

Company Registration Number: 07992899 (England & Wales)

The Norton Knatchbull School
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2022



The Norton Knatchbull School
(A company limited by guarantee)

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Reference and Administrative Details of the Academy Trust, its Governors and advisers
For the Year Ended 31 August 2022

Members:	Mr. D. W. Race Mr. N. McClure, resigned 1.05.22 Mr. R. Fraser Dr. A. Trilsbach Mr. J. Holland Mrs. J. Burnett Mr. S. Hallam Mr. A. Judd, from 19.07.22
Governors:	Mr. S. Hallam ² (Chair of Governors), resigned 19.07.22 Mrs. J. Burnett ⁴ (Vice Chair of Governors & Chair of Education). Co-Chair of Governors from 19.07.22 Mr. A. Judd ³ , Co-Chair of Governors from 19.07.22 Mr. B. Greene (Head Teacher ⁶) Mr. J. Holland ⁴ (Chair of Finance & General Purposes and Audit & Risk) Mr. W. Michael (Chair of Personnel ⁴) Mrs. M. Highwood ⁴ The Hon. M-J Knatchbull ¹ Mr. T. Saville ³ Mr. W. Trafford ⁵ Mr. N. Munro ⁴ (resigned 12.07.22) Ms. L. M. Bonaccorsi ⁴ (resigned 20.01.22) Ms. E. Seccombe ⁵ Mr. D. Limbu, (appointed 28.09.21) ⁴ Mrs. N. Pearce (appointed 28.09.21) ⁴ Ms. D. Butler-Gallie (appointed 07.12.21) ⁴ Mr. D. Hewavidana (appointed 28.09.21, resigned 12.09.22) ⁴ Mr. S. Clark (appointed 28.09.21, resigned 28.02.22) ⁴ Mr. P. Sibbald (appointed 19.07.22) ² Ms. S. Hirons (appointed 5.12.22) Mrs. C. Burke (appointed 5.12.22) <i>¹ Ex-officio Foundation Governor ² Foundation Governor ³ Parent Governor</i> <i>⁴ Community Governor ⁵ Staff Governor ⁶ Ex-officio</i>
Principal and registered office	Hythe Road, Ashford, Kent, TN24 0QJ
Senior Management Team	Mr. B. Greene, Head Teacher Mr. R. Scarr, Senior Assistant Head Mr. R. Hoyte, Senior Assistant Head Mrs. A. Griggs, Business Manager, until 07.03.22 Mr. S. Messenger, Assistant Head Mr. T. Sparrow, Assistant Head Ms. S. Neale, Assistant Head
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants and Statutory Auditors Thames House, Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Lloyds Bank plc 81 High Street Ashford Kent. TN24 8SS
Solicitors	Winkworth Sherwood LLP Minerva House, Montague Close London. SE1 9BB

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Governors' report

For the year ended 31 August 2022

The Governors present their annual report together with the financial statements and auditors' report of the Academy Trust, a charitable company, for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law, and the terms trustee, director and governor are interchangeable for a single academy trust.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Ashford, Kent. It has a pupil roll of 1,251 as at October 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Academy Trust is a company limited by guarantee and an exempt charity, and is constituted under a Memorandum and Articles of Association dated 15 March 2012.

Members' liability

Each Member of the Academy Trust 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 ceased to be a Member.

Governors' indemnities

Insurance is in place through the Risk Protection Arrangement (RPA) provided by the DFE, covering Governors' liability of up to £10 million any one loss and any one membership year.

RPA also covers the liability for compensation in respect of any claim which is made against the Academy Trust or employee incurred in the conduct of the Professional Services of the school by reason of Breach of Duty, Libel and Slander.

Principal Activities

The Academy Trust's object is specifically restricted to the following, to advance for the public benefit, education in the United Kingdom, in particular maintaining managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The number of Governors shall be no smaller than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Academy Trust shall have the following (subject to Articles of Association) Governors, who shall be collectively known as "the Board of Governors":

- up to 8 Community Governors
- up to 2 Staff Governors
- up to 4 Foundation Governors
- up to 4 but not fewer than 2 Parent Governors
- the Head Teacher
- any Additional Governors
- any Further Governors
- the Academy Trust may also have any Co-opted Governor appointed

Foundation Governors are appointed on the following basis:

- One may be appointed by The Honourable Michael John Knatchbull or his successor as owner of the Mersham Hatch Estate, the vicar of Ashford and the Rectors of Chart Magna, Aldington and Mersham, all in the County of Kent, acting as an electing body,
- one may be appointed by the Committee of the Old Ashfordians Association of The Norton Knatchbull School
- The Honourable Michael John Knatchbull or his successor as owner of the Mersham Hatch Estate shall be a Foundation Governor ex officio

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- And the Vicar for the time being of Ashford shall be a Foundation Governor ex-Officio

In the event that

- The owner of the Mersham Hatch Estate or the Vicar of Ashford is unable or unwilling to act as a Foundation Governor, or
- A Foundation Governor Appointed ceases to hold office

the remaining Foundation Governors shall appoint another person to act in their place, but this shall not prejudice the ex officio governorship of his successor in the office from which the ex officio governorship derives.

The Head Teacher shall be treated for all purposes as being an ex officio Governor.

The Parent Governors shall be elected by parents of registered pupils at the Academy Trust. A Parent Governor must be a parent of a pupil at the Academy Trust at the time when they are elected.

The Staff Governors shall be elected by all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy Trust (excluding the Head Teacher).

The Governors may appoint up to three Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

The Secretary of State may appoint Additional Governors as they think fit if:

- (a) the Secretary of State has given the Governors a warning
- (b) the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades.

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy Trust offers regular training courses usually through The National Governors Association, Governor's for Schools and The Key. The Headteacher and Chair of Governors ensure that all new Governors receive adequate induction training including Child Protection and ensure that Governors receive annual Safeguarding Training.

Organisational Structure

The Norton Knatchbull School Board of Governors' Terms of Reference outline in detail the exact roles and responsibilities of the Board of Governors, each committee and the roles of officers serving on each committee. This is supported by an annual Governor monitoring plan which is linked to the School Development Plan,

Arrangements for setting pay and remuneration of key management personnel

Pay ranges for senior management personnel are determined based on the size of the school population, in accordance with published guidelines. The pay determinations of senior management staff (teaching) are also influenced by the STPCD, and those of senior management staff (non-teaching) are influenced by Kent Pay Range and TCP.

A detailed Performance Management policy is in place and is regularly reviewed by Governors. Performance Management processes are robust in accordance with appropriate criteria, which are regularly communicated to all staff.

The permanent leadership team consists of 1 Headteacher, 2 Senior AHTs and 3 AHTs. Governors appointed a DHT on 1st September 2022.

Performance Management and pay progression are based on the following principles:

The Head Teacher's performance management is carried out by a Committee of three Governors and the Academy Trust's School Improvement Partner (external). The performance management of the remaining senior management staff is conducted by the Head Teacher and monitored by the Personnel and Pay Committees of Governors.

