

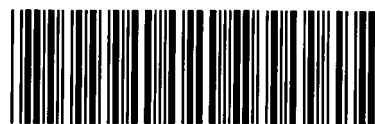
Company Registration Number: 07852122 (England & Wales)



DENEFIELD SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Hazel Archer (appointed 25 October 2022) Matt Barber Dan Barter (resigned 31 July 2022) Alice Boon Catherine Hester Tom James (resigned 31 July 2022) Harvey Smith
Trustees	Katie Ayres (resigned 31 July 2022) Rupert Bancroft (resigned 31 July 2022) Kate Courtney-Taylor (appointed 19 October 2022) Joel Davis (resigned 10 February 2022) Lorraine Doyle (resigned 31 August 2022) Adam Greenhalgh, Parent trustee Amy Hall (appointed 13 July 2022) Stephen Kayongo, Parent trustee Trevor Keable (appointed 25 May 2022) Steven Musson, Chair of trustees Sarah Shortt (resigned 31 August 2022) Joanne Toovey (appointed 13 July 2022) Edwin Towill, Head Teacher and Accounting Officer
Company registered number	07852122
Company name	Denefield School
Principal and registered office	Long Lane Tilehurst Reading RG31 6XY
Company secretary	Edmund Bradley
Senior management team	Edwin Towill, Headteacher Lee Simpson, Director of Teaching & Learning Karen Davis, Assistant Head Lindsay Holley, Assistant Head Anna Williams, Assistant Head (acting) (until 31 August 2022) Sarah McHugh, Deputy Headteacher Andrew Binnington, Assistant Head (until 31 August 2022)
Independent auditors	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading RG1 8LS
Bankers	Lloyds Bank Plc Reading Branch PO Box 1000 BX1 1LT

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

Solicitors

Harrison Clark Rickerbys Solicitors
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

DENEFIELD SCHOOL
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TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company 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.

Denefield School operates as a single academy trust for pupils aged 11-19 years serving a catchment area in West Reading, Tilehurst and Purley. The school has student capacity of 1,137 and had 1,125 students on roll in the Autumn 2021 school census.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. It was incorporated on 1 January 2012. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Denefield School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Denefield School.

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

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the trustees arising from negligent acts, errors or commissions occurring whilst on academy business. This is covered by Denefield's membership of the Department for Education's (DfE) Risk Protection Arrangements.

Method of Recruitment and Appointment or Election of Trustees

The academy trust may have the following trustees as set out in its Articles of Association and Funding Agreement.

- Up to six trustees (appointed by the Members).
- Three co-opted trustees (appointed by the Trust board)
- The Headteacher is treated for all purposes as an 'ex officio' trustee with the exception of all matters relating to the Headteacher's appointment.
- A minimum of two parent trustees, who are elected by parents of registered students at the academy and who must be a parent of a student at the academy at the time when they are elected.

The term of office for any trustee, except for the Headteacher, is four years. Subject to remaining eligible any trustee may be reappointed or re-elected.

When appointing new trustees, the trust board and members consider the skills and experience mix of its existing trustees in order to ensure the trust board has the necessary skills to fully contribute to the academy's development. All appointments are subject to a satisfactory Disclosure and Barring Service (DBS) check. When appointing a new chair of the trust board the person appointed will complete an 'academy trust suitability check' in line with ESFA guidance.

In accordance with the Academy Trust Handbook and the DfE's Governance Handbook, staff no longer serve as staff trustees, with the exception of the headteacher.

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TRUSTEES' REPORT (CONTINUED)

Members

The Members group consists of five individuals who are completely independent of the trust board. Current members work within the following sectors: primary and secondary education, project management, management consultancy and charities. Each member has been selected for their skills, expertise and extensive knowledge of the education sector.

The role of members is to provide oversight and to hold the trust board to account for effective governance. This is done by monitoring the work of the trust board once a year at the members' Annual General Meeting (AGM) covering topics such as progress made against long term strategic and annual operational plans. Members also receive a copy of the audited accounts and trustees' report.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction for new trustees is dependent on their previous experience. All new trustees meet with the Headteacher and the Chair of Trustees to discuss the role of the trust board, expectations of trustees, and the school's aims, purpose and context. New recruits receive a tour of the school and have the opportunity to meet staff and students. Induction training covers educational, legal and financial matters and is provided via the NGA Learning Link and The Key for Governors as well as the Local Authority, subject to availability. New trustees are given access to GovernorHub with past copies of committee minutes, reports and school policies, and they receive guidance from the Charity Commission on the role of trustees and other documents necessary to undertake their role. All trustees have access to the website of the National Governors' Association (NGA) and The Key for School Governors, and are expected to sign up to a Governors' Code of Conduct.

During the year individual members of the trust board have the opportunity to attend training courses provided by, among others, West Berkshire Council's Governors' Services and Brighter Futures for Children Governors' Services on a range of topics. In addition, to support their ongoing learning all trustees have access to the NGA Learning Link and online learning via The Key for School Governors together with training opportunities available by professional providers as identified by the Governance Professional. In addition, full board training sessions are organised each year to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. All Governors receive regular National Governor Association updates.

Organisational Structure

The trust establishes an overall framework for the governance of the academy and determines membership, terms of reference and procedures for the trust board and its committees. The trust board receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. From time to time the trust board may establish working groups to perform specific tasks over a limited timescale.

The Trust board has in place a scheme of delegation for all of its sub-committees. There are three main committees:

- Resources Committee
- Standards Committee, and
- Headteacher's Performance Management Panel (HTPMP).

The responsibilities and delegations for each committee are outlined in the terms of reference which are approved annually and published on the school's website. The trust board meets seven times a year and its committees (with the exception of the HTPMP) each meet at least six times a year. All meetings are minuted by the Governance Professional (formerly Clerk to Trustees) who is an employee of the Academy.

The following decisions are reserved for the Trust board:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure
- to appoint or remove the Chair and Co-Vice Chairs,
- to appoint and consider the performance management of the Headteacher

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TRUSTEES' REPORT (CONTINUED)

- to appoint members of the senior leadership team, the Finance and Business Director and the Governance Professional.

The trust board's main role is to provide 'confident strategic leadership and to create robust accountability, oversight and assurance for educational and financial performance'. Its three core strategic functions are:

- to set the vision, ethos and strategic direction of the academy,
- to hold the Headteacher to account for the educational performance of its students and the performance management of its staff; and
- to oversee the financial performance of the academy and make sure its money is well spent.

The trustees are responsible for setting general policy, devising a long-term strategic plan, adopting an annual action plan and budget, approving the annual statutory accounts, advising the Members on the appointment of the external auditor, monitoring budget performance and pupil performance information, and making the major decisions about the direction of the academy, capital expenditure and staff appointments.

The trustees have devolved the day-to-day management of the academy to the Headteacher and the Senior Leadership Team ('SLT'). The SLT comprises the Headteacher, Deputy Headteacher, Director of Teaching and Learning, and four Assistant Headteachers. The SLT implement the policies laid down by the trust board, provide feedback and professional advice, and report back to them on performance. The trustees have devolved day to day financial management to the Headteacher and Finance and Business Director (FBD) who also acts as Company Secretary for the Academy.

The Headteacher is appointed by the trust board and is a trustee. The Headteacher acts as Accounting Officer and has delegated responsibility for the day to day management of the Academy. The Headteacher is responsible for the appointment of staff outside of the senior leadership team. The Headteacher is responsible for the authorisation of spending within agreed budgets which is set out in a scheme of delegation

Arrangements for setting pay and remuneration of key management personnel

The Trust board reviews and agrees a Pay Policy for all staff annually. Pay and remuneration for all staff is managed through performance management reviews. Teachers' pay is linked to national pay scales, and support staff pay is linked to the National Joint Council for Local Government scale (NJC). Payscale are benchmarked to other academies and the Local Authority.

The Headteacher's Performance Management Panel (HTPMP) sets performance management objectives for the Headteacher annually which are linked to the academy's key improvement priorities. The HTPMP is made up of three trustees (who have received training in performance management). The Chair of trustees is a member of this panel. The remaining members of the panel are determined by the trust board at its first meeting of the academic year. The panel is supported by an external advisor, who is the School Improvement Partner.

