
HATFIELD COMMUNITY FREE SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	G. Jones S. Poole (resigned 5 May 2022) G. Cunningham (appointed 24 January 2022) J. Malynn (appointed 24 January 2022) P. Barratt (appointed 5 May 2022) R. Hughes (appointed 24 January 2022) D. Bullock (resigned 24 November 2021) S. Poole (resigned 5 May 2022)
Trustees	G. Jones, Chair ^{1,2} H. Russell-Jones, Vice Chair ¹ J Wilson, Co-opted Trustee (resigned 24 November 2021) ¹ S. Tamer, Co-opted Trustee (appointed 25 May 2022) ¹ V. Huynh, Co-opted Trustee (appointed 25 May 2022) ² C Pawar, Parent Trustee (appointed 4 April 2022) ¹ E. Summers, Staff Trustee A. Richardson, Staff Trustee ² A. Murphy, Co-opted Trustee (resigned 23 June 2022) ¹ H. Mussellwhite, Co-opted Trustee (resigned 8 October 2021) ² T. Andries, Parent Trustee (resigned 24 February 2022) ² D. Adeniyi, Co-opted Trustee (appointed 31 October 2021, resigned 17 October 2022) ¹ V. Hobson, Principal and Accounting Officer ^{1,2} M. Kinghorn, Parent Trustee ¹ D. Bullock (resigned 24 November 2021) S. Poole (resigned 5 May 2022) ¹ Members of the Resources Committee ² Members of the Outcomes Committee
Company registered number	07648654
Company name	Hatfield Community Free School
Principal and registered office	Briars Lane Hatfield Hertfordshire AL10 8ES
Company secretary	L Hake (resigned 14 July 2022) S Venn (appointed 4 Sep 2022)
Senior management team	V Hobson, Principal J. Pape, Vice Assistant Vice Principal S. Hammond, Assistant Vice Principal E. Summers, Assistant Vice Principal L Baker, School Business Manager (resigned 2 May 2022) R. Robinson, School Business Manager (appointed 25 July 2022)

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

Independent auditor	Hillier Hopkins LLP Chartered Accountants Radius House 51 Clarendon Road Watford Herts WD17 1HP
Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

HATFIELD COMMUNITY FREE SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statement and Auditors' Report of Hatfield Community Free School (the Trust) for the year ended 31 August 2022. The annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The academy trust operates an academy free school for pupils aged 4 to 11 serving a catchment area in Hatfield. It has a pupil capacity of 420 and had a roll of 412 in the school census of January 2022.

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section 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 requested, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

c. Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased protection for Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Department for Education, Risk Protection Arrangement (RPA), provides cover up to £10,000,000 on any one claim.

d. Method of recruitment and appointment or election of Trustees

Trust Board Directors, two of whom are the members of the Charitable Company for the purpose of company law are nominated by either the Secretary of State for Education, the Chairman of the Trust, or by all the existing members. The articles of association require the trust board members to appoint a minimum of 3 and a maximum of 8 Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the School. The articles of association contain provisions for the appointment of additional Trustees including staff Trustees and parent Trustees. The trust may also appoint Co-opted Trustees.

Trustees are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term.

The Trust Board currently comprises of 11 Trustees. These are determined as follows:

- 1 original proposer
- 5 co-opted Trustees (whose appointments are determined by the Trust Board)
- 1 Principal Trustee
- 2 Staff Trustees (all employed by the Trust)
- 2 Parent Trustees (elected by the parents of registered pupils at the Academy and must be parent of a pupil at the Academy at the time elected)

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

Structure, governance and management (continued)

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

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development through Herts for Learning and an online modular programme called Modern Governor. New Trustees are inducted into their role via the Chair and paired with another Trustee as a mentor. Support is also provided from the Clerk to the Trust Board who has been independently appointed by Herts for Learning.

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

Structure, governance and management (continued)

f. Organisational structure

The governance of the Trust is defined in the Articles of Association together with the funding agreement with the Department of Education.

The Trustees are organised into two sub committees; Outcomes and Resources. Each body forms policy to be agreed at the main governing body meetings.

The Trust Board which met on numerous occasions in the year, is responsible for the strategic direction of the Trust. The meetings were conducted as follows:

- 3 x Full Trust Board
- 3 x Informal Full Trust Board (focusing on curriculum and strategic planning)
- 3 x Outcomes Committees (focusing on pupil data and strategic planning)
- 3 x Resources Committees (focusing on finance and expenditure)

The Trust Board reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure including the appointment of senior staff, agree the performance objectives of the Principal with the School Improvement Partner, and review them.

All trustees have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their Trust Board duties. These are provided on a national site called GovernorHub which is used by many schools as a central repository for their Trust Board.

The Principal is the designated Accounting Officer and has overall responsibility for its day to day financial management. The Principal manages the Trust on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help develop strategies for future development to be put to the Principal and the Trust Board as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Principal to manage certain aspects of the Trust.

The Senior Leadership Team was constructed as follows for the accounting period:

- Principal – Mrs Victoria Hobson
- Assistant Vice Principal (Teaching and Learning) – Miss Jo Pape (joined HCFS in this new role for the start of the academic year to lead on developing the curriculum offer)
- Assistant Vice Principal (Inclusion) – Mrs Ellen Summers
- SENCO – Mrs Ashley Holmes (received NASENCO qualification in October 2021)
- School Business Manager – Mrs Lauretta Baker (until 2nd May 2022), Mrs Rachel Robinson (from 25th July 2022)
- Assistant Vice Principal (Pastoral) – Mrs Sian Hammond (returned from a period of maternity leave on 19th April 2022)

The Chief Financial Officer was held by Lauretta Baker from her appointment to the Trust in April 2021 until her resignation on 2 May 2022. Rachel Robinson was appointed into this role on 25th July 2022.