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Three key targets are set in each cycle, one of which relates to professional development, which must be directly linked to the needs of the school and must be substantial. The second target is aspirational and relates to whole school pupil performance targets. The third target is also challenging and relates to the implementation of the whole school Development Plan. In addition, wider contribution to the life of the school is expected to be substantial and sustained, of the three very substantial targets set, two must be fully met and the third must be significantly met, in order for pay progression to be awarded.

Trade union facility time

No employees served as relevant union officials during the year and so no disclosures are necessary.

Related Parties and other Connected Charities and Organisations

The Academy Trust is connected to the Ashford Grammar School Endowment Fund (a registered charity) by virtue of The Hon. M J Knatchbull, Mr B Greene and Mr P. Sibbald being a trustee of both entities and Mr R Fraser and Mr S. Hallam being a member and trustee of each entity respectively.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Academy Trust is the operation of The Norton Knatchbull School to provide education for pupils of selective ability between the ages of 11 and 18.

The Academy Trust's aims are to develop each student's full potential. Academically, we aim to provide inspiration, foster aspiration, give challenge and support and facilitate success. In terms of personal development, we strive to promote and instill the concepts of responsibility, community, tolerance, equality and respect.

The Norton Knatchbull School is a highly regarded selective school for boys aged 11 to 18 which admits a growing number of girls into its Sixth Form. Having proudly served the local community of Ashford in Kent since the 17th century, it combines traditional values with a forward looking and vibrant learning environment where young people are nurtured to become considerate, confident and well-rounded individuals.

The School provides an atmosphere in which all of its students feel supported and inspired to strive for their personal best. Its approach to academic study is varied, disciplined and fosters a lifelong love of learning. It values community and celebrates diversity. As a result, our young people are able to make informed and positive life choices, and are equipped to face the challenges of a fast-changing, competitive and increasingly global environment.

The School has a fine educational track record, extensive extra-curricular provision and provides strong careers advice and guidance. It benefits from a wide range of facilities which support learning in a variety of disciplines, styles and environments. Its specialisms model innovation and best practice across the School and maintain productive links with local schools and the wider national and international community.

Students are supported by a team of highly qualified, hardworking and caring teaching and support staff and a well informed and supportive Governing Body, all of whom are united in their desire to achieve the best possible outcomes for all.

Objectives, Strategies and Activities for the year ended August 2023

1. We will recruit and retain staff of the highest quality who challenge and engage with our students to ensure that they achieve their maximum potential:
 - Strengthen recruitment and induction processes to support staff effectiveness;
 - Extend staff wellbeing strategy to support staff effectiveness;
 - Look to be creative and flexible in ways in which we motivate and retain staff;
 - Look to improve and widen opportunities for professional development and where possible to provide opportunities for promotion to motivate and retain staff;
 - Regularly highlight and celebrate staff successes to motivate and retain staff.
2. We will follow a rigorous programme of monitoring, review and intervention at all key stages to ensure that targets are achieved and academic learning is enhanced:

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- Through the allocation of more department meeting and workshop time to enable moderation and standardization
 - Develop and refine the Quality Assurance programme lead by Senior and Subject Leaders to evidence the qualities of T&L in their subject areas, and to lead and facilitate effective intervention and CPD where appropriate.
 - Refine target setting and assessment to improve accuracy of monitoring data
 - Develop new Heads of Year role to combine academic and monitoring and intervention to ensure students benefit from timely and effective interventions.
3. We will ensure that all students have access to a rigorous and stimulating curriculum which fosters in them a habit of lifelong learning, self-improvement and high aspiration:
- Continue to review and refine the curriculum offer to tailor provision more closely to students' aspirations and interests and reduce underachievement;
 - Develop opportunities and support for independent learning and study across all year groups to promote outcomes;
 - Increase enrichment and work-related learning opportunities across all year groups to enhance next steps.
 - Ensure we continue to be flexible and creative in managing and implementing systems in the context of Covid-19 and its impact on school
4. We will provide a safe and supportive environment, which includes enrichment and community activities, designed to ensure that our students develop into well-rounded, confident and responsible individuals:
- Widen opportunities for developing "culture and character" to support wellbeing and achievement;
 - Broaden the range of societies, lectures and workshops for all year groups to raise aspirations;
 - Improve student access to indoor recreational spaces to foster a sense of belonging;
 - Review and improve consistency in application of behaviour policy to support a positive learning culture;
 - Ensure through the delivery of Personal Development and the academic and broader curriculum that we promote tolerance and an inclusive ethos.
5. We will encourage achievement throughout the school at all levels and support our staff at every stage of their professional development to ensure that they are empowered to bring out the best in all our students:
- Personalise CPD provision and focus on specific training/coaching needs to strengthen teaching and improve the effectiveness of support staff – with a particular focus on ensuring able students are engaged and challenged;
 - Promote the sharing of good practice within and between schools to strengthen assessment
 - Widen the application of PIXL and A Level Mindset techniques in lessons to strengthen learning and outcomes;
 - Implement targeted early intervention and support strategies to support outcomes – refined and coordinated by HoY;
 - Implement a revised assessment policy to support assessment and outcomes;
 - Look to maintain and improve attendance in all year groups to support a strong learning ethos and outcomes
6. We will ensure that the school's infrastructure and facilities (including sporting and recreational facilities) are the best that can be achieved in all the circumstances adopting a process of continuous improvement:
- Continue to explore bids to replace outdated Music accommodation to provide 21st century learning spaces;
 - Explore through PSDS bids opportunities to invest in sustainable heating and lighting
 - Ensure the new Art and DT facilities are equipped to ensure high end facilities to cater for expansion of student body;
 - Regenerate and extend sporting facilities to support learning and provide additional income streams; Augment student recreational outdoor spaces to promote community spirit and a sense of belonging.
7. We will manage the school's finances and resources to ensure that they are used effectively to deliver our Vision and achieve best value commensurate with our legal and other responsibilities:
- Maintain expanded entry of seven forms of entry throughout the school and look to increase access for disadvantaged students;
 - Integrate the marketing and communications strategy to promote the School's achievements and work;
 - Implement a comprehensive fundraising strategy to improve and expand provision and facilities;
 - Strengthen financial planning and processes to achieve an in-year surplus and build reserves.

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Public Benefit

The Academy Trust aims to advance for the public benefit, education in the United Kingdom. In setting the objectives of the Academy Trust and planning associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. In addition as part of the public consultation process prior to an application to increase the school PAN to meet increased demand for selective places in the Ashford area, the school undertook to provide additional resource to encourage applications from pupils in primary schools in local disadvantaged areas which have traditionally provided fewer pupils to the school.

The Norton Knatchbull School is a selective grammar school catering for pupils aged 11 to 18. It admits only boys in years 7 to 11 and girls are welcomed into the sixth form. The catchment area, once the selection criteria are met, is based primarily on proximity to the school. If the number of preferences for the school is more than the number of places available, places will be allocated to eligible pupils in the following priority order:

- Looked after and previously looked after children
- Current Family Association
- Health and Special Access Reasons
- Nearness of children's homes to school

STRATEGIC REPORT

Achievements and Performance

In March 2017 the School was inspected by OFSTED who judged the School "good", reporting favourably that the "leadership team had maintained the good quality of education in the school since the last inspection" with more students gaining "top level grades at GCSE and A level". Exams did not take place in 2020 or 2021 because of the Covid pandemic and therefore no external measures are available for comparison. However, in year monitoring on both years indicated that the progress made in 2019 was set to be maintained and improved.