The School Improvement Partner advises the HTPMP when reviewing the Headteacher's performance and when setting new performance targets. This meeting takes place before the 31st October in each academic year. The SIP meets with the Headteacher to review their performance, and to discuss provisional targets before meeting with the panel. Evidence is gathered from the SIP's report, the Headteacher's self-review of their performance and discussions with the Headteacher during the meeting. Based on the findings, the panel makes a pay recommendation to the Resources Committee for approval.

The Headteacher determines the performance management objectives for members of SLT which are also linked to the Academy's improvement priorities. During the year, line management meetings take place to ensure staff are on track to meet their objectives. The Headteacher is the line manager for all members of the SLT.

The Headteacher presents pay recommendations for members of SLT (in writing) to the Resources Committee based on performance against targets. When considering the Headteachers' recommendations, the Resources Committee apply the criteria set out in the Teachers' Pay Policy when reviewing and approving pay awards.

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TRUSTEES' REPORT (CONTINUED)

At the end of the year, all staff conduct a self-evaluation of their performance against their targets with supporting evidence and meet with their line manager to assess performance and any pay entitlement. A SLT moderation meeting is held to consider performance and pay recommendations for all staff outside of the senior leadership team which is attended by a trustee.

Staff pay awards are approved by the Resources Committee after considering recommendations made by the Headteacher. Decisions regarding each member of staff's pay are communicated in writing by the Headteacher.

Decisions regarding the Headteacher's pay are communicated in writing by the Chair of Trustees.

All performance awards are made in the context of affordability and the constraints on the school's annual budget. Budgetary difficulties are not used, however, as a reason for withholding pay progression awards.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	1
Total pay bill	5,131
Percentage of total pay bill spent on facility time	<1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Related Parties and other Connected Charities and Organisations

The Governance Professional maintains a Register of Business Interests. The register lists those organisations where a trustee or senior leader or their spouse, partner or other connected person has a direct personal interest, other personal interest or where they have a duty which could be seen as conflicting with their responsibilities to the school. Each trustee signs a new declaration of interests each year and is asked to declare any interests at the start of every Trust board and committee meeting. One trustee, the Headteacher, is a member of staff employed by the Academy. Parent trustees are recorded on page 1 of these financial statements.

The school works closely with its partner primary schools in Tilehurst, Purley and Pangbourne. The school also works with Pangbourne College as part of the Combined Cadet Force initiative, and works with other another secondary school in Burghfield on areas such as behaviour support and curriculum development.

The school has partnership agreements with two local football clubs, Westwood Wanderers and Barton Rover, for the hire of Denefield's 3G football pitch and playing fields. Many Denefield students are also members of these clubs.

There are no other related parties which either control or significantly influence the decisions and operations of the academy. There are no sponsors or formal Parent Teacher Associations associated with the academy.

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TRUSTEES' REPORT (CONTINUED)

Objectives and Activities

Objects and Aims

The principal objects of the academy, as set out in its Articles of Association, are to:

- advance, for the public benefit, education in the locality by maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- promote for the benefit of the inhabitants of Tilehurst and the surrounding area the provision of facilities for recreation or other leisure time occupation

Objectives, Strategies and Activities

The key priorities for the period are contained in the School Action Plan which is available from the Headteacher. The main activities of the academy for the period ended 31 August 2022 were as follows:

Leadership and Management

- to ensure the teaching and support staff structure maximise student outcomes and wellbeing
- to recruit, retain, train and deploy teaching and support staff effectively
- to maintain the safety and fitness of purpose of the school site
- to manage the school's resources effectively.

Student Achievement

- to maximise student achievement at Key Stages 4-5
- to develop students' CHARACTER¹ values so that they achieve success for life
- to ensure that all students progress to positive destinations including education, employment and training.

Teaching and Learning

- to ensure a broad and balanced curriculum from Key Stage 3 to Key Stage 5
- to maximise impact through the school's standardised 'Lesson on a Page' delivery model
- to ensure the curriculum is suitably adapted in the light of Covid-19.

Behaviour and Safety

- to ensure the students are calm, hardworking and respectful at all time
- to develop consistent and standardised approaches to all routines from the beginning to the end of the school day.

Effectiveness of the Sixth Form

- to ensure a broad and balanced curriculum from Key Stage 3 to Key Stage 5
- to maximise impact through the school's standardised 'Lesson on a Page' delivery model
- to ensure the curriculum is suitably adapted in the light of Covid-19
- to ensure that all students progress to positive destinations including education, employment and training.

Public Benefit

The Trust board has complied with their duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

¹ Confidence, Happiness, Articulacy, Resilience, Ambition, Courage, Tolerance, Empathy, Respect

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TRUSTEES' REPORT (CONTINUED)

The activities undertaken with the aim of advancing the public benefit include the provision of:

- education in Tilehurst and the offer of a broad curriculum
- targeted support for students with additional needs
- facilities for recreational and other leisure time use for the local community in the interests of improving social welfare.

Strategic Report

Achievements and Performance

Trustees regularly monitor and evaluate the school's performance with reference to the aims and objectives that have been set out in the School Action Plan. Notable successes this year have included:

- improved examination performance
- improved attendance
- being the first secondary school ever to win the Pride of Reading Award (December 2021)
- once again being oversubscribed in Year 7
- strong staff recruitment and retention
- excellent financial management.
- Provision of a full-range
- Introduction of a wide-ranging programme of extra-curricular activities
- opening a new full-size all-weather football pitch on the school site for school and community use.

Educational performance against targets

Educational achievements against targets for the period ended 31 August 2022 are summarised below:

GCSE

Measure	Target	Actual
Attainment 8	52	53
9-7 in English and Maths	20%	18%
9-5 in English and Maths	48%	56%
9-4 in English and Maths	72%	76%
Progress 8	0.1	0.11

BTEC Level 2

Measure	Target	Actual
L3 Distinction* / Distinction	35%	37%
L3 Distinction*-Merit	55%	59%
L3 Distinction*-Pass	90%	94%
L3 Distinction*-L1 Pass	100%	99%

A-Level

Measure	Target	Actual
A*-A	20%	18%
A*-B	50%	49%
A*-C	85%	82%
A*-E	100%	98%
Level 3 Value Added	0.0	-0.02

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TRUSTEES' REPORT (CONTINUED)

BTEC Level 3

Measure	Target	Actual
L3 Distinction* / Distinction	50%	69%
L3 Distinction*-Merit	85%	94%
L3 Distinction*-Pass	100%	100%
Level 3 Value Added	0	0.55

Lessons

Denefield has standardised its approach to the curriculum and lessons, through its 'Lesson on a Page' structure. Internal and external observations suggest this has had a significant impact on student learning and performance, as shown by examination results above.

Extra-curricular

Following an eighteen-month hiatus, the school provided a full range of extra-curricular activities, including clubs, teams and trips. Some of the most significant were the Combined Cadet Force, Greenpower electric racing car teams, Combined Cadet Force with Pangbourne College, and the Year 7 PGL residential visit - the first in three years, in which over 160 students participated. Over one third of the school participated in extra-curricular activities during the year. The autumn and Christmas music concerts were revived and in March students from Years 7-13 performed 'Little Shop of Horrors.' A Diversity Day was held in July 2022, followed by a Destinations Day.

Summer School

For the second year, the school hosted a summer school for prospective year 7 students with free places offered to parents and carers of free school meal children.

Key Performance Indicators

Performance against other key indicators is set out below:

Admissions	Denefield continues to be oversubscribed. The school's Published Admission Number (PAN) is 180, with 198 students taking up places in 2022.
Pupil numbers	The school's overall number on roll has fallen from 1137 to 1114 owing to fewer students taking up places in the sixth form.
Attendance	Denefield's overall attendance in 2021-2022 was 91.38% This is lower than the 96% target. As with all schools, attendance has been impacted by the pandemic and its after-effects.
Student destinations	77% of Year 13 students gained university places, with the majority of the remainder taking up apprenticeships and employment. Two students have taken up places at Oxford University.
Financial reserves	Although the school's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, one of the main financial performance indicators is the level of working reserves held at the balance sheet date. At 31 August 2022, the working reserves balance was £0.811m, a decrease of £0.124m on the previous year.
Staffing costs	Staffing costs are another key performance indicator for the academy and the percentage of total staff costs (including agency teachers) to GAG funding for the period was 92.3%, while the percentage of staff costs to total costs was 73.9%. This is in line with the accepted target of 78%.

