notes on pages 33 to 61 form part of these financial statements.

**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	16,737	395,861
<b>Cash flows from investing activities</b>	21	2,628,823	976
<b>Change in cash and cash equivalents in the year</b>		2,645,560	396,837
Cash and cash equivalents at the beginning of the year		1,276,857	880,020
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>3,922,417</u>	<u>1,276,857</u>

The notes on pages 33 to 61 form part of these financial statements

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**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

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

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**1. General information**

Hertswood Academy is a charitable company limited by guarantee and an exempt charity. The Academy is incorporated in England and Wales. Its registered office is Cowley Hill, Borehamwood, Hertfordshire WD6 5LG.

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

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

**2.2 Going concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties relating 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.

Unrestricted reserves at the end of 2021/22 were £306k. The budgeted support staff pay rise not being agreed, the reversal of the National Insurance rise, and close monitoring of the budget this year has enabled the Academy to increase unrestricted reserves to £523k.

The Local Authority predictions for primary school numbers coming through to Secondary schools in Borehamwood has seen a drop again this year. The Academy is acutely aware that it is important to attract as many students as possible to enable us to set a balanced budget and provide an excellent education to our students. We have close relationships with the Primary Schools and work closely to ensure that those students want to come to Hertswood Academy as their first choice.

It is widely reported that most schools in the country are under financial pressures due to significant pay rises for Teaching and Support staff this year and the increase in utilities and many other expenses, due to the rise in inflation. Hertswood Academy set a balanced budget to cover the cost of the pay rises and secured a 4 year utilities contract before the increases.

The next few years are forecast to be more difficult as we wait to see whether school funding will be increased to help cover rising costs. The Teaching and Support staff pay increases for 2023-24 on top of these rising costs are forecast to leave the Academy with an in-year deficit. However, we have increased our reserves which means we will be able to support this deficit.

The phase 3 development work will start next year and we have ambitious plans to provide impressive facilities for the students and local community. This should further enhance our lettings income to support balancing the budget. The Academy are in discussions with Hertsmere Borough Council to finalise the community use agreement so that once the theatre equipment is installed in Autumn 2023, the usage of the theatre can be expanded to professional productions. Again this will

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**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

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

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**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

generate more income.

The Academy is currently looking at the possibility of installing solar panels to bring down the cost of the electricity used as a further cost-cutting measure.

Following OFSTED's last two assessments that the Academy "Requires Improvement", the Academy Trust meets the legal definition of a school that is "coasting" within the meaning of the Coasting Schools (England) Regulations 2022. Consequently, the Secretary of State has a new power, as of 1 September 2022, to intervene in the Academy. The Trust has been advised by the Department for Education that the Secretary of State's policy is that this can generally best be provided by ensuring that the Academy is part of a multi-academy trust with the capacity to drive sustained improvements. The Trust continues to implement the improvements recommended by Ofsted and is working towards achieving a "Good" rating at the next inspection.

On the basis of the above the Governors have concluded that the Academy has adequate resources to continue operational existence for the foreseeable future and no decisions have been made on future plans to join a multi-academy trust, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**2.3 Income**

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

- **Grants**

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

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

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

- **Donations**

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

- **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.

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**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

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

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**2. Accounting policies (continued)**

**2.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

**2.6 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.

**2.7 Tangible fixed assets**

Assets costing £2,000 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.

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**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

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

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

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, less their residual value, over their expected useful life, as follows:

Freehold property	- 2% straight line
LT Leasehold property	- over the length of the lease
Fixtures & equipment	- 10% straight line
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**2.9 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.

**2.10 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.

**2.11 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.

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**HERTSWOOD ACADEMY**  
(A company limited by guarantee)

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

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**2. Accounting policies (continued)**

**2.12 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

**2.13 Operating leases**

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

**2.14 Pensions**

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

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

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

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

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

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**2. Accounting policies (continued)**

**2.15 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 Academy does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of the financial activities. The funds received and paid and any balances held are disclosed in note 28.

**2.16 Fund accounting**

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

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

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

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



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

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**3. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Valuation of tangible fixed assets

Governors have considered the value of tangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgment and may to a large extent depend on the assumptions made in its evaluation. The Governors have concluded that the valuation of the tangible fixed assets as at the year end are appropriate.