OFSTED (2017) further observed that, "Relationships between staff and pupils are strong and there is a shared sense of aiming high. Pupils' welfare is a top priority and pupils told inspectors they feel well supported and encouraged to do their best. Since then, an increased percentage of students have gained places at top universities and the Most Able programme has been enlarged. Achievement Leaders work in all year groups to provide early targeted intervention and promote strong progress.

Safeguarding remains a top priority for the School and this was confirmed by OFSTED (2017) when commenting that, "There is a strong ethos of safeguarding within the school and pupils agree that the school is a safe place in which to learn. All statutory checks are carried out methodically and record keeping is very thorough. Governors ensure that safeguarding has high priority and that they and the staff are regularly trained in safeguarding procedures. There is good cooperation between the school and outside agencies." Safeguarding processes have been strengthened further since then with an enlargement of the DSL team and regular annual update training for all staff and governors.

The school year, 2021-2022, saw the first time in three years where students sat externally assessed exams. The School was pleased with the subsequent results which were better than have been achieved for a number of years.

The refurbishments of the Art and Design Technology building, including windows, roofing and fire prevention have also been achieved following a successful CIF bid.

Challenges have been experienced in the recruitment of both teaching and support staff which the School will be working to address during the first term,

The support staff review was also been conducted and the revised support staff structure in place for September 2022. This included the creation of a new Student Hub completed over the summer holiday and bringing together the Student Support Managers and AEN departments.

In the medium- and long-term strategy the possibility of moving to become a multi-academy trust is being considered and the Board is exploring the positives and negatives such a move would create.

Following the departure of the Business Manager certain responsibilities have been distributed across the Senior Leadership Team and a new Deputy Head Teacher post has been created commencing September 2022 to allow for a strengthened focus on the Quality of Education at the NKS.

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Going Concern

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

Key Performance Indicators

In assessing the performance of the School going forward, the Board has particular regard to the following key performance indicators:

A Level and GCSE Targets 2022-2025

All subjects to secure +ve Value Added

A Level	22-23	24-25
A*-B	>63%	70%
A*-E	100%	100%
GCSE	22-23	24-25
P8	0.5	0.75
9-7	50%	60%
9-6	72%	75%
9-5	100%	100%
Eng La & Ma 9-6	80%	90%

- Attendance to be above 95% overall and for each year group

FINANCIAL REVIEW

The majority of the Academy Trust's income is in the form of recurrent grants from the ESFA and the use of this income is restricted to the particular purpose of the grant. The grants received from the ESFA and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The remainder of income was raised via fees and charges for lettings and is unrestricted. In addition, the Academy Trust receives capital funding and was successful in a recent bid for funds from the Academies Capital Fund. This grant is shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the financial year to 31 August 2022 total income was £7,383,962 (2021 - £8,170,951) of which £82,001 (2021 - £23,606) was unrestricted income. The decrease in income was predominantly attributable to:

- A reduction in capital funding with capital grants and donations of £412,639 (2021 - £1,677,571);
- An increase in DfE/ESFA grants to £6,785,621 (2021 - £6,222,929) mainly as a result of the rise in core General Annual Grant monies.

Total expenditure for the year to 31 August 2022 was £7,141,364 (2021 - £6,497,935) resulting in net revenue for the year of £242,598 (2021 - £1,673,016).

The overall movement in funds for the year after actuarial movement on the Local Government Pension Scheme ("LGPS") defined benefit scheme was an increase in funds of £3,054,598 (2021 - £1,469,016). The large actuarial gain on the LGPS this year is attributable to a change in key assumptions used by the scheme's actuary, as detailed in notes 2 and 26.

It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the academy. To reach the result on revenue income funds movements on tangible fixed assets and the LGPS defined benefit pension liability need to be excluded. The table below reconciles from the overall movement in funds to the £117,258 increase (2021 - £747,116) in revenue funds during the year. The operational surplus prior to revenue to capital contribution transfers is also shown:

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	2022 (£)	2021 (£)
Overall net movement in funds for the year per SoFA	3,054,598	1,469,016
(Increase) / decrease attributable to fixed asset fund	(408,340)	(1,177,900)
LGPS actuarial (gain)/loss	(2,812,000)	204,000
LGPS service and interest costs	283,000	252,000
Total movement in revenue income funds	117,258	747,116
Transfers from revenue to capital	686,952	135,737
Operational surplus on revenue funds	804,210	882,853

The Governors are delighted to have finished the last financial year with an in-year surplus on revenue income funds which has helped build the Trust's reserves further.

The School was successful in its application for Condition Improvement Funds (CIF) roofing and windows fire project which has enabled the refurbishment of the Art and DT teaching spaces. A further application for the 2022-2023 round of CIF applications will be made for a similar refurbishment of the Music Block through a roofing and windows fire project.

Further applications are planned under the Public Sector Decarbonisation to improve the Mortimer, Brabourne and Fraser buildings with the fixture of solar panels as well as the replacement of gas with air source providing heating & cooling as a result.

The strong Year 7 intake of 189 (2021 - 198) leaves the school roll with a total of 1,251 (2021 - 1,261).

The School's recruitment targets for 2022-23 therefore are:

Year 7	-	210
Year 12	-	160

Financial position

The Academy Trust held fund balances at 31 August 2022 of £18,862,636 (2021 - £15,808,038). These funds comprised restricted fixed asset funds of £17,614,669 (2021 - £17,206,329), restricted revenue funds of £1,403,097 (2021 - £1,330,168), unrestricted revenue funds of £204,870 (2021 - £160,541) and the pension reserve.

The Academy Trust maintains a pension reserve fund which represents its share of the LGPS fund surplus or deficit, calculated in accordance with Financial Reporting Standard (FRS)102. The pension reserve deficit of £360,000 (2021 - £2,889,000) is the only fund in deficit.

The deficit does not mean that an immediate liability crystallises; it results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and it was recently confirmed that the current level of employer contributions will continued fixed until from 1 April 2026.

The factors affecting the pension liability are detailed in note 26.

The restricted fixed asset fund balance predominantly represents the net book value of tangible fixed assets, including the school land and buildings, of £17,859,469 (2021 - £17,625,661) held on the Balance Sheet (see note 14). This fund shows that there was no capital grant funding that had not been spent at 31 August 2022 (2021 - £16,668 unspent) and the outstanding balance on a trustees' loan provided in previous years to fund capital improvement works. Loan repayments, which are made from GAG and accounted for by revenue to capital transfers, are minimal, interest free and fully budgeted for in the coming years.

Reserves policy

It is the Governors' objective to maintain a structure of prudent financial management. To this end we review annually the level of unspent GAG and other funding carried forward for future years to ensure that the Academy Trust can best protect and plan its current and future operating activities.

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Reserves are intended to ensure the Academy Trust is equipped with enough high quality equipment to meet its aims and to ensure that a robust maintenance and renewal programme can be planned and carried out.