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TRUSTEES' REPORT (CONTINUED)

The school estate

We have continued to maintain our site and buildings through a programme of planned maintenance and repairs, and we have made some significant capital improvements to the school site which include:

- completion of a new 3G artificial football pitch part funded by the Football Foundation, West Berkshire Council, and other donors. The pitch is now regularly used by the PE Department for teaching and is an increasingly popular venue for training and recreation by the local community after school and during the school holidays.
- refurbishment of the main hall, providing a more positive first experience for visitors to the school
- remodelling of existing spaces to provide a new Inclusion Centre and upgraded first aid area.
- LED lighting upgrades in the Technology and Music corridors
- new and safer flooring in the Humanities Block staircase
- installation of new CCTV cameras and replacement of older IT equipment.

July and August also saw the start of a major heating and boiler replacement project, costing over £0.5 million and mostly funded by the DfE's Condition Improvement Grant. The project is due to be completed in Autumn 2022. The new, more efficient boilers will help reduce Denefield's carbon footprint and reduce the school's boiler repair bills.

Going Concern

After making appropriate enquiries and reviewing the relevant evidence, the Trust Board has a reasonable expectation that the academy trust has sufficient resources to continue in operational existence for the foreseeable future.

Denefield has no short or medium-term cashflow difficulties, and working reserves are currently at a sufficiently high level to manage in the short-term the financial pressures which are currently emerging as a result of recent pay increases, rising energy costs and other cost of living increases. Nevertheless, careful financial planning will be required to address these pressures in the medium-term to avoid the school moving permanently into deficit.

For this reason, the school 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.

FINANCIAL REVIEW

Summary of financial position

Most of the school's revenue income comes in the form of recurring grants from the DfE via the Education and Skills Funding Agency (ESFA). Their use is usually restricted to particular purposes. The main revenue grants received from the DfE during the period ended 31 August 2022 are the General Annual Grant, Pupil Premium, Supplementary Grant (which was a new grant in 2021/22), Teachers' Pay, and Teachers' Pension Employer Contribution Grant. These and other grants and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities (SOFA).

The academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the SOFA. The balance of the Restricted Fixed Asset Fund is reduced by the depreciation charges on the assets acquired using these funds. The two biggest capital grants received in 2021/22 were the DfE's Condition Improvement Fund grant (£163,770) for the boiler replacement, and Football Foundation funding (£319,637) for the 3G football pitch.

The School supplements its grant income by hiring out its facilities to the local community. Following the pandemic, demand for the school's facilities and the new 3G pitch has been strong, and lettings income in 2021/22 has increased significantly. We also receive rental income from an independent nursery which operates on the school site.

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TRUSTEES' REPORT (CONTINUED)

During the year ended 31 August 2022, total incoming resources for the year, comprising grant funding from the Education and Skills Funding Agency (ESFA), income from other bodies, and self-generated income, were £7.431m (2020/21 £7.043m). Total resources expended, including depreciation charges and FRS102 pension costs, were £7.667m (2020/21 £7.311m), an excess of expenditure over income therefore of £0.236m (2020/21 £0.268m).

Total expenditure for the year, excluding depreciation, was £7.215m (2020/21 £6.883m), and excluding depreciation and FRS102 pension costs, was £6.757m (2020/21 £6.517m).

To better understand Denefield's financial position, it is more helpful to see the change in 'working reserves', comprised of the restricted general funds balance (excluding the pension reserve) and the unrestricted general funds. This shows a decrease in working reserves of £0.124m, from £0.935m in 2020/21 to £0.811m in 2021/22:

	2021/22 £m	2020/21 £m	Change £m
Unrestricted funds	£0.631	£0.582	+£0.049
Restricted general funds	£0.180	£0.353	(£0.173)
Total working reserves	£0.811	£0.935	(£0.124)

This decrease in reserves is in line with trustees' aim to reduce reserves over time from the high levels brought forward at the start of the year.

Staffing costs, representing around 78% of the recurring budget, came under some pressure during the year mainly as a result the 2022/23 support staff pay award (effective from April 2022) which was higher than budgeted. Teacher supply costs were also high because of the need to cover vacancies and absence during the year, partly driven by the increase of school trips and visits, but these additional supply costs were mainly offset by savings in the teaching budget because of vacancies.

2021/22 saw an increase in the costs of alternative provision placements for students accessing education off-site, but some of these extra costs were funded by additional high-needs funding from Reading and West Berkshire. Premises and cleaning costs reverted to levels more in line with those seen pre-pandemic, so the additional funding set aside for such contingencies was in the main not needed. The school was also protected from the high energy costs seen currently as a result of fixed price energy contracts agreed before prices rose significantly.

The opening of the new 3G football pitch in November 2021 helped to drive an increase in lettings resulting in a surplus of £20k on the cost of running the facility. This surplus has been transferred into a 3G pitch designated fund that will build up over time to cover the cost of replacing 'carpet' every ten years.

Revenue contributions to support capital expenditure on equipment and infrastructure in the school was therefore the main reason for the £124k decrease working reserves. This funding helped support a range of projects, of which some are set out in the 'school estate' section above.

The fixed assets held by Denefield are used for providing education and associated services to its pupils and facilities for recreational use by the local community. At the 31 August 2022, the net book value of fixed assets was £14.558m (2020/21 £14.232m). Incoming resources to the fixed asset fund totalled £0.550m (2020/21 £0.353m), with £0.452m (2020/21 £0.428m) expended on depreciation.

The balance of total funds held at 31 August 2022 was £14.204m (2020/21 £10.402), comprised of the following:

	2021/22 £m	2020/21 £m
Restricted general funds (excluding Pension Liability)	0.180	0.353
Other restricted funds	0.023	0.023
Restricted pension liability fund	(1.208)	(4.788)
Restricted fixed asset fund	14.558	14.232
Unrestricted general funds	0.631	0.582
Unrestricted designated funds	0.020	0
Total funds	14.204	10.402

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TRUSTEES' REPORT (CONTINUED)

The biggest movement in funds in the year is the reduction in the pension deficit from £4.788m to £1.208m, a movement of +£3.580m. The pension reserve relates to the Local Government Pension Scheme (LGPS), a defined benefit scheme for non-teaching staff where assets are held to fund future liabilities, and is based on accounting valuations designed to align all financial statements with the same assumptions to give comparisons across sectors etc.

The positive movement in funds mainly reflects the significant increase in the actuaries' discount rate (from 1.65% to 4.25%), which is used to calculate the value of pensions and lump sums to be paid in the future. A higher discount rate means that the future payments have a smaller value now resulting in a lower pension liability. The effect of the higher discount rate is seen in the Actuarial gains on the defined benefit pension scheme in the Statement of Financial Activities and equates to +£4.038m.

Despite the improvement in the pension position, a deficit of £1.208m still remains. The LGPS sets employer or employee contribution rates at a level designed to recover this deficit over time. The new employer contribution rate for April 2023 and the following two years is set at 22.6%, and increase of 1 percentage point on the current rate of 21.6%. In the event of academy closure, Parliament have agreed a guarantee that any outstanding LGPS liabilities would be met by the Department for Education.

The key financial policies adopted during the period included the Financial Management Policy and Financial Procedures. These lay out the framework for the School's financial management, including the financial responsibilities of the Trust board, the headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. They set out the financial controls needed to ensure probity and help prevent fraud.

A prudent approach is taken in preparing medium term financial forecasts. Scrutiny of the management accounts by the Resources Committee and Trust Board and monthly monitoring by the Chairs of both committees, helps to ensure that financial issues can be identified and addressed quickly.

