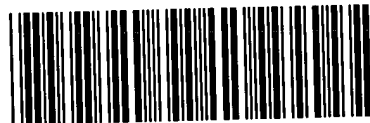


Company Registration No. 08130253 (England and Wales)

KNIGHTSFIELD SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

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KNIGHTSFIELD SCHOOL

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 42

KNIGHTSFIELD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Kemp J Stark J Mollison E Kight (Resigned 23 March 2021)	
Trustees	L Carter (Chair of Trustees) C Crede H Mellor A Pearson S Thrower D Bidwell A Kemp (Resigned 22 March 2021) A Gardner C McConnell	
Senior management team	S Thrower D Bidwell L Pope	- Headteacher - Deputy headteacher - School Business Manager
Company secretary	L K Pope	
Company registration number	08130253 (England and Wales)	
Principal and registered office	Knightsfield School Knightsfield Welwyn Garden City Hertfordshire AL8 7LW United Kingdom	
Independent auditor	Azets Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire SG13 7HJ United Kingdom	
Bankers	Lloyds Bank 49 Howardsgate Welwyn Garden City Hertfordshire AL8 6BA United Kingdom	

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 10 to 18 who have hearing impairment as their primary special educational need. It serves a catchment area of Hertfordshire, surrounding counties and London boroughs. It has a pupil capacity of 55 and had a roll of 48 in the school census of June 2021.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's trust deed is the primary governing document of the academy trust.

The trustees of Knightsfield School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Knightsfield School.

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

Members' liability

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

Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the trust deed.

The trustee body comprises three community trustees, two staff trustees, two parent trustees, the Headteacher and one co-opted trustee.

Parent trustees are elected by parents of registered pupils at the academy. A parent must be a parent of a pupil at the academy at the time when they are elected. If this is not feasible, a parent trustee must have a school aged child in full-time education at another provision.

Staff trustees will be elected by secret ballot of all staff employed under contract to the academy.

The trustees may appoint co-opted trustees provided (if they are an employee) the number of trustees who are employees of the academy would not exceed one third of the total number of the trustees including the Headteacher.

Trustees are recruited from the local community, usually through recommendation by a trustee or supporter of the school.

Policies and procedures adopted for the induction and training of Trustees

All trustees undertake training as appropriate to their role. It is recommended that new trustees attend induction training within six months of appointment. The school subscribes to the Hertfordshire Association of School Governors and Herts for Learning. Trustees take part in their training programme. A log is kept of all trustee training and is reviewed on a regular basis at full trustee body meetings.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The structure of the academy consists of three senior levels:

- The Members
- The Trustees body
- The Headteacher
- The Senior Leadership Team (SLT)

The Trustees are responsible for the overall management and control of the academy and formally meet four times a year. They are responsible for setting the school's policies, adopting the School Development Plan, approving the annual budget, monitoring performance against these plans and making decisions about the direction of the school including its curriculum, the achievement of pupils, students and staff.

The reviewing and monitoring of the work of the academy is delegated to two committees which are the Strategy and Pupil Development and the Resources and Audit committees. The committees meet at least once per term. They each function under the direction of a committee chair who is a trustee appointed at the first full trustee body meeting in each academic year. Terms of reference of these committees are agreed annually at these meetings. The Trustee body requires the resources and audit committee to undertake the duties of an audit committee. The clerk to the Trustee body coordinates the work of the full trustee body, prepares agendas and papers and reviews matters arising. Committee chairs coordinate the preparation of an agenda, papers and minutes for the committees.

The Headteacher is the Accounting Officer.

The Trustees determine the general policies of the academy. The day to day running of the academy is delegated to the Headteacher. The Headteacher undertakes the key leadership role in the academy. The day to day administration of the academy is undertaken within the policies and procedures approved by the Trustees and Headteacher. The Deputy Headteacher is a trustee attending full trustee body meetings and the Strategy and Pupil Development committee. The School Business Manager attends the trustee body meetings and meetings of the Resources and Audit committee to provide information but does not have voting rights.