The Academy Trust's current level of reserves is shown in detail within the financial statements (note 18). At 31 August 2022 the total reserves held on revenue income funds (across both restricted and unrestricted funds) was £1,607,967 (2021 - £1,490,709).

Financially, the Board of Governors has been determined to build the School's reserves by continuing to make efficiency savings wherever possible; by generating increased external income including establishing new income streams and by securing further grants for support of the curriculum and the upgrading and expansion of the School's facilities.

Investment Policy

From time to time the Academy Trust has surplus funds due to receipts from Government agencies being received in advance of expenditure. Where it is foreseen that these will remain in the possession of the Academy Trust for longer than at least one month then consideration is given to placing these in a short term deposit account. Interest income received from this account is shown in note 6 to the financial statements.

Energy Policy

During the year the Academy Trust introduced and implemented an Energy Policy (published on the website) which places on record its commitment to reduction of energy use and carbon reduction.

During the years 2017 and 2018 electricity usage averaged some 402,000 kWh per annum, but this has now been reduced by a variety of actions such that usage was some 394,000 kWh in 2019, falling further to some 364,000 kWh on average during the Covid-19 affected years of 2020 and 2021. Further ongoing reductions, as compared to 2017-19 consumption, are targeted for the future through ongoing improvements such as replacement of lights with LEDs, improved insulation, replacement of boilers with new (high efficiency) boilers and heat exchangers etc.

The Academy Trust uses gas for boilers and this is forecast to reduce with the replacement of the boilers over the coming years.

The Academy Trust has appointed external energy consultants to assist with the ongoing improvements to energy efficiency and is currently bidding for available funding opportunities to further improve building energy ratings and consumption.

Principal Risks and Uncertainties

The Governors will continue to review risk in accordance with the Academy Trust's Risk Management Policy and manage them in line with the local climate and demands. Risk policies include:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

Other risks and uncertainties which could face the Trust relate to the reputation of the Academy Trust. This could arise from an OFSTED inspection or other governmental reports, or an event occurring outside of the control of the Governors.

PLANS FOR FUTURE PERIODS

The School's vision was updated at the beginning of 2018 by the Board of Governors to emphasise the need to provide students with an inspiring and rigorous education which challenges them to reach their full potential, giving them the confidence and skills to succeed in future life. In furtherance of this vision, the KnatchBacc was introduced during the Academic year 2019-2020. The Governors and the Head teacher will work to develop the Annual School Development Plan, within the context of a broader 5 year plan and the KnatchBacc to draw together the Strategic Vision for the next 5-10 years bearing in mind the recent Government White Paper.

The clear focus will be on improving and building upon the work already done to ensure students achieve their maximum potential in a stimulating and safe environment. The School is committed to recruiting and retaining the best staff, in order to provide the best possible education for all its students. In delivering this objective the Board will ensure that staff morale and wellbeing is kept high on the agenda.

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In carrying this work forward, the Board is determined to retain as broad and balanced curriculum as possible and has budgeted accordingly.

The Board will also form a working party to consider the most appropriate response to the recent Government White Paper – in particular to evaluate the most appropriate strategy in terms of Multi Academy Trust status,

The Board of Governors takes this opportunity to thank all the teachers and support staff for the work they have done and are currently doing in carrying forward and delivering these objectives

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust acts as custodian in respect of the following accounts:

- *Ashford Grammar School Endowment Accounts (Registered Charity 307842)*

Ashford Grammar School Account is administered by the trustees of the land and building of the old Ashford Grammar School – The proceeds from the sale of land by the trustees was loaned to the Norton Knatchbull School and repayments of the loan by the school are made into this account.

- *Ashford Grammar School Prize & Scholarship Fund (Registered Charity 1077599)*

This account accrues annuities. Annual prize day events are funded from the Prize Account and the Harper scholarship account is to be used for small scholarships for past and present students of the school.

PROVISION OF INFORMATION TO AUDITOR


In so far as the Governors are aware:

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

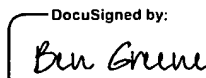
AUDITORS

The auditors, UHY Hacker Young, were first appointed to complete the audit for 2018-19 and were re-appointed for 2021-22. The auditors have indicated their willingness to remain in office and once the audit process has been reviewed the appointments of auditors for next year will be considered at the forthcoming Annual General Meeting.

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

DocuSigned by:

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Mr. A. Judd
Co-Chair of Governors

DocuSigned by:

164AF407982F4C3...

Mr. B. Greene
Accounting Officer

Date: 22 December 2022

The Norton Knatchbull School
(A company limited by guarantee)

Governance Statement

Statement Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Norton Knatchbull 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 Governors we have reviewed and taken account of the guidance in the Governance Handbook and the DfE's Competency Framework

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 The Norton Knatchbull School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the reference and administrative details of the Academy Trust listed on page 1 and in the Governor's report and Statement of Governors' responsibilities. The full Board of Governors has formally met 7 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
The Hon. M-J Knatchbull	5	7
Mr. S. Hallam (Chair)	6	7
Mr. B Greene (HT)	7	7
Mr. W Trafford	6	7
Mr T. Saville	4	7
Mr. J. Holland	4	7
Mr. W. Michael	2	7
Mrs. J. Burnett (Vice Chair)	7	7
Mrs. M. Highwood	6	7
Mr. A. Judd	6	7
Ms. E. Seccombe	6	7
Mr. N. Munro	6	7
Ms. L. Bonaccorsi	1	2
Ms D. Gallie	3	5
Mr. D. Hewavidana.	1	6
Mr. S. Clark	0	2
Mrs. N. Pearce	5	6

The role of the Finance Committee includes the audit & risk committee, with terms of reference which include the following: -

The Committee will oversee the school's finances, ensuring that the school operates within the financial regulations of the Academies Trust Handbook, school Finance Policy and complies with any DfE and ESFA requirements, responding to any issues arising from the internal and external audits and ensuring solvency, probity and value for money.

To this end the Committee will:

1. receive a budget monitoring report at least termly, showing budget, actual to date, predicted future income and expenditure, ensuring that any appropriate action is taken and report to the full Governing Body on the current position;
2. evaluate and recommend the three year budget plan, which shows clear links to the School Development Plan, for approval by the Board of Governors;
3. review annually the Finance Policy and agree levels of delegation for approval by the Board of Governors.
4. report monitoring and end of year position to the Board of Governors, highlighting any significant variances as reported by the appointed Auditors
5. evaluate and recommend the annual Accounting Officers Statement of Governance and evaluate and recommend the Statement of Governors' responsibilities.
6. evaluate and recommend the annual set of Audited Accounts be submitted to Companies House
7. approve CIF and other bids for grant monies towards building and refurbishment projects. No bids are to be submitted or amendments made to bids already agreed without their prior approval of the Finance & General Purposes Committee.
8. make decisions in respect of service agreements and insurance.