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

Structure, governance and management (continued)

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

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, individual salary range, the pay scales for each role and the level of experience of each staff member. In addition, pay scales may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. All amendments to key management's pay and remuneration are approved by the appropriate committee within the discretion and responsibility devolved to them.

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Any transaction where a Trustee may have a pecuniary interest is only undertaken in accordance with the 'at' cost principal described in the Academy Trust Handbook. (Formally known as the Academies Financial Handbook).

Hatfield Community Free School is a Single Academy Trust and remains in that position throughout the accounting period. There were no related party transactions during the year ending 31 August 2022.

The Trust does not have a formal sponsor.

Objectives and activities

The principal object and aim of the Trust is the operation of Hatfield Community Free School to provide excellent education and care for pupils of different abilities between the ages of 4 and 11.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the School the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum but not be bound by it.

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

Objectives and activities (continued)

a. Objectives, strategies and activities

The mission for the school is to *inspire, enrich and nurture so that each individual reaches their full potential*. The vision is that every member of our school community achieves the best from each moment they are in school. The school aims to ensure all have access to an exciting curriculum and quality teaching and learning, as well as a nurturing environment to support them to be happy and confident and to become life-long learners. The vision is underpinned by six core values:

Kindness, Respect, Resilience, Responsibility, Curiosity and Confidence.

The main drivers for the curriculum are:

- a strong drive on improving learning and engagement in the local community underpinned by the principles of: equality and diversity; respect for local people, local culture and local values; citizenship in the local, national and global context;
- building children's repertoire of spoken and written language so that they become confident and effective communicators;
- aspiration and enterprise so that every child: wants to succeed; knows how to achieve well academically and become socially competent; participates, is creative, is able to express their voice, contributes responsibly and has a sense of what it means to be a democratic citizen; believes that they are on the road to college, university or a good job;
- a strong focus on the whole child and their physical, social, spiritual, cultural and emotional wellbeing that means that they: are well placed to learn; will make good progress; will develop the emotional resilience to succeed even in the face of adversity.

To achieve this vision the main objectives of the School during the period ended 31 August 2022, all of which have been achieved, are summarised below:

- Build on the reputation of the Primary School which opened in September 2012;
- Recruit to fill all 60 Reception places each year;
- Recruit highly qualified teaching staff;
- Expand the middle and senior tiers of leadership in school;
- Provide parents with the opportunity for an extended day 7.45 to 6.00;
- Offer extended learning opportunities for children and families 3.00 to 4.00;
- Work in partnership with Energy Kidz to provide childcare to school age children, Squirrels Nurseries Ltd to provide Nursery services and Edwards and Blake to provide catering services;
- Achieve results at the end of EYFS that are in line with Hertfordshire Local Average and National Average;
- Achieve results in the phonics screening at end of year one above national average;
- Achieve results at the end of Year 2 that are in line with the national expected levels;
- Achieve results at the end of Year 6 that are in line with the national expected levels.

The School continues to work closely with its strategic Partners of Hertfordshire County Council, Herts for Learning, University of Hertfordshire, and The Alban Teaching School Hub. There is a close working relationship with parents and the local community in Hatfield.

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

Objectives and activities (continued)

b. Public benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

The School continued its mission to ensure students achieved their potential; encouraged a wide range of extra-curricular activities; developed and retained suitable staff.

Achievements and Performance

The Trustees receive termly information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets. (Financial Management of accounts are uploaded to a secure drive monthly and reviewed termly in Trustee meetings). As funding is based on pupil numbers this is a key performance indicator. Pupil numbers as recorded on the January 2022 census were 412 and ended the accounting period on 412.

Another key financial performance indicator is staffing costs as a percentage of total income, for 2021/22 this was 75.17%. The Trustees are confident that staffing levels are closely monitored to agreed full time equivalent staffing structures.

The Resource's committee also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were set within parameters.

Overall attendance figures for the year were 93.32%.

Educational Results

During the National Pandemic, the results of Statutory Assessments undertaken during the 2022 Summer Term were not published. The Statutory results were suspended with schools not required to submit and end of year results at this time. The school put in place a catch up programme for some pupils due to the loss of education that occurred due to National Lockdowns and to support achievements across the core subjects of Mathematics, Reading and Writing in Key Stage Two.

The results gained from Statutory Assessments and teacher assessment judgements are as follows:

EYFS (Reception Year)

71.1% Good Level of development

End of KS1 Year Two (Teacher Assessment)

Reading 61.7%

Writing 60%

Mathematics 66.7%

Science 71.1%

End of KS2 Year Six (Teacher Assessment)

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

Strategic report (continued)

Achievements and performance (continued)

Reading	75.4%
Spelling, Punctuation and Grammar	80.7%
Writing	70.2%
Mathematics	68.4%

Staff deployed resources:

Qualified teachers have been teaching the classes this year. Teaching was graded "good" by the school's self-assessment with 100% good and 30% outstanding.

The Principal has a degree in BEd Hons in Primary Education (QTS) with Mathematics Specialism.

The SENCO achieved her NASENCO qualification in October 2021.