Reserves Policy

The Resources Committee reviews Denefield's reserves policy annually. When determining the appropriate level of reserves, trustees review the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration:

- the future plans of the school
- uncertainty over future income streams in the short to medium term
- the risk and impact of unplanned and unavoidable cost increases on reserves
- cashflow considerations such as the need to spend money before a grant is received
- other key risks identified in the risk review process.

The Trust board have determined that the appropriate level of working reserves (defined as unrestricted funds and those restricted funds which are available for use on educational activities but excluding the fixed asset fund and pension reserve) should be around 7.9% to 8.6% of current annual income, equivalent to between £560k and £610k.

The reason for this is:

- to provide sufficient working capital to cover delays between spending and receipts of grants, and to provide a cushion to deal with unexpected emergencies such as urgent building repairs or unplanned cost increases,
- to have time to take action to address anticipated future budget pressures
- to help fund one-off infrastructure projects and other initiatives supporting the development and well-being of students and staff for which no external funding has been identified.

The academy's current level of working reserves ('useable' restricted general funds and the balance of unrestricted general funds) is £0.811m. The level of funds held in fixed assets is £14.558m, and the pension reserve is a deficit of £1.208m.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

The current level of working reserves is above our target level of reserves but it is expected to fall in 2022/23 as a result of planned spending from reserves to support capital investment, such as the heating improvements project. In addition, reserves are planned to be used in the short-term to cover a budget deficit arising from the higher than expected 2022/23 pay awards, and to give sufficient time to address the structural deficit in the medium term.

Restricted funds are spent in accordance with the terms of the particular funds. Unrestricted funds are used for the general purposes of the School, at the discretion of the Trust board. Funds carried forward will be used to support educational activities in the next academic year and beyond.

This year we have established a new designated fund, '3G football pitch 'carpet' replacement fund'. The purpose of this fund is to build up sufficient funds to be able to replace the pitch 'carpet' every 10 years. Approximately £20k will be set aside each year from lettings income for this.

Investment Policy

The Trust Board's Investment Policy is to invest surplus funds to optimal effect with the objective of ensuring maximum return on assets invested but with minimal risk. Surplus funds can only be invested in low-risk interest-bearing UK bank deposit accounts registered with the Financial Conduct Authority, and money market facilities where the capital is not placed at risk. The School does not invest in stocks and shares or other higher risk investment products where the value of the original investment is not protected.

This year, trustees approved the use of the Insignis Banking platform to benefit from higher bank interest rates, after any banking charges, than can normally be achieved on the open market. Where cash-flow allows, funds are either deposited with the School's principal bankers, Lloyds, or transferred to the Insignis platform where they are invested in different deposit accounts for periods up to a year. Although rates remained low for most of 2021/22, we expect to see a significant increase in income from deposit accounts in 2022/23 in line with rising interest rates in the early part of the year.

Principal Risks and Uncertainties

The Trust Board recognises that risk management is an essential part of governance and leadership and an integral part of business planning and the decision-making process. Together with senior leaders, they have established risk management arrangements involving the identification, mitigation, and monitoring of threats to the school's business objectives which include:

- review of the risk register
- an annual programme of internal scrutiny informed by the Resources Committee in its role as Audit and Risk Committee
- ensuring that risks are being addressed appropriately through regular monitoring
- reporting to the Trust Board on the adequacy of the school's internal control framework, including financial and non-financial controls and management of risks
- receiving advice and resources on risk management provided through its membership of the DfE's Risk Protection Arrangements Scheme
- regular review of the school's financial health

The principal risks and uncertainties facing Denefield are:

Financial

The School relies heavily on continued Government funding through the ESFA. In the period, 90.7% of Denefield's incoming resources was Government funding. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will keep pace with rising costs or continue at the same levels or on the same terms.

As ESFA funding is largely pupil driven, the recent fall in Year 12 numbers and any future reduction in student numbers presents a significant risk to funding levels. Other financial risks include unfunded increases in employment costs, such as those already seen in the 2022/23 teacher and support staff pay awards, and unforeseen major infrastructure repair costs. These risks are mitigated by regular monitoring of current finances, longer term budget planning, taking early remedial action and ongoing curriculum review.

DENEFIELD SCHOOL
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TRUSTEES' REPORT (CONTINUED)

As an academy, Denefield has very limited exposure to trade and other debtors, so the financial risk associated with the impact of these instruments on cashflow and liquidity is small.

The Local Government Pension Scheme deficit of £1.208m has reduced in 2021/22 from £4.788m in the previous year, mainly as a result of the increase in the discount rate (a factor of increasing interest rates). The deficit represents the shortfall between the scheme's liabilities to meet pension benefits under the defined benefit scheme, and its assets. This is likely to result in increased contribution rates over time. However, the liabilities only become due when there are no active members contributing to the fund. The closure of an academy is unlikely to happen immediately though, as the need for education provision will remain. Instead the school would likely transfer to another trust. Where a school does close, its assets would be used to pay-off any liabilities, with any shortfall paid for by the DfE through its LGPS guarantee.

Compliance / Failures in Governance and / or management

The risk in this area arises from the potential failure to meet statutory regulations and reporting requirements, in relation to such areas as financial control and reporting, health and safety, safeguarding, employment legislation etc. The trustees continue to review and ensure appropriate measures are in place to mitigate these risks. This includes external legal, HR and other specialist advice where appropriate.

Reputational

A downturn in students' academic achievement is likely to have an adverse impact on attracting prospective students to the school, with a consequential effect on the school's finances. This is mitigated by rigorous monitoring and evaluation of student progress to ensure corrective action is taken early to tackle any issues. 2022 examination performance was strong.

Safeguarding

The safeguarding of students and staff is paramount at Denefield. Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of student safeguarding policies and procedures, health & safety and behaviour. Trustees and staff receive regular training and updates on safeguarding policy and practice, and those involved in recruitment undertake training in Safer Recruitment.

Staffing

Denefield's success relies on the quality of its staff and its ability to recruit and retain staff. Trustees monitor and review policies and procedures to ensure the continued professional development, effectiveness, and wellbeing of staff and good academic outcomes. Timely resource and succession planning, measures to support the well-being of staff, and effective recruitment processes all help to mitigate these risks.

Fraud and mismanagement of funds

Denefield has engaged its external auditors to perform a programme of work aimed at checking and reviewing the financial systems and records as required by the Academy Trust Handbook. The school's internal financial controls framework is also subject to regular in-depth scrutiny as part of the internal assurance process.

Fundraising

Denefield relies largely on DfE grants for its core funding and limits its fundraising activities to specific major capital projects such as the 3G all-weather football pitch, completed in November 2021, and the heating and boiler upgrade which is due to be completed in November 2022 and for which a DfE Condition and Improvement grant was awarded. We engaged an external fundraising consultant for the 3G pitch who helped secure over 80% of the £600k funding needed, most of it coming from a Football Foundation grant and West Berkshire Council. For this year's CIF bid, we have worked with construction and property consultants Synergy to help develop the grant application and to project manage the works.

Parents/carers of students joining the school in year 7 are encouraged to financially support the school with a small regular or one-off donation and some parents continue to donate throughout their children's time at the school. These donations are supplemented through gift aid.

Plans for future periods

Denefield strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

DENEFIELD SCHOOL
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TRUSTEES' REPORT (CONTINUED)

The academy's plans for future periods are:

- further standardisation of curriculum and lessons to ensure all students have the same entitlement to a high-quality education.
- embedding streamlined assessment system to aid student tracking and interventions.
- reintroduction of vertical tutoring after two-year Covid hiatus.
- further codifying routines and expectations, with further support for students where necessary
- further development of mental health support for students
- relaunch of Duke of Edinburgh Award scheme
- further development of employer engagement opportunities
- support for staff new in role, including those covering maternity or other short-term roles.
- Train new trustees and develop joint trustee-SLT vision for the school
- Consider whether to join a multi-academy trust (MAT)
- Ensure a balanced budget in light of inflationary cost pressures
- Develop extreme weather plan
- Review IT provision.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Trust board, as the company directors, on 14 December 2022 and signed on its behalf by:

A Greenhalgh

Adam Greenhalgh 16 Dec 2022 14:50:58 GMT (UTC +0)

.....
Adam Greenhalgh
Co-Vice Chair of Trustees

16 December 2022

DENEFIELD SCHOOL
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GOVERNANCE STATEMENT

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Trust board has formally met seven times during the year ended 31 August 2022.