All non-staff trustees give their time to the role freely and no remuneration or expenses were paid in the period.

Arrangements for setting pay and remuneration of key management personnel

All teachers, including the Headteacher and teacher members of the SLT, are paid in accordance to the School Teachers Pay and Conditions Document 2020. The School Business Manager is paid at a level commensurate with their position and responsibilities in the SLT.

Related parties and other connected charities and organisations

Knightsfield School has a licence to occupy in place with the adjoining secondary school, Monks Walk, to include our pupils in the following subjects:

- PE, Art, Drama and in other subjects agreed by parents and both schools which match pupil's future aspirations.
- Art GCSE, Design & Technology GCSE, PE GCSE, BTEC Music and BTEC Sport

The licence to occupy also includes the use of school hall, drama studio, one science classroom and catering facilities for our pupils and students.

Knightsfield School has an agreement with Oaklands College to provide relevant Key Stage 4 courses including 14-16 years Hair & Beauty and Animal Care and Post 16 courses for our students. Post 16 courses include BTEC Diploma in Business (L2 and L3), Diploma in Fashion (L3), Diploma in Art, Design & Media (L1 & L3), Diploma in Sport (L3) and Pathway 4. All Knightsfield School students who attend Oaklands College are supported by Knightsfield School trained notetaking staff.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees' Indemnities

In accordance with normal practice, the academy is a member of the Department for Education's Risk Protection Arrangement to protect the trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The cover under this arrangement is unlimited and in the period under review no sums have been paid out.

Objectives and activities

Objects and aims

Knightsfield School is a specialist sensory academy for hearing-impaired pupils and students between the ages of 10 to 18. As specialists, we offer a broad and balanced curriculum. We encourage students to develop their ability to communicate by consistent use of their auditory oral, speaking, listening and language skills.

We intend that pupils leaving our school will:

- use their speaking and listening skills effectively in a range of environments and situations;
- be able to operate independently;
- fulfil or exceed their educational learning potential;
- be responsible, well rounded and thoughtful citizens;
- be ready to have an active and fulfilling life after leaving Knightsfield School.

The academy is committed to safeguarding and promoting the welfare of children and young people and having all staff and volunteers share this commitment.

Objectives, strategies and activities

All teachers must have Qualified Teacher Status. Mandatory Teacher of the Deaf training is a requirement for all full-time teachers at Knightsfield School to be completed within three years of commencement of employment (where possible). One teacher commenced their Teacher of the Deaf training in 2020/2021 and one teacher completed their Teacher of the Deaf training in 2020/2021.

Speech and language therapists support pupils on a weekly basis and radio aid systems are provided to all students, where appropriate, to promote and develop their listening skills to ensure they have optimal access to spoken language.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

The academy is committed to developing partnerships locally, nationally and internationally. The school offers deaf awareness sessions to its neighbouring school and college.

The academy has strong links with national services for hearing impaired people such as NDCS and BATOD, a local charity for deaf children, The Phoenix Group for Deaf Children as well as local services which work with our pupils and students.

The Headteacher is a member of several local authority panels and committees for funding, strategy and placements.

The Knightsfield School community voted to raise funds for Hearing Dogs for the Deaf in 2020/21.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Pupils joining the academy in Year 6 or 7 do not have the same starting points as those in mainstream schools as a result of the impact that their hearing loss has on their language, learning and therefore progress. At the end of KS3 all students achieved their targets in Geography, History, D&T and RE, and over 80% achieved their target in English, Science, German and ICT.

100% of students made expected progress or above on their college courses in post 16.

All KS4 students in Year 10 achieved their targets in English, Geography, History, D&T, RE and Sport.

KS4 results showed above expected progress based on the student entry points when they joined Knightsfield School.