The school maintains a substantive teaching role for senior leaders to strengthen the coaching role of highly effective planning, preparation and assessment of quality first teaching. This will remain a feature of the school.

The School Business Manager in post until 3 May 22 has a Diploma in School Business Management as well as a Diploma in Financial Services Management and takes a full and active part in the Strategic Leadership of the school being part of the Senior Leadership Team. A new School Business Manager appointment was made on 25th July 22.

All other staff have been inducted and trained to a high level and are effectively supporting the challenging targets set for all children. The Continuous Professional development of staff at all levels is a strength of the school.

Individual pupil focus:

Work programmes have been designed for all children within our classes of 20 children Year R and 1 and 30 children Years 2 - 6, each with two adults.

When children reach Year 2 they are educated in a class of 30 pupils with classroom support for key pupils as required.

Attainment gaps in Key Stage Two are addressed through a rigorous intervention programme led by classroom staff and an adapted curriculum led by the Assistant Vice Principal (Inclusion) and two qualified teachers.

Collaboration with other schools:

The school is a strategic partner with The Alban Teaching School Hub.

We work on action research projects in order to improve the learning opportunities of the children. We have a strong partnership with the University of Hertfordshire taking in 3 student teachers during the year to enhance their teaching experiences, and 5 other work experience students.

We link closely with the family of Hatfield and Welwyn Schools to moderate our work and share good practice. There are close working relationships with other Free School and Academy Principals to share good practice and understand the accountabilities of such a new leadership role.

Initiatives:

The school is following the Thrive Programme which supplies extensive mental health and well-being support for all pupils at class level in addition to specific therapies for smaller groups and individuals. Working towards the Thrive Approach is designed to assist children to become more resilient and self-regulated addressing the

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

Strategic report (continued)

Achievements and performance (continued)

needs of raising the profile of mental health and wellbeing across the school has been transformational for a number of our children and families.

The school has overhauled the SEND provision during the Pandemic to include pillar of support at different tiers of need.

We encourage all children to have a hot school meal so that they build social dining skills and have a healthy option. 100% of pupils take a hot lunch each day paid for by Universal free school meals budget. Pupils in Years 3, 4, 5 and 6 children may take up the option of packed lunch.

Wake up childcare club and chill out clubs are run by Energy Kidz and they are continuing to provide a facility at the same level of funding as previously charged by the school.

The curriculum links to the core learning activities as well as enrichment learning activities. The strategic intent is to provide a knowledge rich core curriculum that emphasizes to the learner the skills they require. The enrichment opportunities within the curriculum provides for a wide and balanced approach to using and applying skills in a variety of different situations.

a. Going concern

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

The Trust is fully confident that the reputation of the school will remain strong. Applications received for places in Reception 2021 were 193, over three times oversubscribed from PAN of 60. All children admitted selected the school as first choice. The school is highly popular in the town of Hatfield.

In making this statement the Board of Trustees has taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Financial review

The principal source of funding for the Trust is the GAG and other grants that it receives from the ESFA. For the year ended 31 August 2021 the Trust received £2,113,201 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,136,717. The Trust brought forward from 20/21 £486,382 restricted funds and £153,457 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund surplus of £181,000. This does not mean that an immediate asset for this amount crystallises and such a surplus generally results in a cash flow effect in the form of employer contributions over a number of years.

The School received a capital grants of £8,578 from the ESFA in the year, this was spent on capital refurbishment on certain areas throughout the school. The capital grant is shown in the Statement of Financial Activities as funding for the Academy's operations in the restricted asset fund.

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

Strategic report (continued)

Donated assets are shown in the Statement of Financial Activities as voluntary income in the restricted fixed asset fund.

In May 2014/15 the lease for the school building was signed with Hertfordshire County Council and the building is now valued in the Trust's account at £2,775,000. This value is from a desk-based exercise by the ESFA and was updated by a formal valuation undertaken in the 2016/17 financial year. Since then additional building work was completed at a cost of £337,909 increasing the total cost/valuation to £3,112,909.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2022 the net value of fixed assets was £2,771,470. The assets were used exclusively for providing education and the associated support services to pupils.

The school held fund balances at 31 August 2022 of £3,531,606 comprising restricted fixed asset funds of £2,741,470 restricted general funds of £578,994 and £211,142 unrestricted funds.

a. Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures by the reports provided from the School Business Manager, discussed within Trustee meetings. The medium term financial plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) as at 31 August 2022 is £211,142. This has been generated from lettings and other income generating activities during the year.

Following new guidelines regarding Financial Sustainability, the School has reviewed its working capital needs to allow it to operate on a short term basis should GAG funding be unexpectedly delayed. The school is holding accessible funds in the current account to be able to pay staff wages and committed payments for 3 months. (Guide amount of £333,000)

The Trustees complete a full review of the reserve levels of the School annually. This review considers the nature and predictability of income and expenditure streams, the need to match income with commitments and the purpose for which any earmarked or restricted funds are held.

Reserves are held to:

- Meet any unforeseen emergency or unexpected needs for funds for example: urgent site/premises repairs or replacements;
- Provide time to take action should funding levels fall or expenditure levels rise, for example: to enable the Trust the option to respond through natural wastage rather than through redundancy of staff;
- Meet planned commitments that cannot be met through future income alone for example: already identified larger site/premises repairs/replacements that are unsuccessful through annual Government funding bids, major asset purchase or extension; and
- Fund short term deficits in cash whilst awaiting receipt of funding.