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

Trust Board trustees	Meetings attended	Out of a possible
Lorraine Doyle (Chair of Trustees)	7	7
Sarah Shortt (Co-vice Chair)	6	7
Steve Musson (Co-vice Chair)	2	7
Edwin towill (Head teacher and Accounting Officer)	7	7
Rupert Bancroft	0	7
Katie Ayres	5	7
Adam Greenhalgh (Parent Trustee)	7	7
Stephen Kayongo (Parent Trustee)	1	7
Joel Davis	3	4
Trev Keable	1	2
Jo toovey	1	1
Amy Hall	1	1

Five trustees resigned during the year: Joel Davis (February 2022), Katie Ayres (July 2022), Rupert Bancroft (July 2022), Lorraine Doyle (August 2022), and Sarah Shortt (August 2022).

Three trustees were appointed: Trev Keable (May 2022), Jo toovey (July 2022), and Amy Hall (July 2022).

The **Resources Committee**, which also acts as Denefield's Audit and Risk Committee, is a sub-committee of the trust board and is responsible for:

- ensuring sound management and scrutiny of the Academy's finances and resources, including financial planning, monitoring and propriety
- regularly reporting on such matters to the Trust board
- considering issues which have implications for other committees and to make recommendations to the relevant committee;

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GOVERNANCE STATEMENT (CONTINUED)

- reviewing the draft annual statutory accounts, the work of the internal auditor and to meet with the external auditor once a year to discuss the annual statutory accounts.

The Resources committee met seven times in the year ended 31 August 2022. During the year Trev Keable joined the committee and Lorraine Doyle and Sarah Shortt resigned as members of the Resources Committee. Attendance at the meetings in the year was as follows:

Resources Committee trustees	Meetings attended	Out of a possible
Lorraine Doyle (Chair of Trustees)	7	7
Sarah Shortt (Chair of Resources Committee)	7	7
Edwin towill (Head teacher and Accounting Officer)	7	7
Adam Greenhalgh (Parent Trustee)	7	7
Stephen Kayongo (Parent Trustee)	2	7
Trev Keable	1	1

The **Standards Committee** is also a sub-committee of the trust board. Its purpose is to provide guidance and assistance to the Trust board on all matters related to students' performance including academic achievements, attendance, exclusions and students' destinations at the end of year 11 and year 13. In addition, the committee reviews careers provision, GCSE and A level/BTEC options choices, school trips and curriculum coverage. All student-related policies and curriculum-related policies are reviewed by this committee.

The Standards committee met five times in the year ended 31 August 2022. During the year five trustees resigned: Joel Davis, Katie Ayres, Rupert Bancroft, Lorraine Doyle and Sarah Shortt. One trustee, Trev Keable, joined the committee.

Standards Committee trustees	Meetings attended	Out of a possible
Lorraine Doyle (Chair of Trustees)	5	5
Sarah Shortt (Co-vice Chair)	5	5
Steve Musson (Chair of Standards Committee)	4	5
Edwin towill (Head teacher and Accounting Officer)	5	5
Rupert Bancroft	1	5
Katie Ayres	2	5
Joel Davis	1	3
Trev Keable	1	1

In 2021/22 the committees continued to hold meetings online rather than in person, partly as a continuing response to the pandemic, and partly to facilitate attendance at meetings. Turnover of trustees has been relatively high this year, with five members resigning and three joining, reflecting perhaps the difficulty of balancing work and home commitments with governance responsibilities. The Chair of Trustees and the Chair of Resources Committee, both long-serving and experienced members of the Trust Board, are among those who have chosen to stand down this year. This will present both opportunities and challenges for the new Trust Board in 2022/23.

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GOVERNANCE STATEMENT (CONTINUED)

Conflicts of interest

In order to avoid potential conflicts of interest, trustees and senior school leaders complete a declaration of interests each year identifying any related parties or business interests that might constitute or be seen to constitute a potential conflict. The register of interests is maintained by the Governance Professional and is updated as new individuals' business interests change. In addition, at the start of each board or committee meeting the Governance Professional invites trustees to declare any interests, and this is minuted. Where relevant, trustees are asked to absent themselves from the meeting should a conflict of interest arise, to enable an agenda item to be discussed freely and openly by the remaining trustees.

Governance reviews

All trustees are required to abide by the Governance Code of Conduct and to make an annual declaration of business interests. The trust board has a number of experienced trustees with a good mix of skills including finance, higher education, IT, communications and local government, and is well supported by an experienced Governance Professional. In 2021/22, the business of the trust board and its committees was largely conducted on-line. In this way trustees continued to hold school leaders to account and ensured effective scrutiny of the school's core business. In-person meetings will begin again in November 2022.

Regular information provided by senior leaders, and access to an ongoing programme of external training and briefings help to ensure that trustees stay up-to-date with relevant developments. External training comes from a variety of external sources including the National Governor's Association (NGA), the DfE, Ofsted, The Key for School Leaders, Governors' Services at both West Berkshire Council and Reading's Brighter Futures for Children, and a range of other external education experts.

Trustees and senior leaders rigorously monitor and evaluate school performance against the annual school action plan as a means of driving and securing on-going improvements to the school. Trustees work in partnership with school leaders to create a culture of continuous improvement, to provide strategic direction, to identify key priorities for development and to ensure effective monitoring and evaluation of the Academy's work.

During the year the trust board commissioned a governance expert to undertake an external review of its governance arrangements. The purpose of the review was to evaluate the impact and effectiveness of the trust board. The review involved questionnaires and interviews with members, trustees, and school leaders, as well as the examination of a wide range of documentation and observation of board and committee meetings during the 2022 summer term.

A summary of the outcomes is presented below:

Members

Strengths

- Clear separation between the roles members and trustees.
- Effective framework for holding trustees to account.

Areas for development

- The number of trustees appointed by members is very low

Actions

Enhance members' oversight of the quality of governance by more regular and timely meetings, and more control over the appointment of trustees.

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GOVERNANCE STATEMENT (CONTINUED)

Trustees

Strengths

- exceptional commitment to governor training and development, with a focus on recruitment of trustees with relevant skills.
- Trustee visits are seen as an integral part of the board's approach to monitoring.
- Diligent discharge of trustee duties in respect of statutory functions.
- Commitment to development of trustee knowledge of curriculum.
- Diligent discharge of trustee duties in respect of statutory functions.
- Resources committee has a clear understanding of its purpose and uses focused agendas well to support delivery of required outcomes within specified timescales.

Areas for development

- Agenda setting does not always support effective strategic governance or provide the required level of oversight.
- The Trust's ambitions for all its pupils is not always evident or clearly signposted through the work of the board or committees.
- Trustees are not able to identify how and when the board has had an impact on pupil experiences at the school.
- Trustees do not give sufficient direction as to the actions arising following the receipt of information.
- The number of new trustees appointed in the last year may impact the level of understanding as to the board's role as the accountable body for the educational direction of the trust, policy failures and actions of school leaders

Actions

Identify overarching key performance indicators which would show if and how rapidly the trust's ambitions for Denefield are being achieved.

Implement a consistent suite of data and information reports to gain a real time understanding of progress and outcomes across all key stages and for specific pupil groups.

identify areas of underperformance which need to be focused on during trustee visits.

Develop new and sustainable ways of securing recruitment and induction of new trustees

Review of Value for Money

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

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

- improving educational outcomes across a number of key indicators without any significant increase in resources, including the offer of a full programme of extra-curricular activities, trips and visits at relatively small additional cost.
- optimising the deployment of teaching staff during 2021/22 and undertaking a review of support staff functions for implementation in 2022/23.
- using benchmarking data such as the View My Financial Insights data and the DfE schools' financial benchmarking website to better understand the reasons for areas of comparatively high spend.