Key performance indicators

Knightsfield School received a judgement of 'Outstanding' in the Ofsted inspection which took place from 12th to 13th November 2014. This included 'Outstanding' in Leadership and Management, 'Outstanding' in Behaviour and Safety of pupils, 'Outstanding' in Quality of Teaching, 'Outstanding' in Achievement of Pupils and 'Outstanding' in our Sixth Form provision.

Knightsfield School was again judged 'Outstanding' when visited by Ofsted at the short inspection on 12th December 2018. This achieves the key performance indicator set by the trustee body.

The trustee body has delegated financial management to the Resources and Audit committee. Actual expenditure is monitored against budget target as a key performance indicator.

Financially the values set as key performance targets were achieved as the final outturn for 2020/21 was more favourable than that set as a projected outturn.

The Headteacher continues to market the school and several pupils came on-roll in the 2020/21 academic year. The performance objective is to aim to maintain current pupil numbers and increase the school roll given the specialist nature of the school. In June 2021 Knightsfield School successfully applied to the Department of Education to increase the pupil admission number (PAN) to 60 and to lower the admission age to 9 (Year 5 to 13) from September 2021.

Going concern

After making appropriate enquiries, the trustee body has a reasonable expectation that the academy 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 accounting policies.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The school's finances have been improved in year as we were awarded supplementary TPG and TPECG towards the cost of increased teacher pension contributions as well as funding for COVID 19 mass testing that the Trustees did not include within the budget. The COVID 19 mass testing funding has been used towards the costs of employing additional lunchtime supervisors to act as COVID marshals to ensure social distancing is maintained, additional sanitisation of the school heavy duty areas such as toilets and corridors is carried out in the middle of the school day, and to allow the continued twice weekly LFT testing of all pupils with parental permission.

The Trust has an in year deficit of £290k (2020: £88k), but a large proportion of this relates to the change in the LGPS pension deficit and fixed asset depreciation. The Trust achieved an operating surplus of £72k (2020: £58k).

99% of the schools funding comes from the ESFA GAG funding and local authorities who pay a top-up cost for pupils to attend the school. The majority of expenditure is spent on staffing to provide the specialist teaching required at our special school, (all teachers are required to commence the Teacher of the Deaf qualification within 3 years of starting at the school, and support staff to aide our pupils to achieve their academic and social potentials.

The Trustees of Knightsfield School recognise the pension deficit of £1,005k (2020: £672k), and are concerned about the increased material pension liability in the support staff pension scheme, as the likelihood is that employer contributions will have to be increased in future years. This would have a severe impact on the Trust's finances unless the increase is covered by a central government grant.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The Trustees have closely monitored the financial performance of the school on a monthly basis during the 2020-2021 financial year to ensure funds are protected and best value practices followed to ensure value for money, to maintain a healthy balance and to avoid an in year deficit. This has allowed trustees to be confident in the 3 year budget forecast approved in July 2021.

In 2020-21, there was an in year operating surplus of £72k (2020: £58k), as calculated below. The Trustees expect to utilise these funds towards costs associated with the planned design and build of a multi-use hall.

Total deficit for the year	(290k)
Change in pension fund value (total movement)	333k
Capital funding received in year	(6k)
Depreciation in year	72k
Surplus from operating activities before transfers	109k
Transfers to fund capital	(37k)
Surplus from operating activities after transfers	72k

As at the 31st August 2021 Knightsfield School had reserves of £1,679k (2020: £1,969k), of which £200k (2020: £189k) were free reserves. These reserves are expected to be at least partially utilised in 2021-22 as the Trust is not anticipating an increase in government funding to mitigate increasing staff costs. Trustees also were mindful to build on reserves as the school boiler and heating distribution system is reaching obsolescence as noted in the Department of Education survey of 2019, furthermore the boiler is now only working at 50% effectiveness. The school plans to submit a CIF bid in November 2021 to fund the replacement, but must ensure funds are earmarked towards the cost should this not be successful as the estimated cost is in the region of £415k.