The cash balances of the Trust have been healthy all year, ending the year with a balance of £878,305 which is made up of cash of £695,182 and £183,123 held in fixed term deposits as per the investment policy above.

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

b. Investment policy

The Trust reviews its level of surplus cash balances on a regular basis. Its aim is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are considered for investment in such a way as to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk, as well as taking into account social, environmental and ethical considerations.

Any surplus funds can be invested following the approval from the Resources Committee. Surplus funds are currently invested across three banks in fixed rate one year deposit accounts. The Trust is unlikely to consider bonds as higher risk investments are not considered to be in the best interests of the School.

The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow, taking into account prevailing interest rates and the time requirement to consider and administer funds movements.

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

c. Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on a least an annual basis and the internal control systems and the exposure to any risks are monitored on behalf of the Trustees at each Resources meeting. In addition the School has a specific Covid risk assessment that is constantly reviewed, amended and published on the website.

COVID-19 has impacted the school in many different ways. Staff have worked additional hours including where their parallel class colleague was self-isolating and online work for their class was needed to be prepared. The Principal and business support team have needed to quickly change focus to meet new school operational needs, and mental health issues have been amplified for both staff and pupils.

The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The level of financial risk is considered relatively low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this has been managed through budgeting software, taking into account of predicted salary/scale rises, as well as factoring in maternity allowances. A medium term finance plan is reviewed at least twice per year to assess the expected financial position up to five years in advance and forms the basis of budget forecasting and approval.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This is particularly significant given the UK response to COVID-19.
- Failures in governance and/or management – the risk in this area would arise from potential failure to effectively manage the Trust's finance, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievements are closely monitored and reviewed. The Trust understands through strong community engagement they will be able to effectively deliver on the expressed needs of the local community.
- Staffing – the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – The Trust has appointed Internal Auditors from Juniper to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff have access to forums and training to keep them up to date with financial practice requirements and develop their skills in this area.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of a school ceasing to exist the main risk to the Academy is an annual cash flow funding as part of the deficit. This is taken into consideration when setting and approving the annual budget.
- The Trust's non-teaching staff are almost all members of the Hertfordshire Local Government Pension

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TRUSTEES' REPORT (CONTINUED)
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Scheme. The Trust will need to keep under the review the potential for its share of scheme liabilities to exceed scheme assets. The Trust has joined the Hertfordshire Pension Pool to spread and therefore reduce its risks.

Fundraising

The Trust only held small fundraising events during the year including non-uniform days to raise funds for donating to charities (e.g. Children in Need, Save the Children, Comic Relief). The Trust works with professional fundraisers such as providers of child produced products for Christmas and Father/Mother's Day. The Trust has also recently joined Easy Fundraising who help to raise funds of behalf of the Trust.

All fundraising undertaken during the year was monitored by the Trustees.

During the year no complaints or issues have arisen as a result of the fundraising events.

Plans for future periods

The School's five year budget plan is intended to ensure that adequate resources are allocated to support the school operating at full capacity of 420 pupils each year. At the end of the financial year the school had its fourth cohort transferring to secondary education.

The Trust's plans for future periods include:

A focus on early reading and reading for pleasure enriched by the transformation of the Learning Resource Area into a centralized, shared learning area housing a fully function library. The second objective in the Trust's Strategic Plan is to create a positive impact on all areas of children's learning, including skills in reading, writing, research and IT, as well as a love of reading for pleasure, and wellbeing for all. The development of this new space will contribute to achieving this objective.

The Trust understands the importance the local community has on the whole school community and its achievements. For this reason, the first objective in the Trust's Strategic Plan is to strengthen community and educational partnerships to ensure a positive impact on children's learning and progress, and the best possible support for disadvantaged learners and those requiring higher levels of challenge. Many opportunities will be being taken to raise engagement and enrich partnerships to benefit the holistic development of the school community.

Funds held as custodian on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Disclosure of information to auditor

In so far as the Trustees are aware:

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

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

Auditor

The auditor, Hillier Hopkins LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 19 December 2022 and signed on its behalf by:



.....
G Jones
Chair

HATFIELD COMMUNITY FREE SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hatfield Community Free School Trust 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.

For the operational phase of the school the Trust Board has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hatfield Community Free School and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Board has formally met 6 times during the year to 31st August.

Attendance during the year at meetings of the Trust Board were as follows:

Trustee	Meetings attended	Out of a possible
G. Jones, Chair	6	6
H. Russell-Jones, Vice Chair	4	6
J Wilson, Co-opted Trustee	0	2
S. Tamer, Co-opted Trustee	2	2
V. Huynh, Co-opted Trustee	2	2
C Pawar, Parent Trustee	1	2
E. Summers, Staff Trustee	6	6
A. Richardson, Staff Trustee	5	6
A. Murphy, Co-opted Trustee	4	6
H. Mussellwhite, Co-opted Trustee	4	6
T. Andries, Parent Trustee	3	3
D. Adeniyi, Co-opted Trustee	5	5
V. Hobson, Principal and Accounting Officer	6	6
M. Kinghorn, Parent Trustee	6	6
D. Bullock	0	0
S. Poole	0	0

The Trust Board maintain an ongoing programme of policy review and governance has been subject to external review as part of the Ofsted inspection, with governance being rated as Outstanding in the most recent inspection. The Trust Board conducted a full self-evaluation in the spring of 2015, supported by Herts for Learning, who have a comprehensive and well-respected programme for Trust Board evaluation. Trustees reviewed their skill levels across all aspects of the Trust Board role and also the training they had undertaken to support and develop their skills. The clerk for the board supported completion of a skills audit in January 22.