The Norton Knatchbull School

(A company limited by guarantee)

Governance Statement

9. advise the Board of Governors of any consultations to change Funding Agreement or Funding methodology
10. evaluate any proposed virements
11. evaluate and report on Tenders for Contract Services to the Board of Governors
12. benchmark the school's financial performance

Via an audit sub-committee comprising governors (but excluding any employees) the Committee will:

1. direct the work of internal and external auditors to provide assurance to the board concerning the suitability of, and compliance with, its financial systems and operational controls
2. agree a programme of work to provide assurance on financial controls and risks
3. ensure that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the trust is accurate and in compliance with funding criteria
4. review the School's risk register and ensure that risks are being adequately identified and managed, and highlight any significant concerns to the Board of Governors

The Finance & General Purposes Committee sat on 7 occasions during the year with the following attendance:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. J. Holland	7	7
The Hon M-J Knatchbull	7	7
Mr. W. Michael	6	7
Mr. B. Greene	7	7
Mr. D. Hewavidana	2	6
Mrs. N. Pearce (H&S Link Governor)	2	2
Mr. S. Clark	2	3

Conflicts of Interest

Conflicts of Interest are checked regularly by way of an annual statement from each trustee as well as confirmation at each Full Board and Committee meeting. Were there to be any conflict of interest declared the individual would not be able to take part in the agenda item discussion or voting. This would be documented by the Clerk to Trustees.

Review of Value for Money

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

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

- Conducting a root and branch review of all overhead with the Academy's new Chief Financial Officer to include all significant supply contracts and where savings have been identified, commencing formal review thereof.
- Reviewing the CIF strategy and amending this from DLC Phase 2 to roofing and fire protection works to refurb Art and DT (rather than rebuilding). This involved reviewing the appointment of professional advisers in connection with the bid submissions – and was successful in securing the funding for the works after 4 failed CIF bids
- Ensuring that the Buildings and Grounds maintenance team is appropriately staffed and trained in health and safety and in carrying out improvements and planned maintenance without the need to employ external contractors, except where specialist skills and statutory approvals are required.
- Working with the Development Manager to identify where external funding, including grants and sponsorships, alumni bequests and bursaries can be accessed to help finance and enhance curriculum 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 ongoing process devised by the audit sub-committee which sets out a programme of work to provide assurance on financial controls and risks. This is designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively,

The Norton Knatchbull School
(A company limited by guarantee)

Governance Statement

and economically. The system of internal control was in place in The Norton Knatchbull School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements

The Board of Governors is circulated with copies of the internal audit reports produced regularly during the year.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

During the year 1 September 2021 to 31 August 2022 Kreston Reeves continued to act as the Academy Trust's internal audit service. In particular the checks carried out in the current period included:

- Visit 1: safeguarding
- Visit 2: procurement;
- Visit 3: accuracy of pupil data

Reports prepared by Kreston Reeves are presented to the Finance and General Purposes Committee meetings describing the key risks and the performance of the school in managing these risks and thereafter circulated to Governors.

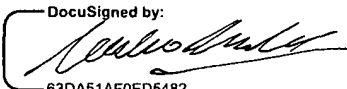
Review of Effectiveness

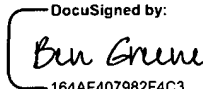
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the Finance Manager who has responsibility for the development and maintenance of the internal control framework.
- the completion and review of the School resource Management Self-Assessment Tool

The Accounting Officer has been advised of the result of their review of the system of internal control by the Finance and General Purposes Committee and informed of the plans in place to address weaknesses identified during internal scrutiny visits to ensure continuous improvement of the system.

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

DocuSigned by:

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Mr. A. Judd
Co-Chair of Governors

DocuSigned by:

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Mr. B. Greene
Accounting Officer

Date: 22 December 2022

The Norton Knatchbull School
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The Norton Knatchbull School I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

DocuSigned by:

Ben Greene

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Mr B Greene
Accounting Officer

Date: 22 December 2022

The Norton Knatchbull School
(A company limited by guarantee)

Statement of Governors' responsibilities
For the year ended 31 August 2022

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

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

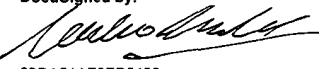
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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

DocuSigned by:

63DA51AF0ED5482...

Mr. A Judd
Co-Chair of Governors

Date: 22 December 2022

The Norton Knatchbull School
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Norton Knatchbull School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

The Norton Knatchbull School
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Independent Auditors' Report on the financial statements to the Members of The Norton Knatchbull School
(continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the trust through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the trust, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

The Norton Knatchbull School
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Norton Knatchbull School
(continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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

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

Use of our report

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)
 for and on behalf of
UHY Kent LLP
 Chartered Accountants
 Statutory Auditors
 Thames House
 Roman Square
 Sittingbourne
 Kent
 ME10 4BJ

Date: 23 December 2022

The Norton Knatchbull School
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Norton Knatchbull School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 January 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Norton Knatchbull School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Norton Knatchbull School's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Norton Knatchbull School for the year ended 31 August 2022 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

The Norton Knatchbull School
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Norton Knatchbull School and the Education & Skills Funding Agency (continued)

Conclusion

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



UHY Kent LLP
Chartered Accountants
Statutory Auditors

Date: 23 December 2022

The Norton Knatchbull School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	15,971	-	412,639	428,610	1,700,850
Other trading activities	4	34,987	7,867	-	42,854	24,029
Investments	6	239	-	-	239	174
Funding for educational operations	5	30,804	6,881,455	-	6,912,259	6,445,898
Total income		82,001	6,889,322	412,639	7,383,962	8,170,951
Expenditure on:						
Charitable activities	8	30,472	6,419,641	691,251	7,141,364	6,497,935
Total expenditure		30,472	6,419,641	691,251	7,141,364	6,497,935
Net income/(expenditure)		51,529	469,681	(278,612)	242,598	1,673,016
Transfers between funds	18	(7,200)	(679,752)	686,952	-	-
Net movement in funds before other recognised gains/(losses)		44,329	(210,071)	408,340	242,598	1,673,016
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	2,812,000	-	2,812,000	(204,000)
Net movement in funds		44,329	2,601,929	408,340	3,054,598	1,469,016
Reconciliation of funds:						
Total funds brought forward		160,541	(1,558,832)	17,206,329	15,808,038	14,339,022
Net movement in funds		44,329	2,601,929	408,340	3,054,598	1,469,016
Total funds carried forward	18	204,870	1,043,097	17,614,669	18,862,636	15,808,038

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

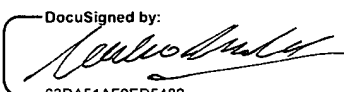
The notes on pages 24 to 46 form part of these financial statements.