At present Knightsfield School does not have any investments, excluding the notional investment in Herts For Learning, but there is a policy in place should Trustees decide to do so.

An unspent balance of £2,053 16-19 Bursary funding is included in the reserves. The school has earmarked these funds to use towards funding transport for current Year 11 FSM pupils when they enter post-16 in 2022, otherwise these pupils will not be able to access specialist education and support which will severely impact their ability to reach their full educational potential.

The reserves policy is reviewed on an annual basis by the Resources and Audit committee. The Investments and Reserves policy requires the academy to ensure sufficient funds are available to cover one month's payroll in the event of an unforeseen circumstance or temporary cash flow issue. The full trustee body approved this on 17 November 2020 and will review again in November 2021. This objective was met at year-end as the closing balance was higher than one month's payroll and there were no cash flow issues.

The closing reserves (excluding fixed assets and pension liability) of £367k (2020: £296k) are sufficient to cover one month's payroll in the event of an unforeseen circumstance or temporary cash flow issue. Therefore, the reserves policy has been met.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The principal risk to the academy in 2021 is the continued recruitment and retention of pupils. The Headteacher of the Academy has raised the profile of the academy during 2021 through marketing directly via improving links with out-county local authorities and feeder schools and indirectly by upgrading the school website, publishing articles in deaf publications and features in local newspapers. The marketing of the school has been adversely affected by the COVID-19 pandemic as visits to the school were not possible and primary pupils decided to defer starting in Year 6 as they wanted time with their existing school friends following the lockdown.

Additional risks continue to be uncertainty over the future funding of special schools and the retention of both teaching and support staff as pay increases are yet to be finalised.

Financial risk management objectives and policies

The trustee body assesses the principal risks facing the academy on an annual basis by reviewing the risk management policy and risk register.

Fundraising

In 2020/2021 Knightsfield School did not utilise the services of any professional fundraisers or commercial participators. No fundraising took place on behalf of the school as the PTA was closed in 2015. It was hoped that Knightsfield School Charity would be restarted in 2021-2022, but the COVID-19 prevented this.

In 2020/2021 a consultant was contracted to support the school in successfully applying for a CIF bid to replace the boiler and hot water system which has been RAG rated as red in the most recent ESFA inspection.

It is hoped in future years that professional fundraisers will be utilised to help seek funding to allow the school to build a multi-use hall.

Plans for future periods

The school has appointed an architect to design and applying for planning approval for a multi-use hall and changing rooms. It is hoped that if fundraising is successful that this can be built in the next 5 years. This is necessary as our pupils are not able to use the playground in wet weather as they wear cochlear implants and hearing aids. The current school hall is too small for play.

Funds held as custodian trustee on behalf of others

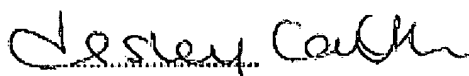
In 2020/21 Knightsfield School became the custodian for £8,040 Grant funding from Sports England, £5040 is held on behalf of other schools.

Auditor

In so far as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16.12.21 and signed on its behalf by:



L Carter

Chair of Trustees

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

The trustee body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Knightsfield School and the Secretary of State for Education. They are also responsible for reporting to the trustee body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The trustee body has formally met four times during the year. The Trustee Body is aware that this is less than the 6 recommended in the Academies Accounts Direction, but believes 4 is ample given the small size of the school. The Trustee Body maintains effective oversight through monthly meetings between the Headteacher (Accounting Officer) and Chair of Trustees and regular circulation of email correspondence.