S Poole and D Bullock were members only and they never held any trustee responsibilities and have now both resigned. The strategic plan outlines a review will be undertake through an external body in 2023/2024 academic year

The Resources Committee is a sub-committee of the main Trust Board. Its purpose is to assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Trust Board's responsibility to ensure sound management of the school's finances, personnel and premises, including property planning, monitoring and probity.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G. Jones (Chair)	3	3
V. Hobson (Principal and accounting officer)	3	3
J. Wilson	0	1
A. Murphy	2	3
M. Kinghorn	3	3
E. Summers	3	3
D. Adeniyi	1	2

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

C Pawar	0	0
S. Tamer	0	0

The Outcomes Committee is a sub-committee of the main Trust Board. Its purpose is to review and evaluate children's learning, the quality of teaching, the quality of leadership; children's achievements and wellbeing; standards of behavior; the arrangements for safeguarding; community engagement; work with partner organisations and agencies; standards across the school overall.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G. Jones (Chair)	3	3
V. Hobson (Principal and accounting officer)	3	3
H. Mussellwhite	2	3
T. Andries	2	3
A. Richardson	3	3
V. Huynh	0	0

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the governing body 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 by:

- Developed the EYFS learning environment through adding a sheltered outside play and learning area to ensure the learning offer inside the classrooms is mirrored outside as well;
- Creating a new SEN room to support with the running of interventions and work of the SENCO with families and professionals. This development has improved our offer for all pupils in order and their families. The Trust believes early response to a concern, leading to early identification and intervention of SEN are key to helping children reach their potential.
- Deploying staff resources and SEND funding in effective intervention programmes to ensure there is no attainment gap for children with special educational needs; Significant vulnerable groups of children perform as well as the other children;
- Training and mentoring newly qualified teachers to make their practice excellent and working with partner organisations to support their professional development; in addition working with training schools to support School Direct teachers, who provide additional teaching cover within the school, avoiding the need for costly supply teachers, and developing those trainees to become qualified teachers for the future.
- Undertaking an ongoing review of contracts and ensuring three quotes are obtained on all new contracts and asset purchases to ensure that high quality and economical contracts are placed for all key purchases.

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 Hatfield Community Free School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Trustees considered the need for a specific internal audit function and decided to appoint Juniper Education as internal auditor from September 2020 on a 3-year programme. The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems on a termly basis. The Internal Scrutiny Annual Report for 2021-22 gave an overall opinion of Good for the three financial controls reviews carried out reporting that there is a sound system of internal control designed to manage risks, where the majority of recommendations are of low-risk rating. The areas covered by the financial reviews included: Governance framework, Financial Governance, Banking, Income, Payroll and Procurement.

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

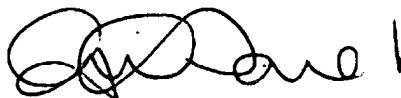
As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor ;
- the financial management and governance self-assessment process;
- the work of the Accounting Officer and School Business Managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- 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 Trustees on 19 December 2022
on their behalf by:

and signed



.....
G. Jones
Chair of Trustees



.....
V. Hobson
Accounting Officer

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hatfield Community Free School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, 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 Academies Financial Handbook 2021.

I confirm that I and the Academy Board of Trustees 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 Academies Financial Handbook 2021.

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



V. Hobson
Accounting Officer

Date: 19 December 2022

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

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

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

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

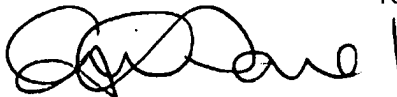
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on
19 December 2022 and signed on its behalf by:



.....
Gill Jones
Chair



.....
Victoria Hobson
Accounting Officer

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATFIELD COMMUNITY FREE SCHOOL**

Opinion

We have audited the financial statements of Hatfield Community Free School (the 'academy') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including 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 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATFIELD COMMUNITY FREE SCHOOL (CONTINUED)**

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATFIELD COMMUNITY FREE SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATFIELD COMMUNITY FREE SCHOOL (CONTINUED)**

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 consider the results 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:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit 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 Trustees 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. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022 and relevant tax legislation.

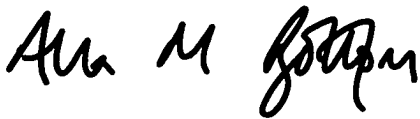
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATFIELD COMMUNITY FREE SCHOOL (CONTINUED)

Use of our report

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



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: *20th December 2021*

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HATFIELD
COMMUNITY FREE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 January 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hatfield Community Free School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hatfield Community Free School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hatfield Community Free School's funding agreement with the Secretary of State for Education dated 1 May 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

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

Conclusion

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



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

Date:

20th December 2022

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

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

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Income from:						
Donations and capital grants	4	945	-	8,578	9,523	8,709
Other trading activities		47,317	-	-	47,317	43,014
Investments	7	720	-	-	720	1,946
Charitable activities		77,086	2,113,201	-	2,190,287	1,990,397
Total income		126,068	2,113,201	8,578	2,247,847	2,044,066
Expenditure on:						
Charitable activities	9	68,383	2,136,717	90,641	2,295,741	2,066,838
Total expenditure		68,383	2,136,717	90,641	2,295,741	2,066,838
Net income/(expenditure)		57,685	(23,516)	(82,063)	(47,894)	(22,772)
Transfers between funds	18	-	(61,872)	61,872	-	-
Net movement in funds before other recognised gains/(losses)		57,685	(85,388)	(20,191)	(47,894)	(22,772)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,031,000	-	1,031,000	(253,000)
Net movement in funds		57,685	945,612	(20,191)	983,106	(275,772)

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

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

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	153,457	(185,618)	2,761,661	2,729,500	3,005,272
Net movement in funds	57,685	945,612	(20,191)	983,106	(275,772)
Total funds carried forward	<u>211,142</u>	<u>759,994</u>	<u>2,741,470</u>	<u>3,712,606</u>	<u>2,729,500</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 60 form part of these financial statements.