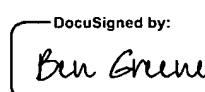
The Norton Knatchbull School
(A company limited by guarantee)
Registered number: 07992899

Balance sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	17,859,469	17,625,661
Current assets			
Debtors	15	629,343	203,047
Cash at bank and in hand		2,276,727	1,817,844
		<u>2,906,070</u>	<u>2,020,891</u>
Creditors: amounts falling due within one year	16	(1,305,303)	(546,714)
Net current assets		<u>1,600,767</u>	<u>1,474,177</u>
Total assets less current liabilities		<u>19,460,236</u>	<u>19,099,838</u>
Creditors: amounts falling due after more than one year	17	(237,600)	(402,800)
Net assets excluding pension liability		<u>19,222,636</u>	<u>18,697,038</u>
Defined benefit pension scheme liability	26	(360,000)	(2,889,000)
Total net assets		<u><u>18,862,636</u></u>	<u><u>15,808,038</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	17,614,669	17,206,329
Restricted income funds	18	1,403,097	1,330,168
		<u>19,017,766</u>	<u>18,536,497</u>
Restricted funds excluding pension liability	18	19,017,766	18,536,497
Pension reserve	18	(360,000)	(2,889,000)
Total restricted funds	18	<u>18,657,766</u>	<u>15,647,497</u>
Unrestricted income funds	18	<u>204,870</u>	<u>160,541</u>
Total funds		<u><u>18,862,636</u></u>	<u><u>15,808,038</u></u>

The financial statements on pages 21 to 46 were approved and authorised for issue by the Governors and are signed on their behalf, by:

DocuSigned by:

63DA51AF0ED5482...
Mr. A Judd
Co-Chair of Governors

DocuSigned by:

164AF407982F4C3...
Mr B Greene
Governor and Accounting Officer

Date: 22 December 2022

The notes on pages 24 to 46 form part of these financial statements.

The Norton Knatchbull School
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,162,264	964,547
Cash flows from investing activities	22	(512,181)	(262,884)
Cash flows from financing activities	21	(191,200)	(32,436)
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the year		458,883	669,227
Cash and cash equivalents at the beginning of the year		1,817,844	1,148,617
Cash and cash equivalents at the end of the year	23, 24	<u><u>2,276,727</u></u>	<u><u>1,817,844</u></u>

The notes on pages 24 to 46 form part of these financial statements

The Norton Knatchbull School
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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 Academy Trust, 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.

The Norton Knatchbull School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

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.

• **Charitable activities**

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

Where relevant, all resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Furniture and equipment	- 3 to 6 years straight line
Computer equipment	- 5 years straight line
Site improvements	- 15 years 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 Statement of financial activities.

1.8 Debtors

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

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

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

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

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

1.15 Fund accounting

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The ultimate responsibility for setting the LGPS assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate used of 4.25% is considerably higher than the rate of 1.65% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £2.9m to £360k during the year.

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Notes to the financial statements
For the year ended 31 August 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donated assets	-	-	-	-	13,840
Donations	15,971	-	-	15,971	26,989
Capital grants	-	-	412,639	412,639	1,660,021
	<u>15,971</u>	<u>-</u>	<u>412,639</u>	<u>428,610</u>	<u>1,700,850</u>
<i>Analysis of 2021 total by fund</i>	<u>8,550</u>	<u>14,729</u>	<u>1,677,571</u>	<u>1,700,850</u>	

4. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	30,881	-	30,881	9,619
Catering	-	4,000	4,000	2,367
Insurance claims	-	3,187	3,187	4,739
Other	4,106	680	4,786	7,304
	<u>34,987</u>	<u>7,867</u>	<u>42,854</u>	<u>24,029</u>
<i>Analysis of 2021 total by fund</i>	<u>18,399</u>	<u>5,630</u>	<u>24,029</u>	

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

5. Funding for educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,516,705	6,516,705	5,787,106
Other DfE/ESFA grants				
Pupil premium	-	96,317	96,317	88,935
Teachers' pay grant	-	18,205	18,205	83,159
Teachers' pension grant	-	51,443	51,443	229,627
School supplementary grant	-	67,215	67,215	-
Others	-	35,736	35,736	34,102
	-	6,785,621	6,785,621	6,222,929
Other Government grants				
Local authority grants	-	42,339	42,339	79,447
Other income from educational operations	30,804	10,030	40,834	42,512
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	78,560
Other DfE/ESFA COVID-19 funding	-	43,465	43,465	22,450
	-	43,465	43,465	101,010
	30,804	6,881,455	6,912,259	6,445,898
<i>Analysis of 2021 total by fund</i>	(3,343)	6,449,241	6,445,898	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	239	239	174
<i>Analysis of 2021 total by fund</i>	174	174	

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Notes to the financial statements
For the year ended 31 August 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations:					
Direct costs	4,478,866	627,951	450,636	5,557,453	5,033,939
Allocated support costs	762,682	468,889	352,340	1,583,911	1,463,996
	<u>5,241,548</u>	<u>1,096,840</u>	<u>802,976</u>	<u>7,141,364</u>	<u>6,497,935</u>
<i>Analysis of 2021 total</i>	<u>4,813,090</u>	<u>1,002,385</u>	<u>682,460</u>	<u>6,497,935</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Educational operations	30,472	7,110,892	7,141,364	6,497,935
<i>Analysis of 2021 total by fund</i>	<u>3,074</u>	<u>6,494,861</u>	<u>6,497,935</u>	

9. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	5,557,453	1,583,911	7,141,364	6,497,935
<i>Analysis of 2021 total</i>	<u>5,033,939</u>	<u>1,463,996</u>	<u>6,497,935</u>	

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	762,682	752,860
Technology costs	76,239	94,135
Premises costs	468,889	419,080
Legal and professional	3,465	5,665
Governance costs	15,229	16,372
Other support costs	257,407	175,884
Total	1,583,911	1,463,996

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>2021 £</i>
Operating lease rentals	24,565	17,838
Depreciation of tangible fixed assets	691,251	620,634
Fees paid to auditors for:		
- audit	8,670	8,415
- other services	2,035	1,970

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Notes to the financial statements
For the year ended 31 August 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	<i>2021</i>
	£	£
Wages and salaries	3,536,247	3,384,727
Social security costs	373,206	339,739
Pension costs	1,063,704	1,000,094
	<u>4,973,157</u>	<u>4,724,560</u>
Agency staff costs	192,594	88,530
Staff restructuring costs	75,797	-
	<u><u>5,241,548</u></u>	<u><u>4,813,090</u></u>

Staff restructuring costs comprise:

	2022	<i>2021</i>
	£	£
Redundancy payments	4,501	-
Severance payments	68,296	-
	<u>72,797</u>	<u>-</u>

b. Severance payments

The Academy Trust paid 2 severance payments in the year, disclosed in the following bands:

	2022
	No.
£10,000 - £15,000	1
£55,000 - £60,000	1
	<u><u>2</u></u>

c. Special staff severance payments

One of the severance payments noted above includes a special non-contractual element of £37,000 (2021 - £Nil).

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

11. Staff (continued)

d. Staff numbers

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

	2022 No.	2021 No.
Management	7	7
Teachers	61	61
Administration and support	43	41
	111	109
	111	109

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	3
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1
	4	4
	4	4

f. Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £763,342 (2021 £722,361).

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher (who serves as the Accounting Officer) and other staff Governors only receive remuneration in respect of services they provide undertaking their roles under contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2022 £	2021 £
Mr B Greene, Head Teacher	Remuneration	105,000 - 110,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000
Mrs N Thompson, Staff Governor	Remuneration	-	0 - 5,000
	Pension contributions paid	-	0 - 5,000
Mr W Trafford, Staff Governor	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mrs E Seccombe, Staff Governor	Remuneration	30,000 - 35,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

The Norton Knatchbull School
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Notes to the financial statements
For the year ended 31 August 2022

12. Governors' remuneration and expenses (continued)

During the year ended 31 August 2022, expenses totalling £255 were reimbursed or paid directly to 1 Governor (2021 - £NIL). This was a reimbursement for food and soft drinks at a restaurant attended by 14 Governors.