Attendance during the year at meetings of the trustee body was as follows:

Trustees	Meetings attended	Out of possible
L Carter (Chair of Trustees)	4	4
C Crede	4	4
H Mellor	4	4
A Pearson	4	4
S Thrower	4	4
D Bidwell	4	4
A Kemp (Resigned 22 March 2021)	1	1
A Gardner	4	4
C McConnell	2	2

Trustees have given a significant amount of time to the school and completed the following visits during the academic year until August 2021. Visits were limited due to the COVID-19 pandemic. All visits are linked to the School Development Plan:

- Safeguarding
- Year 6/7
- Curriculum

The Strategy and Pupil Development committee is a sub-committee of the main trustee body. The committee has delegated powers to consider and make decisions in respect of the academy's curriculum.

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Pearson	3	3
D Bidwell	3	3
A Kemp (Resigned 22 March 2021)	2	2
A Gardner	3	3
C McConnell	1	1

The Resources and Audit committee is a sub-committee of the main trustee body. The committee has delegated powers to consider and make decisions in respect of the academy's budgets, financial strategy and policy and the supervision and control of financial procedures, accounts, income and expenditure. In addition, it is responsible for health and safety, premises and all areas of personnel.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
L Carter (Chair of Trustees)	3	3
C Crede	3	3
H Mellor	3	3
S Thrower	3	3

Review of value for money

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

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

- Annual review of the teaching and support structure of the academy;
- Undertaking a review of the speech and language therapy service provision to ensure best value;
- Continual review of contracts which has identified savings in utilities, security and premises contracts.

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 designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Knightsfield School for the year 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to handle risk

The trustee body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustee body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustee body.

The risk and control framework

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

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

The board of trustees has decided:

- to buy-in an internal audit service from Herts for Learning Financial Services;

The Internal Auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included;

Two visits took place during the academic year:

- testing of the Academies Financial Handbook 10 musts
- testing month end procedures
- testing of the Budget setting and monitoring processes

A report is sent to trustees after each visit, and on an annual basis, the internal auditor reports to the trustee body through the resources and audit committee on the operation of the systems of control and on the discharge of the trustee body's financial responsibilities. The trustees were not satisfied with the June 2021 internal audit report and requested their attendance at a special Resources and Audit Committee meeting in September 2021 to discuss.

Review of effectiveness

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

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

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Approved by order of the board of trustees on 6.12.2021 and signed on its behalf by:



L Carter
Chair of Trustees

KNIGHTSFIELD SCHOOL


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Knightsfield School, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 Academies Financial Handbook 2020.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

S Thrower
Accounting Officer


.....

06.12.2021

KNIGHTSFIELD SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Knightsfield School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6.12.2021 and signed on its behalf by:



L Carter
Chair of Trustees

KNIGHTSFIELD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNIGHTSFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Knightsfield School for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

KNIGHTSFIELD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNIGHTSFIELD SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees 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 Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

KNIGHTSFIELD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNIGHTSFIELD SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

David Cary LLB FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

14.12.2021
.....

Chartered Accountants
Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
United Kingdom
SG13 7HJ

KNIGHTSFIELD SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 18 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Knightsfield School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Knightsfield School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Knightsfield 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 Knightsfield School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Knightsfield School's funding agreement with the Secretary of State for Education dated 12 May 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

As a firm we have taken the decision to use the Mercia work programme as approved by the ICAEW.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

KNIGHTSFIELD SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

5 Yeomans Court

Ware Road

Hertford

Hertfordshire

SG13 7HJ

United Kingdom

Dated: 14.12.2021

KNIGHTSFIELD SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	1,920	-	6,329	8,249
Charitable activities:					
- Funding for educational operations	4	-	1,358,534	-	1,358,534
Other trading activities	5	8,045	-	-	8,045
Investments	6	87	-	-	87
Total		<u>10,052</u>	<u>1,358,534</u>	<u>6,329</u>	<u>1,374,915</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	1,337,002	72,165	1,409,167
Total	7	<u>-</u>	<u>1,337,002</u>	<u>72,165</u>	<u>1,409,167</u>
Net income/(expenditure)		10,052	21,532	(65,836)	(34,252)
Transfers between funds	16	-	(37,127)	37,127	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(256,000)	-	(256,000)
Net movement in funds		<u>10,052</u>	<u>(271,595)</u>	<u>(28,709)</u>	<u>(290,252)</u>
Reconciliation of funds					
Total funds brought forward		189,875	(565,497)	2,344,609	1,968,987
Total funds carried forward		<u>199,927</u>	<u>(837,092)</u>	<u>2,315,900</u>	<u>1,678,735</u>