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07648654

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	2,741,470	2,761,661
		<u>2,741,470</u>	<u>2,761,661</u>
Current assets			
Debtors	16	113,376	23,356
Cash at bank and in hand		878,305	755,780
		<u>991,681</u>	<u>779,136</u>
Creditors: amounts falling due within one year	17	(201,545)	(139,297)
Net current assets		<u>790,136</u>	<u>639,839</u>
Total assets less current liabilities		<u>3,531,606</u>	<u>3,401,500</u>
Net assets excluding pension asset / liability		<u>3,531,606</u>	<u>3,401,500</u>
Defined benefit pension scheme asset / liability	24	181,000	(672,000)
Total net assets		<u><u>3,712,606</u></u>	<u><u>2,729,500</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	2,741,470	2,761,661
Restricted income funds	18	578,994	486,382
Restricted funds excluding pension liability / asset	18	<u>3,320,464</u>	<u>3,248,043</u>
Pension reserve	18	181,000	(672,000)
Total restricted funds	18	<u>3,501,464</u>	<u>2,576,043</u>
Unrestricted income funds	18	211,142	153,457
Total funds		<u><u>3,712,606</u></u>	<u><u>2,729,500</u></u>

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07648654

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 30 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
G. Jones
Trustee

Date: 19 December 2022

The notes on pages 35 to 60 form part of these financial statements.

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	188,681	151,397
Cash flows from investing activities	21	(66,156)	(67,236)
Change in cash and cash equivalents in the year		122,525	84,161
Cash and cash equivalents at the beginning of the year		755,780	671,619
Cash and cash equivalents at the end of the year	22, 23	<u>878,305</u>	<u>755,780</u>

The notes on pages 35 to 60 form part of these financial statements

HATFIELD COMMUNITY FREE SCHOOL
(A company limited by guarantee)

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

1. General information

Hatfield Community Free School is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Hatfield Community Free School, Briars Lane, Hatfield, Hertfordshire, AL10 8ES.

2. Accounting policies

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

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hatfield Community Free School meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

The Trustees have considered the impact of Covid-19 on the school's operations and reviewed budgets and forecasts. The funding has not been affected by the outbreak of pandemic and the trustees prepare the financial statements on a going concern basis.

HATFIELD COMMUNITY FREE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

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.

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **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.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

HATFIELD COMMUNITY FREE SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 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.

2.6 Tangible fixed assets

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

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

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

HATFIELD COMMUNITY FREE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold buildings	- 50 years, on a straight line
Furniture and equipment	- 4 years, on a straight line
Plant and machinery	- 5 years, on a straight line
Computer equipment	- 3 years, on a straight line

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 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.

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities

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

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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.

HATFIELD COMMUNITY FREE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.11 Operating leases

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

2.12 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.

2.13 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	945	-	945
Capital Grants	-	8,578	8,578
	<u>945</u>	<u>8,578</u>	<u>9,523</u>

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	6	-	6
Capital Grants	-	8,703	8,703
	<u>6</u>	<u>8,703</u>	<u>8,709</u>

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

5. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational Activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,737,273	1,737,273
Other DfE/ESFA grants			
Rates relief	-	13,122	13,122
Universal free school meals	-	70,742	70,742
Pupil Premium	-	177,939	177,939
Other DfE Group grants	-	60,769	60,769
	-	2,059,845	2,059,845
Other Government grants			
SEN income	-	52,156	52,156
Other government grants	-	1,200	1,200
	-	53,356	53,356
Other income from the Academy's educational activities	77,086	-	77,086
	77,086	2,113,201	2,190,287
	77,086	2,113,201	2,190,287

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

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

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational Activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,618,345	1,618,345
Other DfE/ESFA grants			
Rates relief	-	12,459	12,459
Universal free school meals	-	56,242	56,242
Pupil Premium	-	115,405	115,405
Other DfE Group grants	-	96,771	96,771
	-	1,899,222	1,899,222
Other Government grants			
SEN income	-	22,948	22,948
Other government grants	-	610	610
	-	23,558	23,558
Other income from the Academy's educational activities	35,217	-	35,217
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	32,400	32,400
	-	32,400	32,400
	35,217	1,955,180	1,990,397
	35,217	1,955,180	1,990,397

6. Income from other trading activities

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Rental income	42,230	42,230
Other income	5,087	5,087
	47,317	47,317

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

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Rental income	38,475	38,475
Other income	4,539	4,539
	<u>43,014</u>	<u>43,014</u>

7. Investment income

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Short term deposits	720	720

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Short term deposits	1,946	1,946

8. Expenditure

	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Educational Activities:				
Direct costs	1,526,513	-	324,530	1,851,043
Allocated support costs	163,165	121,332	160,201	444,698
	<u>1,689,678</u>	<u>121,332</u>	<u>484,731</u>	<u>2,295,741</u>