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GOVERNANCE STATEMENT (CONTINUED)

- Upgrading the school's struggling heating system with DfE capital funding of £395k resulting in reduced call-out costs and more efficient energy use.
- making judicious purchasing decisions such as :
 - a new payroll provider with integrated HR and payroll functionality that will help deliver a more efficient and streamlined HR and payroll function.
 - providing a more effective careers information and guidance service by bringing provision in-house at lower cost.
 - new maintenance contracts for catering equipment, and lift maintenance resulting in cost reductions of over 50%
 - new gas and energy contracts starting in September 2020 and 2021 respectively with prices fixed until August 2023 at a rate significantly below current energy prices.
 - the inclusion of cybersecurity insurance cover under the Risk Protection Arrangements at no additional cost.
- re-tendering Denefield's catering contract which has resulted in a significantly increased guaranteed income amount together with funding for improved facilities.
- Providing a brand new all-weather football training facility for Denefield students and local residents whilst increasing self-generated income for the school.

The focus of our value for money activities in 2022/23 will again be on optimising the deployment of staff resources, and retendering high cost contracts such as the cleaning contract, photocopying and reprographics, and IT support.

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 Denefield's 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 for the period ended 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 school 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 on-going process for identifying, evaluating and managing the school's significant risks that has been in place for the year ended 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 School'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 by the Resources Committee and agreed by the trust board
- 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;

DENEFIELD SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

- 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 Financial Reporting Council Ethical Standard for auditors requires that a firm providing external audit to the school should not also provide internal audit services. Consequently, the trust board appointed the audit and accountancy firm Bishop Fleming in 2020/21 to provide an internal assurance service and to carry out a programme of checks on the school's core financial controls.

The academy has continued to strengthen its risk management process throughout the period by improving the risk management process and ensuring staff awareness. The process includes:

- a programme of internal assurance
- maintenance of a risk register in which key risks and controls to mitigate them are identified. The risk register is reviewed by the trust board and updated as necessary on a regular basis.
- regular review of key policies, practices and procedures.

The checks which Bishop Fleming have carried out in the current period included more of the core financial controls which had not been covered in the previous year:

Petty Cash	Credit Card
Expenditure & purchasing	Fixed assets
Income	Governance and Regularity
Information Technology	Strategic and Operational Review
Bank & Cash	Budgets & Financial Monitoring

The auditors did not identify any significant risks, but raised two 'amber' recommendations categorised as 'weaknesses with the current controls' relating to the frequency with which the financial procedures have been updated and the lack of a control over the asset disposal process.

In addition, Denefield commissioned other external reviews from Judicium Education, RPA, and West Berkshire as part of its 2021/22 internal assurance programme. The reviews covered safeguarding and health and safety.

The Judicium audit confirmed that there is a strong culture of safeguarding with senior leaders held accountable by the trust board. The high priority recommendations from the audit included:

- evidencing that alternative provision providers have the appropriate safeguarding policies and procedures in place
- ensuring pupils understand Denefield's bullying policy, and
- improving the record-keeping and monitoring of concerning internet searches.

The health and safety audits carried out by RPA and West Berkshire were positive. The main recommendations related to ensuring that staff are fully aware of the H&S policy and that formal risk assessment training is provided for relevant staff.

The recommendations have been actioned or are in progress.

Review of Effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2022 the review has been informed by:

DENEFIELD SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

- the internal assurance work carried out by Bishop Fleming and others on behalf of the Trustees;
- the work of the external auditor, James Cowper Kreston;
- the financial management and governance self-assessment process;
- the work of the senior leaders within the school who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Trust board on 14 December 2022 and signed on its behalf by:

A Greenhalgh

Adam Greenhalgh 16 Dec 2022 14:50:58 GMT (UTC +0)

Adam Greenhalgh
Co-Vice Chair of Trustees

16 December 2022

E Towill

Edwin Towill 16 Dec 2022 14:45:36 GMT (UTC +0)

Edwin Towill
Accounting Officer

16 December 2022

DENEFIELD SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Denefield 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 2020.

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.

E Towill

Edwin Towill 16 Dec 2022 14:45:36 GMT (UTC +0)

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E Towill

Accounting Officer

Date: 16 December 2022

DENEFIELD 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 . 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 Group and the charitable company and of their incoming resources and application of resources, including their 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

A Greenhalgh

Adam Greenhalgh 16 Dec 2022 14:50:58 GMT (UTC +0)

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Adam Greenhalgh

Co-Vice Chair of Trustees

Date: 16 December 2022

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Denefield School (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Balance Sheet, the Consolidated 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 Group's and of the parent Academy's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent 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.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The 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 Group and the parent 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:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the 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 Group's and the parent 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 Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of noncompliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

Use of our report

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



Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

RG1 8LS

Date: 19 December 2022

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 29 September 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 Denefield 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 Denefield School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Denefield 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 Denefield School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Denefield School's funding agreement with the Secretary of State for Education dated 13 August 2013 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.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

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.

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes;

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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.



Reporting Accountant
James Cowper Kreston
Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
RG1 8LS

Date: 19 December 2022

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants	3	3	-	519	522	293
Other trading activities	5	60	-	31	91	73
Charitable activities	4	15	6,803	-	6,818	6,677
Total income		78	6,803	550	7,431	7,043
Expenditure on:						
Raising funds	6	3	-	-	3	3
Charitable activities	6,7	6	7,206	452	7,664	7,308
Total expenditure		9	7,206	452	7,667	7,311
Net income/(expenditure)		69	(403)	98	(236)	(268)
Transfers between funds	15	-	(228)	228	-	-
Net movement in funds before other recognised gains/(losses)		69	(631)	326	(236)	(268)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	4,038	-	4,038	(398)
Net movement in funds		69	3,407	326	3,802	(666)
Reconciliation of funds:						
Total funds brought forward		582	(4,412)	14,232	10,402	11,068
Net movement in funds		69	3,407	326	3,802	(666)
Total funds carried forward		651	(1,005)	14,558	14,204	10,402

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

The notes on pages 36 to 58 form part of these financial statements.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07852122

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	14,558	14,232
Current assets			
Debtors	12	234	460
Cash at bank and in hand		1,321	1,148
		<u>1,555</u>	<u>1,608</u>
Creditors: amounts falling due within one year	13	(701)	(647)
		<u>15,412</u>	<u>15,193</u>
Net current assets		<u>15,412</u>	<u>15,193</u>
Total assets less current liabilities		<u>15,412</u>	<u>15,193</u>
Creditors: amounts falling due after more than one year	14	-	(3)
Defined benefit pension scheme liability	24	(1,208)	(4,788)
Total net assets		<u><u>14,204</u></u>	<u><u>10,402</u></u>

DENEFIELD SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07852122

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Funds of the Academy			
Restricted funds:			
Fixed asset funds	15	14,558	14,232
Restricted income funds	15	203	376
		<hr/>	<hr/>
Restricted funds excluding pension asset	15	14,761	14,608
Pension reserve	15	(1,208)	(4,788)
		<hr/>	<hr/>
Total restricted funds	15	13,553	9,820
Unrestricted income funds	15	651	582
		<hr/>	<hr/>
Total funds		14,204	10,402
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 30 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A Greenhalgh

Adam Greenhalgh 16 Dec 2022 14:50:58 GMT (UTC +0)

.....
Adam Greenhalgh
 Co-Vice Chair of Trustees
 Date: 16 December 2022

E Towill

Edwin Towill 16 Dec 2022 14:45:38 GMT (UTC +0)

.....
Edwin Towill
 Accounting Officer
 16 December 2022

The notes on pages 36 to 58 form part of these financial statements.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07852122

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	14,558	14,232
Current assets			
Debtors	12	234	460
Cash at bank and in hand		1,321	1,148
		<u>1,555</u>	<u>1,608</u>
Creditors: amounts falling due within one year	13	(701)	(647)
Net current assets		<u>854</u>	<u>961</u>
Total assets less current liabilities		<u>15,412</u>	<u>15,193</u>
Creditors: amounts falling due after more than one year	14	-	(3)
Net assets excluding pension liability		<u>15,412</u>	<u>15,190</u>
Defined benefit pension scheme liability	24	(1,208)	(4,788)
Total net assets		<u><u>14,204</u></u>	<u><u>10,402</u></u>