Depreciation and residual values

The Governors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

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

**4. Income from donations and capital grants**

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	2,400	-	2,400	1,814
Government capital grants	-	2,742,274	2,742,274	25,974
<b>Total 2023</b>	<u>2,400</u>	<u>2,742,274</u>	<u>2,744,674</u>	<u>27,788</u>
<i>Total 2022</i>	<u>1,814</u>	<u>25,974</u>	<u>27,788</u>	

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

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Educational Activities</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,658,870	7,658,870	7,433,152
Other DfE/ESFA grants				
Pupil Premium	-	357,285	357,285	352,885
Rates Relief	-	57,096	57,096	50,688
Other DfE income	-	449,205	449,205	149,053
Other ESFA income	-	-	-	24,000
	-	8,522,456	8,522,456	8,009,778
<b>Other Government grants</b>				
SEN	-	77,583	77,583	58,597
Other government	-	297,682	297,682	274,917
	-	375,265	375,265	333,514
<b>Other income from the Academy's educational activities</b>	298,558	-	298,558	314,052
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Mass Testing	-	-	-	17,017
Recovery Premium	-	97,497	97,497	52,799
School Led Tutoring grant	-	-	-	36,933
	-	97,497	97,497	106,749
<b>Total Educational Activities</b>	298,558	8,995,218	9,293,776	8,764,093
	298,558	8,995,218	9,293,776	8,764,093
<b>Total 2022</b>	289,712	8,474,381	8,764,093	

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

**6. Income from other trading activities**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	148,087	148,087	127,722
Other generated income	3,177	3,177	20,890
	<u>151,264</u>	<u>151,264</u>	<u>148,612</u>
<i>Total 2022</i>	<u>148,612</u>	<u>148,612</u>	

**7. Investment income**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest received	38,874	38,874	136
	<u>136</u>	<u>136</u>	
<i>Total 2022</i>	<u>136</u>	<u>136</u>	

**8. Expenditure**

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational Activities:					
Direct costs	5,874,494	-	587,196	6,461,690	6,157,731
Allocated support costs	1,010,161	1,593,282	1,070,509	3,673,952	4,044,511
	<u>6,884,655</u>	<u>1,593,282</u>	<u>1,657,705</u>	<u>10,135,642</u>	<u>10,202,242</u>
<i>Total 2022</i>	<u>6,584,019</u>	<u>1,397,528</u>	<u>2,220,695</u>	<u>10,202,242</u>	

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

**9. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational Activities	6,461,690	3,673,952	<b>10,135,642</b>	<i>10,202,242</i>
<i>Total 2022</i>	<i>6,157,731</i>	<i>4,044,511</i>	<i>10,202,242</i>	

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

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

**Analysis of direct costs**

	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Staff costs	5,874,494	5,569,251
Depreciation and amortisation (IT equipment)	25,950	36,572
Educational supplies	188,941	237,071
Examination fees	157,601	139,346
Educational Consultancy	178,518	75,237
Trip expenditure	17,388	38,290
Other costs	18,798	61,964
	<u>6,461,690</u>	<u>6,157,731</u>

**Analysis of support costs**

	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Pension finance costs	26,000	62,000
Staff costs	1,010,161	1,014,768
Depreciation and impairment charges (property & equipment)	717,500	1,295,025
Technology costs	334,048	369,213
Premises costs	891,007	697,765
Legal costs	28,087	12,643
Other costs	644,819	572,274
Governance costs	22,330	20,823
	<u>3,673,952</u>	<u>4,044,511</u>

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

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	213,629	276,515
Depreciation of tangible fixed assets	737,214	761,222
Amortisation of intangible assets	-	374
Loss on impairment of fixed assets	-	570,000
Fees paid to auditor for:		
- audit	11,000	10,000
- other services	4,675	4,275
	<u>          </u>	<u>          </u>

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	5,061,803	4,662,072
Social security costs	560,764	518,816
Pension costs	1,117,938	1,320,918
	<u>6,740,505</u>	<u>6,501,806</u>
Agency staff costs	144,150	70,879
Staff restructuring costs	-	11,334
	<u>6,884,655</u>	<u>6,584,019</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	-	11,334
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>11,334</u>

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**11. Staff (continued)**

**b. Severance payments**

The Academy paid - severance payment in the year (2022 -1), disclosed in the following band:

	<b>2023 No.</b>	<b>2022 No.</b>
£0 - £25,000	-	1
	<u>          </u>	<u>          </u>

**c. Staff numbers**

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

	<b>2023 No.</b>	<b>2022 No.</b>
Teaching	75	75
Administration & support	55	52
Management	12	12
	<u>          </u>	<u>          </u>
	<b>142</b>	<b>139</b>
	<u>          </u>	<u>          </u>