13. Governors' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and computer equipment £	Site improvements £	Total £
Cost or valuation					
At 1 September 2021	17,466,083	-	460,964	4,167,352	22,094,399
Additions	24,759	743,977	110,162	46,161	925,059
At 31 August 2022	17,490,842	743,977	571,126	4,213,513	23,019,458
Depreciation					
At 1 September 2021	2,927,493	-	255,180	1,286,065	4,468,738
Charge for the year	349,569	-	63,300	278,382	691,251
At 31 August 2022	3,277,062	-	318,480	1,564,447	5,159,989
Net book value					
At 31 August 2022	14,213,780	743,977	252,646	2,649,066	17,859,469
At 31 August 2021	14,538,590	-	205,784	2,881,287	17,625,661

15. Debtors

	2022 £	2021 £
Trade debtors	10,318	3,280
Other debtors	159,711	115,476
Prepayments and accrued income	459,314	84,291
	629,343	203,047

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Notes to the financial statements
For the year ended 31 August 2022

16. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other loans	7,200	33,200
Trade creditors	511,633	192,467
Other taxation and social security	88,233	84,195
Other creditors	201,594	127,714
Accruals and deferred income	496,643	109,138
	<u>1,305,303</u>	<u>546,714</u>

	2022	2021
	£	£
Deferred income at 1 September 2021	21,056	18,048
Resources deferred during the year	-	21,056
Amounts released from previous periods	(21,056)	(18,048)
	<u>-</u>	<u>21,056</u>

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

	2022	2021
	£	£
Other loans	<u>237,600</u>	<u>402,800</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022	2021
	£	£
Payable or repayable by instalments	<u>208,800</u>	<u>216,000</u>

Other loans is made up of a long term, interest free loan from the Ashford Grammar School Endowment Accounts (a registered charity) repayable by annual instalments. This was inherited from the predecessor school upon conversion to an academy trust. The total amount outstanding at 31 August 2022 is £244,800.

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Notes to the financial statements
For the year ended 31 August 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General fund	122,243	66,030	(29,147)	(7,200)	-	151,926
School fund	38,298	15,971	(1,325)	-	-	52,944
	<u>160,541</u>	<u>82,001</u>	<u>(30,472)</u>	<u>(7,200)</u>	<u>-</u>	<u>204,870</u>
Restricted general funds						
General Annual Grant (GAG)	1,234,594	6,516,705	(5,794,015)	(645,811)	-	1,311,473
Other DfE/ESFA	-	268,916	(203,296)	-	-	65,620
Duke of Edinburgh	10,000	-	-	-	-	10,000
Other government	-	42,339	(42,339)	-	-	-
Fundraising for school needs	33,941	-	-	(33,941)	-	-
Other restricted	937	17,897	(17,897)	-	-	937
Catch-up premium	45,524	-	(34,802)	-	-	10,722
COVID-19 funding	5,172	43,465	(44,292)	-	-	4,345
Pension reserve	(2,889,000)	-	(283,000)	-	2,812,000	(360,000)
	<u>(1,558,832)</u>	<u>6,889,322</u>	<u>(6,419,641)</u>	<u>(679,752)</u>	<u>2,812,000</u>	<u>1,043,097</u>
Restricted fixed asset funds						
Fixed assets	17,625,661	-	(691,251)	925,059	-	17,859,469
DfE/ESFA capital	-	385,308	-	(385,308)	-	-
LA capital grant	16,668	27,331	-	(43,999)	-	-
CIF loan	(160,000)	-	-	160,000	-	-
Trustee loan	(252,000)	-	-	7,200	-	(244,800)
Ashford Endowment loan	(24,000)	-	-	24,000	-	-
	<u>17,206,329</u>	<u>412,639</u>	<u>(691,251)</u>	<u>686,952</u>	<u>-</u>	<u>17,614,669</u>
Total Restricted funds	<u>15,647,497</u>	<u>7,301,961</u>	<u>(7,110,892)</u>	<u>7,200</u>	<u>2,812,000</u>	<u>18,657,766</u>
Total funds	<u>15,808,038</u>	<u>7,383,962</u>	<u>(7,141,364)</u>	<u>-</u>	<u>2,812,000</u>	<u>18,862,636</u>

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18. Statement of funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust.

The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE and included Pupil Premium.

The Catch-up premium fund tracks additional Covid-related funding provided by the DfE during the year to support children and young people to catch up on missed learning caused by coronavirus.

Other Covid funding relates to mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme.

Duke of Edinburgh fund was gifted to the school by a former pupil to be used in connection with the Duke of Edinburgh Award.

The other government grants fund is used to track grants provided by government departments.

The fundraising for school needs fund is being used to track the fundraising income received in order to fund future capital projects.

The other restricted fund is used to track all other restricted income which does not fall into any other category above.

The pension reserve deficit is a restricted fund to account for the Local Government Pension Scheme liability.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects. Total transfers into this fund of £686,952 represent capital assets acquired using, and capital loan repayments funded by, revenue income funds.

The Trustee loans represent deficit balances on conversion to academy status in 2012, which related to school building projects. Loan repayments are being made from unrestricted funds in accordance with the repayment terms (see note 17).

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
General fund	111,854	17,173	(3,074)	(3,710)	-	122,243
School fund	22,718	15,580	-	-	-	38,298
	<u>134,572</u>	<u>32,753</u>	<u>(3,074)</u>	<u>(3,710)</u>	<u>-</u>	<u>160,541</u>
Restricted general						
GAG	436,788	5,790,781	(4,989,240)	(3,735)	-	1,234,594
Other DfE/ESFA	128,292	484,082	(484,082)	(128,292)	-	-
Duke of Edinburgh	10,000	-	-	-	-	10,000
Other government	-	67,645	(67,645)	-	-	-
Fundraising for school needs	33,941	-	-	-	-	33,941
Other restricted	-	17,109	(16,172)	-	-	937
Catch-up premium	-	78,560	(33,036)	-	-	45,524
COVID-19 funding	-	22,450	(17,278)	-	-	5,172
Pension reserve	(2,433,000)	-	(252,000)	-	(204,000)	(2,889,000)
	<u>(1,823,979)</u>	<u>6,460,627</u>	<u>(5,859,453)</u>	<u>(132,027)</u>	<u>(204,000)</u>	<u>(1,558,832)</u>
Restricted fixed asset funds						
Fixed assets	16,337,990	-	(635,408)	1,923,079	-	17,625,661
DfE/ESFA capital	14,402	38,824	-	(53,226)	-	-
LA capital grant	144,473	1,635,037	-	(1,762,842)	-	16,668
CIF loan	(180,000)	-	-	20,000	-	(160,000)
Trustee loan	(259,200)	-	-	7,200	-	(252,000)
Ashford Endowment loan	(29,236)	-	-	5,236	-	(24,000)
Other	-	3,710	-	(3,710)	-	-
	<u>16,028,429</u>	<u>1,677,571</u>	<u>(635,408)</u>	<u>135,737</u>	<u>-</u>	<u>17,206,329</u>
Total Restricted funds	<u>14,204,450</u>	<u>8,138,198</u>	<u>(6,494,861)</u>	<u>3,710</u>	<u>(204,000)</u>	<u>15,647,497</u>
Total funds	<u>14,339,022</u>	<u>8,170,951</u>	<u>(6,497,935)</u>	<u>-</u>	<u>(204,000)</u>	<u>15,808,038</u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	17,859,469	17,859,469
Current assets	204,870	2,701,200	-	2,906,070
Creditors due within one year	-	(1,298,103)	(7,200)	(1,305,303)
Creditors due in more than one year	-	-	(237,600)	(237,600)
Provisions for liabilities and charges	-	(360,000)	-	(360,000)
Total	204,870	1,043,097	17,614,669	18,862,636