KNIGHTSFIELD SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	3	4,104	-	5,485	9,589
Charitable activities:					
- Funding for educational operations	4	-	1,238,012	-	1,238,012
Other trading activities	5	7,706	-	-	7,706
Investments	6	131	-	-	131
Total		<u>11,941</u>	<u>1,238,012</u>	<u>5,485</u>	<u>1,255,438</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	1,258,366	73,212	1,331,578
Total	7	<u>-</u>	<u>1,258,366</u>	<u>73,212</u>	<u>1,331,578</u>
Net income/(expenditure)		11,941	(20,354)	(67,727)	(76,140)
Transfers between funds	16	-	(13,173)	13,173	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(12,000)	-	(12,000)
Net movement in funds		11,941	(45,527)	(54,554)	(88,140)
Reconciliation of funds					
Total funds brought forward		<u>177,933</u>	<u>(519,969)</u>	<u>2,399,163</u>	<u>2,057,127</u>
Total funds carried forward		<u>189,874</u>	<u>(565,496)</u>	<u>2,344,609</u>	<u>1,968,987</u>

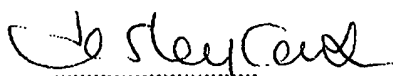
KNIGHTSFIELD SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		2,315,876		2,344,584
Investments	13		25		25
			<u>2,315,901</u>		<u>2,344,609</u>
Current assets					
Debtors	14	24,656		14,794	
Cash at bank and in hand		478,765		342,442	
		<u>503,421</u>		<u>357,236</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(135,587)		(60,858)	
Net current assets			<u>367,834</u>		<u>296,378</u>
Net assets excluding pension liability			<u>2,683,735</u>		<u>2,640,987</u>
Defined benefit pension scheme liability	18		(1,005,000)		(672,000)
Total net assets			<u>1,678,735</u>		<u>1,968,987</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			2,315,900		2,344,609
- Restricted income funds			167,908		106,504
- Pension reserve			(1,005,000)		(672,000)
Total restricted funds			<u>1,478,808</u>		<u>1,779,113</u>
Unrestricted income funds	16		199,927		189,874
Total funds			<u>1,678,735</u>		<u>1,968,987</u>

The accounts on pages 20 to 42 were approved by the Trustees and authorised for issue on 6.12.21 and are signed on their behalf by:



L Carter
Chair of Trustees

Company Number 08130253

KNIGHTSFIELD SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		173,365		65,543
Cash flows from investing activities					
Dividends, interest and rents from investments		87		131	
Capital grants from DfE Group		6,329		5,485	
Purchase of tangible fixed assets		(43,458)		(18,632)	
Net cash used in investing activities			(37,042)		(13,016)
Net increase in cash and cash equivalents in the reporting period			136,323		52,527
Cash and cash equivalents at beginning of the year			342,442		289,915
Cash and cash equivalents at end of the year			478,765		342,442

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

All incoming resources 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 period for which it is receivable, and any abatement in respect of the period 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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Leasehold land and buildings	2% straight line
Audiology equipment	20% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	33.3% 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.

1.6 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 payment for the goods or services it must provide.

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at market value.

1.9 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.10 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 chapter 3 part 11 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.

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.11 Pensions benefits

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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.12 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 Trustees.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

(Continued)

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical conditions of the assets. See note 12 for the carrying useful economic lives of each class of assets.