**d. Higher paid staff**

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

	<b>2023 No.</b>	<b>2022 No.</b>
In the band £60,001 - £70,000	3	6
In the band £70,001 - £80,000	6	4
In the band £80,001 - £90,000	3	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>          </u>	<u>          </u>

**e. 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 £1,309,393 (2022 - £1,227,729).



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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Governors' remuneration and expenses**

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

		2023	2022
		£	£
P Gillett, Headteacher	Remuneration	130,000 -	120,000 -
		135,000	125,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
V M Hodge	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
C Wainwright (resigned 1 April 2022)	Remuneration	n/a	10,000 -
			15,000
	Pension contributions paid	n/a	0 - 5,000

During the year ended 31 August 2023, expenses totalling £67 were reimbursed or paid directly to 1 Governor (2022 - £304 to 1 Governor) for expenses incurred in their capacity as a staff member.

**13. Governors' and Officers' insurance**

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

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

	Freehold property £	Long- term leasehold property £	Fixtures, computers and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2022	37,514,522	1,664,069	617,523	47,000	39,843,114
Additions	-	-	152,325	-	152,325
Disposals	-	-	(131,193)	-	(131,193)
At 31 August 2023	<u>37,514,522</u>	<u>1,664,069</u>	<u>638,655</u>	<u>47,000</u>	<u>39,864,246</u>
<b>Depreciation</b>					
At 1 September 2022	2,015,948	138,361	406,041	44,715	2,605,065
Charge for the year	672,634	13,313	50,697	570	737,214
On disposals	-	-	(124,956)	-	(124,956)
At 31 August 2023	<u>2,688,582</u>	<u>151,674</u>	<u>331,782</u>	<u>45,285</u>	<u>3,217,323</u>
<b>Net book value</b>					
At 31 August 2023	<u>34,825,940</u>	<u>1,512,395</u>	<u>306,873</u>	<u>1,715</u>	<u>36,646,923</u>
At 31 August 2022	<u>35,498,574</u>	<u>1,525,708</u>	<u>211,482</u>	<u>2,285</u>	<u>37,238,049</u>

Included within freehold property is land valued at £3,882,826 which is not subject to depreciation. Included within long-term leasehold property is land valued at depreciated replacement cost of £1,664,069 and depreciated over the life of the lease.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Fixed asset investments**

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 September 2022	25
At 31 August 2023	25
<b>Net book value</b>	
At 31 August 2023	25
At 31 August 2022	25

**16. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	3,293	7,403
Other debtors	4,775	11,548
Prepayments and accrued income	166,635	171,022
Tax recoverable	42,623	43,410
	<u>217,326</u>	<u>233,383</u>

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

	2023 £	2022 £
Trade creditors	146,757	180,752
Other taxation and social security	142,431	137,430
Other creditors	260,883	238,853
Accruals and deferred income	71,681	184,286
	<u>621,752</u>	<u>741,321</u>
	2023 £	2022 £
Deferred income at 1 September 2022	184,286	172,803
Resources deferred during the year	71,681	184,286
Amounts released from previous periods	(184,286)	(172,803)
	<u>71,681</u>	<u>184,286</u>

At the balance sheet date, the Academy trust was holding funds received in advance for additional places relating to the 2023/24 financial period, rates relief, other government grants and hiring income.

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

**18. Statement of funds**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>						
General Funds	305,918	491,096	(274,068)	-	-	522,946
<b>Restricted general funds</b>						
General Annual Grant (GAG)	243,583	7,658,870	(7,658,927)	(22,946)	-	220,580
Pupil Premium	99,131	357,285	(430,448)	-	-	25,968
Other ESFA income	28,011	57,096	(45,321)	-	-	39,786
Other DfE income	-	449,205	(447,454)	-	-	1,751
Other government grants	36,451	472,762	(470,605)	-	-	38,608
Other restricted income	4,470	-	(369)	-	-	4,101
Pension reserve	(572,000)	-	(65,000)	-	560,000	(77,000)
	(160,354)	8,995,218	(9,118,124)	(22,946)	560,000	253,794
<b>Restricted fixed asset funds</b>						
Fixed asset funds	37,238,049	-	(743,450)	152,324	-	36,646,923
ESFA capital grants	51,380	75,235	-	(25,778)	-	100,837
Other capital income	-	2,667,039	-	(103,600)	-	2,563,439
	37,289,429	2,742,274	(743,450)	22,946	-	39,311,199
<b>Total Restricted funds</b>	37,129,075	11,737,492	(9,861,574)	-	560,000	39,564,993

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

<b>Total funds</b>	<b>37,434,993</b>	<b>12,228,588</b>	<b>(10,135,642)</b>	<b>-</b>	<b>560,000</b>	<b>40,087,939</b>
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The specific purposes for which the funds are to be applied are as follows:

The unrestricted reserves have been generated from hirings income and other educational income. There are no restrictions on how this income is spent.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The transfer of restricted GAG funds to the restricted fixed asset fund represents the spending of restricted monies on tangible fixed assets, as permitted.