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

8. Expenditure (continued)

	<i>Staff Costs 2021 £</i>	<i>Premises 2021 £</i>	<i>Other 2021 £</i>	<i>Total 2021 £</i>
Educational Activities:				
Direct costs	1,398,674	5,360	254,289	1,658,323
Allocated support costs	135,236	115,823	157,456	408,515
	<u>1,533,910</u>	<u>121,183</u>	<u>411,745</u>	<u>2,066,838</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Educational Activities	<u>68,383</u>	<u>2,227,358</u>	<u>2,295,741</u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Educational Activities	<u>23,429</u>	<u>2,043,409</u>	<u>2,066,838</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Activities	<u>1,851,043</u>	<u>444,698</u>	<u>2,295,741</u>

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

10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational Activities	1,658,323	408,515	2,066,838

Analysis of support costs

	Educational Activities 2022 £	Total funds 2022 £
Pension finance costs	12,000	12,000
Staff costs	163,165	163,165
Depreciation	90,641	90,641
Premises costs	121,332	121,332
Technology Costs	25,355	25,355
Governance Costs	13,528	13,528
Other Support costs	18,677	18,677
	<u>444,698</u>	<u>444,698</u>

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational Activities 2021 £</i>	<i>Total funds 2021 £</i>
Pension finance costs	6,000	6,000
Staff costs	135,236	135,236
Depreciation	90,637	90,637
Legal costs	346	346
Premises costs	115,823	115,823
Technology Costs	23,350	23,350
Governance Costs	7,557	7,557
Other Support costs	29,566	29,566
	<u>408,515</u>	<u>408,515</u>

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	2,759	11,398
Depreciation of tangible fixed assets	90,641	90,637
Fees paid to auditor for:		
- audit	7,250	6,500
- other services	3,400	3,200
	<u>93,690</u>	<u>110,735</u>

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

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,175,751	1,108,045
Social security costs	99,467	93,736
Pension costs	414,460	332,129
	<u>1,689,678</u>	<u>1,533,910</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	22	23
Administration and support	28	20
Management	1	4
	<u>51</u>	<u>47</u>

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £345,133 (2021 - £357,900).

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

13. Trustees' remuneration and expenses

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

		2022 £	2021 £
S Attard (Executive Principal and Trustee)	Remuneration		20,000 - 25,000
	Pension contributions paid		5,000 - 10,000
A De La Salle (Vice Principal and Staff Trustee)	Remuneration		15,000 - 20,000
	Pension contributions paid		0 - 5,000
J Sutton (Staff Trustee)	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
V Hobson (Principal and Trustee)	Remuneration	70,000 - 75,000	65,000 - 70,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
E Summers (Staff Trustee)	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
A Richardson (Staff Trustee)	Remuneration	15,000 - 20,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

14. Trustees' and Officers' insurance

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

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

15. Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2021	3,077,705	242,478	216,078	3,536,261
Additions	35,204	-	35,246	70,450
At 31 August 2022	<u>3,112,909</u>	<u>242,478</u>	<u>251,324</u>	<u>3,606,711</u>
Depreciation				
At 1 September 2021	367,475	239,675	167,450	774,600
Charge for the year	68,519	2,605	19,517	90,641
At 31 August 2022	<u>435,994</u>	<u>242,280</u>	<u>186,967</u>	<u>865,241</u>
Net book value				
At 31 August 2022	<u>2,676,915</u>	<u>198</u>	<u>64,357</u>	<u>2,741,470</u>
At 31 August 2021	<u>2,710,230</u>	<u>2,803</u>	<u>48,628</u>	<u>2,761,661</u>

The land and buildings occupied by Hatfield Community Free School were assigned to the academy trust under a 125 year lease. Land and buildings totalling £2,775,000 were recognised as gifted assets per valuation reports dated 31 March 2013 prepared by The Education Funding Agency. Additional building work was completed at a cost of £337,909 since then increasing the total cost/valuation to £3,112,909. The premises have been valued on a Depreciated Replacement Cost basis in accordance with the accounting convention for assets of this type.

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,050	-
Other debtors	49,927	13,154
Prepayments and accrued income	62,399	10,202
	<u>113,376</u>	<u>23,356</u>

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

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	85,572	46,882
Other taxation and social security	24,894	23,529
Other creditors	27,459	26,506
Accruals and deferred income	63,620	42,380
	<u>201,545</u>	<u>139,297</u>
	2022 £	2021 £
Deferred income at 1 September 2021	39,880	41,513
Resources deferred during the year	38,592	39,880
Amounts released from previous periods	(39,880)	(41,513)
	<u>38,592</u>	<u>39,880</u>

The deferred income relates to Rates relief and Infant free school meal as it also covers the period after the year end hence the income has been apportioned and post year end income has been deferred.

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

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	153,457	126,068	(68,383)	-	-	211,142
Restricted general funds						
General Annual Grant (GAG)	486,382	1,737,273	(1,582,789)	(61,872)	-	578,994
Other DfE/ESFA grants	-	322,572	(322,572)	-	-	-
Other Government grants	-	53,356	(53,356)	-	-	-
Pension reserve	(672,000)	-	(178,000)	-	1,031,000	181,000
	(185,618)	2,113,201	(2,136,717)	(61,872)	1,031,000	759,994
Restricted fixed asset funds						
Donations	2,761,661	-	(90,641)	70,450	-	2,741,470
Other funding	-	8,578	-	(8,578)	-	-
	2,761,661	8,578	(90,641)	61,872	-	2,741,470
Total Restricted funds	2,576,043	2,121,779	(2,227,358)	-	1,031,000	3,501,464
Total funds	2,729,500	2,247,847	(2,295,741)	-	1,031,000	3,712,606

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

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

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

18. Statement of funds (continued)

Material funds included in other DfE/ESFA grants are represented by pupil premium which is funding pay by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more disadvantaged students and Universal Free School Meals income.