LGPS

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

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	6,329	6,329	5,485
Other donations	1,920	-	1,920	4,104
	<u>1,920</u>	<u>6,329</u>	<u>8,249</u>	<u>9,589</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	460,000	460,000	461,678
Other DfE / ESFA grants:				
Pupil premium	-	16,039	16,039	14,904
Covid mass testing grant	-	42,700	42,700	-
Others	-	18,385	18,385	8,262
	<u>-</u>	<u>537,124</u>	<u>537,124</u>	<u>484,844</u>
Other government grants				
Local authority grants	-	821,410	821,410	753,168
	<u>-</u>	<u>821,410</u>	<u>821,410</u>	<u>753,168</u>
Total funding	<u>-</u>	<u>1,358,534</u>	<u>1,358,534</u>	<u>1,238,012</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

(Continued)

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

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Catering income	2,178	-	2,178	882
Other income	5,867	-	5,867	6,824
	<u>8,045</u>	<u>-</u>	<u>8,045</u>	<u>7,706</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Other investment income	87	-	87	131
	<u>87</u>	<u>-</u>	<u>87</u>	<u>131</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	835,183	-	105,124	940,307	879,392
- Allocated support costs	266,229	132,284	70,347	468,860	452,186
	<u>1,101,412</u>	<u>132,284</u>	<u>175,471</u>	<u>1,409,167</u>	<u>1,331,578</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	5,240	5,253
- Other services	2,810	2,345
Operating lease rentals	3,766	3,455
Depreciation of tangible fixed assets	72,165	73,212
Net interest on defined benefit pension liability	12,000	11,000
	<u>93,981</u>	<u>95,265</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	2021	2020
	£	£
All from restricted funds:		
Direct costs		
Educational operations	940,307	879,392
Support costs		
Educational operations	468,860	452,186
	<u>1,409,167</u>	<u>1,331,578</u>
Analysis of costs	2021	2020
	£	£
Direct costs		
Teaching and educational support staff costs	835,183	784,800
Staff development	10,715	13,369
Educational supplies and services	46,167	37,430
Examination fees	3,403	1,585
Educational consultancy	44,063	39,142
Other direct costs	776	3,066
	<u>940,307</u>	<u>879,392</u>
Support costs		
Support staff costs	266,229	268,296
Depreciation	72,165	73,212
Technology costs	16,293	17,340
Recruitment and support	-	203
Maintenance of premises and equipment	35,060	14,314
Cleaning	5,719	4,648
Energy costs	14,671	15,754
Rent, rates and other occupancy costs	2,895	1,557
Security and transport	1,774	1,622
Finance costs	12,000	11,000
Legal costs	2,149	1,783
Other support costs	30,928	34,859
Governance costs	8,977	7,598
	<u>468,860</u>	<u>452,186</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	790,223	779,047
Social security costs	66,790	56,596
Pension costs	244,399	215,644
Staff costs - employees	1,101,412	1,051,287
Agency staff costs	-	1,809
Staff development and other staff costs	1,101,412 10,715	1,053,096 13,369
Total staff expenditure	1,112,127	1,066,465

Staff numbers

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

	2021 Number	2020 Number
Teachers	13	11
Administration and support	18	20
Management	3	1
	34	32

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £261,841(2020: £250,544).

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of trustees' remuneration and other benefits was as follows:

S J Thrower (Headteacher)

Remuneration £80,000- £85,000 (2020: £75,000 - £80,000)

Employers pension contributions paid £15,000- £20,000 (2020: £15,000 - £20,000)

D Bidwell (Deputy Headteacher)

Remuneration £60,000 - £65,000 (2020: £55,000 - £60,000)

Employers pension contributions paid £10,000- £15,000 (2020: £10,000 - £15,000)

During the year ended 31 August 2021 there were no Trustees who received reimbursement of expenses (2020 - £NIL)