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	17,625,661	17,625,661
Current assets	160,541	1,843,682	16,668	2,020,891
Creditors due within one year	-	(513,514)	(33,200)	(546,714)
Creditors due in more than one year	-	-	(402,800)	(402,800)
Provisions for liabilities and charges	-	(2,889,000)	-	(2,889,000)
Total	160,541	(1,558,832)	17,206,329	15,808,038

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Notes to the financial statements
For the year ended 31 August 2022

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

	2022 £	2021 £
Net income for the year (as per Statement of financial activities)	242,598	1,673,016
Adjustments for:		
Depreciation	691,251	635,408
Capital grants from DfE and other capital income	(412,639)	(1,660,021)
Interest receivable	(239)	(174)
Defined benefit pension scheme cost less contributions payable	237,000	214,000
Defined benefit pension scheme finance cost	46,000	38,000
(Increase)/decrease in debtors	(426,296)	8,628
Increase in creditors	784,589	55,690
Net cash provided by operating activities	1,162,264	964,547

21. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(191,200)	(32,436)

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	239	174
Purchase of tangible fixed assets	(925,059)	(1,923,079)
Capital grants from DfE Group	385,308	24,984
Capital funding received from sponsors and others	27,331	1,635,037
Net cash used in investing activities	(512,181)	(262,884)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,276,727	1,817,844

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24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,817,844	458,883	-	2,276,727
Debt due within 1 year	(33,200)	33,200	(7,200)	(7,200)
Debt due after 1 year	(402,800)	158,000	7,200	(237,600)
	<u>1,381,844</u>	<u>650,083</u>	<u>-</u>	<u>2,031,927</u>

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>496,767</u>	<u>-</u>

26. Pension commitments

The Academy Trust'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 Kent County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £89,047 were payable to the schemes at 31 August 2022 (2021 - £85,296) 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

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26. Pension commitments (continued)

- effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £638,000 (2021 - £602,000).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £187,000 (2021 - £195,000), of which employer's contributions totalled £145,000 (2021 - £149,000) and employees' contributions totalled £42,000 (2021 - £46,000). The agreed contribution rates for future years are 22.5 per cent for employers, and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.85
Rate of increase for pensions in payment/inflation	2.95	2.85
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.85

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
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

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26. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(84)	(143)
Discount rate -0.1%	86	146
Mortality assumption - 1 year increase	110	250
Mortality assumption - 1 year decrease	(107)	(240)
CPI rate +0.1%	76	124
CPI rate -0.1%	(74)	(121)

Share of scheme assets

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

	At 31 August	At 31 August
	2022	2021
	£	£
Equities	2,199,000	2,140,000
Gilts	19,000	18,000
Corporate bonds	443,000	454,000
Property	394,000	336,000
Cash and other liquid assets	57,000	94,000
Investment funds	241,000	227,000
Total market value of assets	3,353,000	3,269,000

The actual return on scheme assets was £(42,000) (2021 - £405,000).

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

	2022	2021
	£	£
Current service cost	(380,000)	(361,000)
Interest income	55,000	45,000
Interest cost	(101,000)	(83,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	(428,000)	(401,000)

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26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	6,158,000	5,224,000
Current service cost	380,000	361,000
Interest cost	101,000	83,000
Employee contributions	42,000	46,000
Actuarial (gains)/losses	(2,909,000)	564,000
Benefits paid	(59,000)	(120,000)
At 31 August	<u>3,713,000</u>	<u>6,158,000</u>

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

	2022 £	2021 £
At 1 September	3,269,000	2,791,000
Interest income	55,000	45,000
Actuarial (losses)/gains	(97,000)	360,000
Employer contributions	145,000	149,000
Employee contributions	42,000	46,000
Benefits paid	(59,000)	(120,000)
Administration expenses	(2,000)	(2,000)
At 31 August	<u>3,353,000</u>	<u>3,269,000</u>

27. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	24,433	24,565
Later than 1 year and not later than 5 years	23,588	45,713
	<u>48,021</u>	<u>70,278</u>

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28. Related party transactions

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

The following related party transactions took place during the financial year:

Expenditure Related Party Transaction

The wife of Mr. S. Messenger, a member of the trust's executive and senior leadership team, is employed by the Academy Trust as a teacher. The appointment was made in open competition and Mr. S. Messenger was not involved in the decision-making process regarding appointment. Mr. S. Messenger's wife is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the senior leadership team.

The daughter of Mr. B. Greene, the Accounting Officer, was employed by the Academy Trust to deliver lateral flow tests to students. The appointment was made in open competition and Mr. B. Greene was not involved in the decision-making process regarding appointment. Mr. B. Greene's daughter was paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a member of the senior leadership team.

Repayments of loans to a related party

Ashford Grammar School Endowment Fund (registered charity no. 307842)

This charity is connected to the Academy Trust by virtue of the Hon. M.J. Knatchbull being a trustee of both entities, as well as Richard Fraser, a member of the Academy Trust being a trustee of the charity. The charity has provided the Academy Trust with two loans in previous years which are detailed below:

(1) Loan 1 - a long term loan of £60,000 from the charity during the period ended 31 August 2015 to help fund capital works at the School. In accordance with the original terms of the loan, it is repayable by annual instalments and interest is charged at a rate of 2% above the bank base rate.

However, during the year ended 31 August 2022, the loan was fully repaid (*as at 31 August 2021, the balance owed was £24,000*).

(2) Loan 2 - the charity provided the Academy Trust with another long term loan of £360,000 in 2006, prior to the School converting to academy status. This loan was also for capital works and is repayable by annual instalments, with no interest payable, over 50 years.

During the year ended 31 August 2022 loan repayments of £7,200 were made.

As at 31 August 2022 the Academy Trust owed £244,800 (*2021 - £252,000*) to the charity in respect of this loan.

The loan repayments fall outside of the usual Academy Trust Handbook related party rules since they are longstanding commitments and do not, in any case, relate to contracts for payments for services. The transactions therefore complied with the requirements of ESFA's Academy Trust Handbook.

29. Members' liability

Each member of the Academy Trust 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.

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30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £12,643 (2021 - £17,084) and disbursed £7,943 (2021 - £13,800) from the fund. An amount of £31,107 (2021 - £19,724) is included in other creditors relating to undistributed funds.

31. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Governors. There is no ultimate controlling party.