Pupil Premium is a grant allocated by the ESFA to help raise the attainment of disadvantaged students and close the gap between them and their peers.

Other ESFA/DfE grants include supplementary funding for teacher pay and pensions.

The Academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak.

The Academy is also holding other restricted reserves. This balance is made up of other grants that have specific purposes.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion. Future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund represents the value of the Academy's tangible fixed assets.

Other capital income relates to the overage income received in relation to the disposal of the Thrift Farm Lane site in April 2014. The ESFA have agreed that the income can be retained for the completion of specified capital works.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
<b>Unrestricted funds</b>						
General Funds	141,494	440,274	(275,850)	-	-	305,918
<b>Restricted general funds</b>						
General Annual Grant (GAG)	47,529	7,433,152	(7,211,963)	(25,135)	-	243,583
Pupil Premium	50,237	352,885	(303,991)	-	-	99,131
Other ESFA income	37,382	181,437	(190,808)	-	-	28,011
Other DfE income	17,754	149,053	(166,807)	-	-	-
Other government grants	20,552	333,514	(317,615)	-	-	36,451
Other restricted income	3,741	24,340	(23,611)	-	-	4,470
Pension reserve	(3,633,000)	-	(380,000)	-	3,441,000	(572,000)
	<u>(3,455,805)</u>	<u>8,474,381</u>	<u>(8,594,795)</u>	<u>(25,135)</u>	<u>3,441,000</u>	<u>(160,354)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset funds	38,544,511	-	(1,331,597)	25,135	-	37,238,049
ESFA capital grants	25,406	25,974	-	-	-	51,380
	<u>38,569,917</u>	<u>25,974</u>	<u>(1,331,597)</u>	<u>25,135</u>	<u>-</u>	<u>37,289,429</u>
<b>Total Restricted funds</b>	<u>35,114,112</u>	<u>8,500,355</u>	<u>(9,926,392)</u>	<u>-</u>	<u>3,441,000</u>	<u>37,129,075</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

<b>Total funds</b>	<u>35,255,606</u>	<u>8,940,629</u>	<u>(10,202,242)</u>	<u>-</u>	<u>3,441,000</u>	<u>37,434,993</u>
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**Total funds analysis by academy**

Fund balances for the academy at 31 August 2023 and 31 August 2022 are as stated above.

**19. Analysis of net assets between funds**

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

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Restricted fixed asset funds 2023 £</b>	<b>Total funds 2023 £</b>
Tangible fixed assets	-	-	36,646,923	<b>36,646,923</b>
Fixed asset investments	-	25	-	<b>25</b>
Current assets	556,088	919,379	2,664,276	<b>4,139,743</b>
Creditors due within one year	(33,142)	(588,610)	-	<b>(621,752)</b>
Provisions for liabilities and charges	-	(77,000)	-	<b>(77,000)</b>
<b>Total</b>	<u>522,946</u>	<u>253,794</u>	<u>39,311,199</u>	<u><b>40,087,939</b></u>



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**19. Analysis of net assets between funds (continued)**

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

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	37,238,049	37,238,049
Fixed asset investments	-	25	-	25
Current assets	317,338	1,141,522	51,380	1,510,240
Creditors due within one year	(11,420)	(729,901)	-	(741,321)
Provisions for liabilities and charges	-	(572,000)	-	(572,000)
<b>Total</b>	<b>305,918</b>	<b>(160,354)</b>	<b>37,289,429</b>	<b>37,434,993</b>

**20. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2023 £</b>	<b>2022 £</b>
Net income/(expenditure) for the year (as per Statement of financial activities)	<b>2,092,946</b>	<b>(1,261,613)</b>
<b>Adjustments for:</b>		
Amortisation	-	374
Depreciation	<b>737,214</b>	761,222
Capital grants from DfE and other capital income	<b>(2,742,274)</b>	(25,974)
Interest receivable	<b>(38,874)</b>	(136)
Defined benefit pension scheme cost less contributions payable	<b>65,000</b>	380,000
(Increase)/decrease in debtors	<b>(47,806)</b>	32,887
Decrease in creditors	<b>(55,706)</b>	(60,899)
Loss/(profit) on the sale of tangible fixed assets	<b>6,237</b>	-
Impairment of tangible fixed assets	-	570,000
<b>Net cash provided by operating activities</b>	<b>16,737</b>	<b>395,861</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Cash flows from investing activities**