DENEFIELD SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07852122

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Funds of the Academy			
Restricted funds:			
Fixed asset funds	15	14,578	14,232
Restricted income funds	15	203	376
		<hr/>	<hr/>
Restricted funds excluding pension liability	15	14,781	14,608
Pension reserve	15	(1,208)	(4,788)
		<hr/>	<hr/>
Total restricted funds	15	13,573	9,820
Unrestricted income funds	15	631	582
		<hr/>	<hr/>
Total funds		14,204	10,402
		<hr/>	<hr/>

The financial statements on pages 30 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A Greenhalgh

Adam Greenhalgh 16 Dec 2022 14:50:58 GMT (UTC +0)

.....
Adam Greenhalgh
 Co-Vice Chair of Trustees
 Date: 16 December 2022

E Towill

Edwin Towill 16 Dec 2022 14:45:36 GMT (UTC +0)

.....
Edwin Towill
 Accounting Officer
 16 December 2022

The notes on pages 36 to 58 form part of these financial statements.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	434	230
Cash flows from investing activities	19	(259)	(110)
Cash flows from financing activities	18	(3)	(3)
Change in cash and cash equivalents in the year		172	117
Cash and cash equivalents at the beginning of the year		1,148	1,031
Cash and cash equivalents at the end of the year	20, 21	<u>1,320</u>	<u>1,148</u>

The notes on pages 36 to 58 form part of these financial statements

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the Group, 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.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

1.5 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 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.

1.7 Basis of consolidation

The financial statements consolidate the accounts of Denefield School and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £236k deficit (2021 - £268k deficit).

1.8 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 Consolidated 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 Consolidated 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% - 10% straight line
Furniture and equipment	- 20% - 33% straight line
Computer equipment	- 20% - 33% straight line

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 Consolidated Statement of Financial Activities.

1.9 Operating leases

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

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Taxation

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

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

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Pensions

Retirement benefits to employees of the Group 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 Group 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 Group 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 Consolidated 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.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Liabilities and provisions

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 Group 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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 12. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issue such as the remaining life of the asset and projected disposal values.

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	3	-	3	23
Capital Grants	-	519	519	270
Total 2022	3	519	522	293
Total 2021	2	291	293	

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,139	6,139	5,823
Other DfE/ESFA grants				
Pupil Premium	-	153	153	141
Other DfE Group grants	-	246	246	470
	-	6,538	6,538	6,434
Other Government grants				
Local authority grants	-	126	126	87
Other income from the academy trust's educational operations	15	139	154	31
	15	265	280	118
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	82
Other DfE/ESFA COVID-19 funding	-	-	-	43
	-	-	-	125
Total 2022	15	6,803	6,818	6,677
Total 2021	5	6,672	6,677	

5. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Rental Income	19	-	19	23
Hire of facilities	41	-	41	19
Other capital income	-	31	31	31
Total 2022	60	31	91	73
Total 2021	42	31	73	

DENEFIELD SCHOOL
(A Company Limited by Guarantee)

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

5. Income from other trading activities (continued)

6. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2022	2022	2022	2022	2021
	£000	£000	£000	£000	£000
Expenditure on fundraising trading activities:					
Direct costs	-	-	3	3	3
Educational operations					
Direct costs	4,717	-	670	5,387	5,198
Allocated support costs	951	503	823	2,277	2,110
Total 2022	5,668	503	1,496	7,667	7,311
Total 2021	5,570	519	1,222	7,311	

Following the reclassification between support and direct costs the prior year numbers have been reclassified.

7. Analysis of expenditure by activities

	Activities undertaken directly	Support costs	Total funds	Total funds
	2022	2022	2022	2021
	£000	£000	£000	£000
Academy's educational operations	5,387	2,277	7,664	7,308
Total 2021	5,198	2,110	7,308	

Analysis of support costs

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Total 2022 £000	Total 2021 £000
Pension finance costs	39	31
Staff costs	951	854
Depreciation	452	428
Technology costs	171	132
Premises costs	169	184
Cleaning	151	165
Rates	38	37
Energy	117	109
Insurance	28	25
Catering and welfare	49	49
Other support costs	62	54
Other support costs	18	13
Governance costs	32	29
Total 2022	2,277	2,110

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NOTES TO THE FINANCIAL STATEMENTS
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8. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2022 £000	Group 2021 £000	Academy 2022 £000	Academy 2021 £000
Wages and salaries	3,935	3,945	3,935	3,945
Social security costs	381	371	381	371
Pension costs	1,231	1,158	1,231	1,158
	5,547	5,474	5,547	5,474
Agency staff costs	121	96	121	96
	5,668	5,570	5,668	5,570

b. Staff numbers

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

	Group 2022 No.	Group 2021 No.	Academy 2022 No.	Academy 2021 No.
Teachers	61	64	60	64
Administration and support	69	70	69	70
Management	7	6	7	6
	137	140	136	140

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.	Academy 2022 No.	Academy 2021 No.
Teachers	58	61	58	61
Administration and support	41	42	41	42
Management	7	6	7	6
	106	109	106	109

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NOTES TO THE FINANCIAL STATEMENTS
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8. Staff (continued)

b. Staff numbers (continued)

c. Higher paid staff

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	6	2
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

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 £670,112 (2021 : £563,649).

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	451	428
	<u>451</u>	<u>428</u>

10. 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 £000	2021 £000
Edwin Towill, Head Teacher	Remuneration	100 - 105	90 - 95
	Pension contributions paid	20 - 25	20 - 25

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

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

11. Tangible fixed assets

Group and Academy

	Freehold property £000	Assets under construction £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2021	21,041	205	1,109	526	22,881
Additions	460	-	290	28	778
Transfers between classes	205	(205)	-	-	-
At 31 August 2022	<u>21,706</u>	<u>-</u>	<u>1,399</u>	<u>554</u>	<u>23,659</u>
Depreciation					
At 1 September 2021	7,663	-	554	432	8,649
Charge for the year	338	-	79	35	452
At 31 August 2022	<u>8,001</u>	<u>-</u>	<u>633</u>	<u>467</u>	<u>9,101</u>
Net book value					
At 31 August 2022	<u>13,705</u>	<u>-</u>	<u>766</u>	<u>87</u>	<u>14,558</u>
At 31 August 2021	<u>13,378</u>	<u>205</u>	<u>555</u>	<u>94</u>	<u>14,232</u>

12. Debtors

	Group 2022 £000	Group 2021 £000	Academy 2022 £000	Academy 2021 £000
Due within one year				
Trade debtors	7	21	7	21
Other debtors	85	56	85	56
Prepayments and accrued income	142	383	142	383
	<u>234</u>	<u>460</u>	<u>234</u>	<u>460</u>

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

13. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Academy 2022 £000	Academy 2021 £000
Other loans	3	3	3	3
Trade creditors	368	141	368	141
Other taxation and social security	196	205	196	205
Other creditors	18	4	18	4
Accruals and deferred income	116	294	116	294
	701	647	701	647

	Group 2022 £000	Group 2021 £000	Academy 2022 £000	Academy 2021 £000
Deferred income at 1 September 2021	14	40	14	40
Resources deferred during the year	36	14	36	14
Amounts released from previous periods	(14)	(40)	(14)	(40)
	36	14	36	14

At the balance sheet date the academy trust was holding funds of £5k (2021: £22k) received in advance for rates relief, £19k (2021: £9k) for school trips taking place in 2022/23, and £12k (2021: £9k) for other income.

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

	Group 2022 £000	Group 2021 £000	Academy 2022 £000	Academy 2021 £000
Other loans	-	3	-	3

An interest free Salix loan of £24k was provided by the ESFA in 2013/14, repayable at £3k per annum. The loan will be fully repaid in 2022/23.