The restricted asset fund represents the net book value of fixed assets funded from DfE/ESFA capital grants, donations for capital purchases and assets purchased from GAG.

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 2022.

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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:

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	96,703	80,183	(23,429)	-	-	153,457
Restricted general funds						
General Annual Grant (GAG)	445,775	1,618,345	(1,508,556)	(69,182)	-	486,382
Other DfE/ESFA grants	10,381	313,277	(323,658)	-	-	-
Other Government grants	-	23,558	(23,558)	-	-	-
Pension reserve	(322,000)	-	(97,000)	-	(253,000)	(672,000)
	134,156	1,955,180	(1,952,772)	(69,182)	(253,000)	(185,618)
Restricted fixed asset funds						
Donations	2,774,413	-	(90,637)	77,885	-	2,761,661
Other funding	-	8,703	-	(8,703)	-	-
	2,774,413	8,703	(90,637)	69,182	-	2,761,661
Total Restricted funds	2,908,569	1,963,883	(2,043,409)	-	(253,000)	2,576,043
Total funds	3,005,272	2,044,066	(2,066,838)	-	(253,000)	2,729,500

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,741,470	2,741,470
Current assets	201,103	790,578	-	991,681
Creditors due within one year	10,039	(211,584)	-	(201,545)
Provisions for liabilities and charges	-	181,000	-	181,000
Total	211,142	759,994	2,741,470	3,712,606

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,761,661	2,761,661
Current assets	153,457	625,679	-	779,136
Creditors due within one year	-	(139,297)	-	(139,297)
Provisions for liabilities and charges	-	(672,000)	-	(672,000)
Total	153,457	(185,618)	2,761,661	2,729,500

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

	2022 £	2021 £
Net expenditure for the year (as per statement of financial activities)	(47,894)	(22,772)
Adjustments for:		
Depreciation	90,641	90,637
Capital grants from DfE and other capital income	(3,574)	(8,703)
Interest receivable	(720)	(1,946)
Defined benefit pension scheme cost less contributions payable	178,000	97,000
(Increase)/decrease in debtors	(90,020)	58,715
Increase/(decrease) in creditors	62,248	(61,534)
Net cash provided by operating activities	188,681	151,397

21. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	720	1,946
Purchase of tangible fixed assets	(70,450)	(77,885)
Capital grants from DfE Group	3,574	8,703
Net cash used in investing activities	(66,156)	(67,236)

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	878,305	755,780
Total cash and cash equivalents	878,305	755,780

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23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	755,780	122,525	878,305
	<u>755,780</u>	<u>122,525</u>	<u>878,305</u>

24. Pension commitments

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

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

Contributions amounting to £27,293 were payable to the schemes at 31 August 2022 (2021 - £26,212) 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.

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £159,265 (2021 - £156,733).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £113,000 (2021 - £105,000), of which employer's contributions totalled £90,000 (2021 - £84,000) and employees' contributions totalled £23,000 (2021 - £21,000). The agreed contribution rates for future years are 22.65 per cent for employers and 5.5 - 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.

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24. Pension commitments (continued)

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.45	3.3
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.4	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26	26.2

Sensitivity analysis

	2022	<i>2021</i>
	£000	£000
Discount rate -0.1%	31	56
CPI rate +0.1%	30	54
Salary Increase Rate +0.1%	1	1

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August	<i>2021</i>
	2022	2021
	£	£
Equities	614,000	645,000
Corporate bonds	282,000	353,000
Property	184,000	134,000
Cash and other liquid assets	147,000	85,000
Total market value of assets	1,227,000	1,217,000

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24. Pension commitments (continued)

The actual return on scheme assets was £(81,000) (2021 - £136,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(256,000)	(175,000)
Interest income	21,000	18,000
Interest cost	(33,000)	(24,000)
Total amount recognised in the Statement of financial activities	(268,000)	(181,000)

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

	2022 £	2021 £
At 1 September	1,889,000	1,304,000
Current service cost	256,000	175,000
Interest cost	33,000	24,000
Employee contributions	23,000	21,000
Actuarial (gains)/losses	(1,133,000)	371,000
Benefits paid	(22,000)	(6,000)
At 31 August	1,046,000	1,889,000

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

	2022 £	2021 £
At 1 September	1,217,000	982,000
Interest income	21,000	18,000
Actuarial (losses)/gains	(102,000)	118,000
Employer contributions	90,000	84,000
Employee contributions	23,000	21,000
Benefits paid	(22,000)	(6,000)
At 31 August	1,227,000	1,217,000

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25. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	2,759	3,948
Later than 1 year and not later than 5 years	3,324	3,106
	<u>6,083</u>	<u>7,054</u>

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 Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

28. Investments

Since 2013 individual schools in Hertfordshire had an opportunity to buy a share in Herts For Learning, a company providing products and services to schools. The cost of investment was £25 and Hatfield Community Free School purchased one share. The investment is not included in the financial statements on the grounds of materiality and we believe the transactions with Herts For Learning do not constitute related party transactions.