	2023 £	2022 £
Dividends, interest and rents from investments	38,874	136
Purchase of tangible fixed assets	(152,325)	(25,134)
Capital grants from DfE Group	2,742,274	25,974
<b>Net cash provided by investing activities</b>	<b>2,628,823</b>	<b>976</b>

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

	2023 £	2022 £
Cash in hand and at bank	3,922,417	1,276,857
<b>Total cash and cash equivalents</b>	<b>3,922,417</b>	<b>1,276,857</b>

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

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,276,857	2,645,560	3,922,417
	<b>1,276,857</b>	<b>2,645,560</b>	<b>3,922,417</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £133,679 were payable to the schemes at 31 August 2023 (2022 - £121,394) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

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

The employer's pension costs paid to TPS in the year amounted to £836,750 (2022 - £784,942).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.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.

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**24. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £311,000 (2022 - £266,000), of which employer's contributions totalled £241,000 (2022 - £214,000) and employees' contributions totalled £ 70,000 (2022 - £52,000). The agreed contribution rates for future years are 22.65 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

**Principal actuarial assumptions**

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.50</b>	<b>3.45</b>
Rate of increase for pensions in payment/inflation	<b>3.00</b>	<b>3.05</b>
Discount rate for scheme liabilities	<b>5.20</b>	<b>4.25</b>

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

	<b>2023</b>	<b>2022</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.1</b>	<b>21.9</b>
Females	<b>24.4</b>	<b>24.4</b>
<i>Retiring in 20 years</i>		
Males	<b>21.7</b>	<b>22.9</b>
Females	<b>25.4</b>	<b>26.0</b>

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**24. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Discount rate -0.1%	110	112
Mortality assumption - 1 year increase	208	196
CPI rate +0.1%	106	106

**Share of scheme assets**

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

	<b>At 31 August 2023 £</b>	<b>At 31 August 2022 £</b>
Equities	2,611,000	2,164,000
Bonds	1,229,000	996,000
Property	717,000	649,000
Cash and other liquid assets	563,000	519,000
<b>Total market value of assets</b>	<b>5,120,000</b>	<b>4,328,000</b>

The actual return on scheme assets was £667,000 (2022 - £(289,000)).

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

	<b>2023 £</b>	<b>2022 £</b>
Current service cost	(280,000)	(531,000)
Interest income	186,000	75,000
Interest cost	(212,000)	(137,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(306,000)</b>	<b>(593,000)</b>

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**24. Pension commitments (continued)**

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

	2023 £	2022 £
<b>At 1 September</b>	<b>4,900,000</b>	<b>8,096,000</b>
Current service cost	280,000	531,000
Interest cost	212,000	137,000
Employee contributions	70,000	62,000
Actuarial gains	(79,000)	(3,805,000)
Benefits paid	(186,000)	(121,000)
<b>At 31 August</b>	<b>5,197,000</b>	<b>4,900,000</b>

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

	2023 £	2022 £
<b>At 1 September</b>	<b>4,328,000</b>	<b>4,463,000</b>
Interest income	186,000	75,000
Actuarial gains/(losses)	481,000	(364,000)
Employer contributions	241,000	213,000
Employee contributions	70,000	62,000
Benefits paid	(186,000)	(121,000)
<b>At 31 August</b>	<b>5,120,000</b>	<b>4,328,000</b>

**25. Operating lease commitments**

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

	2023 £	2022 £
Not later than 1 year	113,913	167,712
Later than 1 year and not later than 5 years	126,800	94,217
	<b>240,713</b>	<b>261,929</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Members' liability**

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

**27. Related party transactions**

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

During the year ended 31 August 2023, one (2022: two) members of staff, who were deemed close relatives of key management personnel, were paid gross remuneration (including employer's pension contributions) of £45,045 (2022: £87,009).

**28. Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2023, the Academy received £6,306 (2022: £12,611) and disbursed £374 (2022: £960) from the fund. The Trust used 5% of the income £315 (2022: £630) towards the cost of administering the fund. The ESFA have reclaimed £11,607 (2022: £17,011) for prior periods not spent. An amount of £17,598 (2022: £11,981) is included in other creditors relating to undistributed funds that is repayable to the ESFA.