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

15. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Designated funds						
3G carpet replacement fund	-	-	-	20	-	20
General funds						
General Funds	582	53	(4)	-	-	631
3G Pitch	-	25	(5)	(20)	-	-
	<u>582</u>	<u>78</u>	<u>(9)</u>	<u>(20)</u>	<u>-</u>	<u>631</u>
Total Unrestricted funds	<u>582</u>	<u>78</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>651</u>
Restricted general funds						
General Annual Grant (GAG)	353	6,139	(6,055)	(257)	-	180
Pupil Premium	-	153	(182)	29	-	-
Other DfE/ESFA	-	246	(246)	-	-	-
Local Authority	-	126	(126)	-	-	-
Other income	23	139	(139)	-	-	23
Pension reserve	(4,788)	-	(458)	-	4,038	(1,208)
	<u>(4,412)</u>	<u>6,803</u>	<u>(7,206)</u>	<u>(228)</u>	<u>4,038</u>	<u>(1,005)</u>

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
On transfer	10,951	-	(338)	-	-	10,613
DfE/ESFA capital grants	597	188	(78)	-	-	707
Capital from GAG and other funds	2,356	-	(31)	211	-	2,536
AP Wireless capital income	18	31	(2)	(31)	-	16
3G Pitch	310	331	(3)	48	-	686
	<u>14,232</u>	<u>550</u>	<u>(452)</u>	<u>228</u>	<u>-</u>	<u>14,558</u>
Total Restricted funds	<u>9,820</u>	<u>7,353</u>	<u>(7,658)</u>	<u>-</u>	<u>4,038</u>	<u>13,553</u>
Total funds	<u>10,402</u>	<u>7,431</u>	<u>(7,667)</u>	<u>-</u>	<u>4,038</u>	<u>14,204</u>

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school.

The pension reserve represents the Local Government Pension Scheme deficit. In the event of academy closure the outstanding LGPS liabilities would be met by the Department for Education. The trust is able to meet its current obligation to the pension fund, being the employer contributions.

Restricted fixed asset funds

DfE capital grants received in 2021/22 include Condition Improvement Grant £164k (2021: £nil) and Devolved Formula Capital Grant £24k (2021: £24k).

The academy trust is carrying a net surplus of £834k (2021: £1,002k) on restricted general funds (excluding the pension reserve and fixed asset fund), plus unrestricted funds at 31 August 2022.

In 2021/22, £331k in grant income was received for the 3G football pitch, £245k from the Football Foundation, £75k from West Berkshire Council, and £11k from other sources.

Designated funds

The purpose of the 3G carpet replacement fund is to build up sufficient resources to fund the replacement of the pitch 'carpet' every 10 years or so, depending on wear and tear. The cost of a new 'carpet' is around £200k so trustees aim to put aside around £20k per annum.

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

15. Statement of funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	As restated Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	536	49	(3)	-	-	582
Restricted general funds						
General Annual Grant (GAG)	249	5,823	(5,665)	(54)	-	353
Pupil Premium	-	141	(141)	-	-	-
Other DfE/ESFA	-	470	(470)	-	-	-
Local Authority	-	87	(87)	-	-	-
Other income	-	26	(26)	23	-	23
Covid catch up premium	-	82	(82)	-	-	-
Covid reclaim	-	43	(43)	-	-	-
Pension reserve	(4,024)	-	(366)	-	(398)	(4,788)
	(3,775)	6,672	(6,880)	(31)	(398)	(4,412)
Restricted fixed asset funds						
On transfer	11,287	-	(336)	-	-	10,951
DfE/ESFA capital grants	613	24	(40)	-	-	597
Capital from GAG and other funds	2,361	14	(50)	31	-	2,356
AP Wireless capital income	46	31	(2)	(57)	-	18
3G Pitch	-	253	-	57	-	310
	14,307	322	(428)	31	-	14,232
Total Restricted funds	10,532	6,994	(7,308)	-	(398)	9,820
Total funds	11,068	7,043	(7,311)	-	(398)	10,402

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NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	14,558	14,558
Current assets	651	904	-	1,555
Creditors due within one year	-	(701)	-	(701)
Provisions for liabilities and charges	-	(1,208)	-	(1,208)
Total	651	(1,005)	14,558	14,204

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	14,232	14,232
Current assets	582	1,026	-	1,608
Creditors due within one year	-	(647)	-	(647)
Creditors due in more than one year	-	(3)	-	(3)
Provisions for liabilities and charges	-	(4,788)	-	(4,788)
Total	582	(4,412)	14,232	10,402

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

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

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(236)	(268)
Adjustments for:		
Depreciation	452	428
Capital grants from DfE and other capital income	(519)	(270)
Defined benefit pension scheme cost less contributions payable	378	303
Defined benefit pension scheme finance cost	80	63
(Increase)/decrease in debtors	241	(277)
Increase in creditors	38	251
Net cash provided by operating activities	434	230

18. Cash flows from financing activities

	Group 2022 £000	Group 2021 £000
Repayments of borrowing	(3)	(3)
Net cash used in financing activities	(3)	(3)

19. Cash flows from investing activities

	Group 2022 £000	Group 2021 £000
Dividends, interest and rents from investments	-	3
Purchase of tangible fixed assets	(778)	(383)
Capital grants	519	270
Net cash used in investing activities	(259)	(110)

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash in hand and at bank	1,320	1,148
Total cash and cash equivalents	1,320	1,148

21. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	1,148	173	1,321
Debt due within 1 year	(3)	-	(3)
Debt due after 1 year	(3)	3	-
	1,142	176	1,318

22. 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.

23. Capital commitments

	Group 2022 £000	Group 2021 £000	Academy 2022 £000	Academy 2021 £000
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	-	518	-	518

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Royal County of Berkshire Pension Fund. 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 £97,000 were payable to the schemes at 31 August 2022 (2021 - £78,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 £620,000 (2021 - £641,000).

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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £303,000 (2021 - £273,000), of which employer's contributions totalled £239,000 (2021 - £206,000) and employees' contributions totalled £ 64,000 (2021 - £67,000). The current employer contribution rate is 21.6% and 5.5% to 12.5% for employees. The employer contribution rate increases to 22.6% in April 2023.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.9
Rate of increase for pensions in payment/inflation	2.95	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	2021
	Years	Years
Retiring today		
Males	21.0	21.6
Females	23.8	24.2
Retiring in 20 years		
Males	22.3	23.0
Females	25.3	25.6

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(104)	(178)
Discount rate -0.1%	106	182
Mortality assumption - 1 year increase	147	322
Mortality assumption - 1 year decrease	(143)	(309)
CPI rate +0.1%	100	166
CPI rate -0.1%	(98)	(162)
Salary increases +0.1%	7	14
Salary increases -0.1%	(7)	(14)

Share of scheme assets

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

	At 31	At 31 August
	August 2022	2021
	£000	£000
Equities	2,155	1,819
Debt instruments	829	808
Property	461	351
Total market value of assets	3,445	2,978

The actual return on scheme assets was £202,000 (2021 - £307,000).

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

	2022	2021
	£000	£000
Current service cost	(617)	(507)
Interest income	51	41
Interest cost	(128)	(104)
Administrative expenses	(2)	(2)
Total amount recognised in the Consolidated Statement of Financial Activities	(696)	(572)

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2022	2021
	£000	£000
At 1 September	7,766	6,467
Current service cost	617	507
Interest cost	128	104
Employee contributions	64	67
Actuarial (gains)/losses	(3,887)	664
Benefits paid	(35)	(43)
At 31 August	4,653	7,766

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

	2022	2021
	£000	£000
At 1 September	2,978	2,443
Interest income	51	41
Actuarial gains	151	266
Employer contributions	239	206
Employee contributions	64	67
Benefits paid	(35)	(43)
Administration expenses	(3)	(2)
At 31 August	3,445	2,978

25. 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.

E Doyle, daughter of L Doyle, a trustee, is employed by the academy by the academy trust as a teacher. E Doyle's appointment was made in open competition and L Doyle was not involved in the decision making process regarding appointment. E Doyle is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

26. Controlling party

The ultimate controlling party is that of its trustees as detailed on page 1 of the financial statements.