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

12 Tangible fixed assets

	Leasehold land and buildings	Audiology equipment	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	2,637,415	42,831	102,271	75,369	8,250	2,866,136
Additions	-	10,014	13,019	20,425	-	43,458
At 31 August 2021	2,637,415	52,845	115,290	95,794	8,250	2,909,594
Depreciation						
At 1 September 2020	369,521	19,911	78,815	45,055	8,250	521,552
Charge for the year	46,152	6,579	9,983	9,452	-	72,166
At 31 August 2021	415,673	26,490	88,798	54,507	8,250	593,718
Net book value						
At 31 August 2021	2,221,742	26,355	26,492	41,287	-	2,315,876
At 31 August 2020	2,267,894	22,920	23,456	30,314	-	2,344,584

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

13 Fixed asset investments

	£
Market value	
At 1 September 2020 and at 31 August 2021	25
	<u>25</u>
Historical cost:	
At 31 August 2021	25
	<u>25</u>
At 31 August 2020	25
	<u>25</u>

14 Debtors

	2021 £	2020 £
Trade debtors	6,868	4,768
VAT recoverable	10,692	3,956
Prepayments and accrued income	7,096	6,070
	<u>24,656</u>	<u>14,794</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	59,999	-
Other taxation and social security	16,452	15,249
Other creditors	33,709	27,229
Accruals and deferred income	25,427	18,380
	<u>135,587</u>	<u>60,858</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	56,503	460,000	(381,468)	(37,127)	97,908
Pupil Premium	-	16,039	(16,039)		
Other DfE / ESFA grants	-	18,385	(18,385)	-	-
Other government grants	30,000	821,410	(831,410)	-	20,000
Specialist school - private funds	20,000	-	-	-	20,000
Covid mass testing	-	42,700	(12,700)	-	30,000
Pension reserve	(672,000)	-	(77,000)	(256,000)	(1,005,000)
	<u>(565,497)</u>	<u>1,358,534</u>	<u>(1,337,002)</u>	<u>(293,127)</u>	<u>(837,092)</u>
Restricted fixed asset funds					
DfE group capital grants	2,344,609	6,329	(72,165)	37,127	2,315,900
	<u>2,344,609</u>	<u>6,329</u>	<u>(72,165)</u>	<u>37,127</u>	<u>2,315,900</u>
Total restricted funds	<u>1,779,112</u>	<u>1,364,863</u>	<u>(1,409,167)</u>	<u>(256,000)</u>	<u>1,478,808</u>
Unrestricted funds					
General funds	189,875	10,052	-	-	199,927
	<u>189,875</u>	<u>10,052</u>	<u>-</u>	<u>-</u>	<u>199,927</u>
Total funds	<u>1,968,987</u>	<u>1,374,915</u>	<u>(1,409,167)</u>	<u>(256,000)</u>	<u>1,678,735</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

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

Other DfE/ ESFA grants: This includes the Covid Catch Up grant, Academies Emergency Support grant and PE grant.

Pupil Premium: Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

Other government grants: Local Authorities are required to pay a top-up amount, calculated and agreed by Hertfordshire on an annual basis, for pupils resident in their Authority who name Knightsfield School as their educational provider in their Educational Health Care Plan.

Specialist school private funds relate to funds raised pre conversion to allow the school to achieve specialist school status. The funds are to be used for audiology equipment purchases.

Covid mass testing grant: The DfE paid schools funding to support the costs associated with the Covid-19 National Testing Programme.

The pension reserve represents represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

The restricted fixed asset fund includes the long leasehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charge on the assets is allocated to the fund. Transfers into the fixed asset fund relate to capital expenditure paid from the GAG income, as permitted by the terms of the grant.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	461,678	(392,002)	(13,173)	56,503
Pupil Premium	-	14,904	(14,904)	-	-
Other DfE / ESFA grants	-	8,262	(8,262)	-	-
Other government grants	40,031	753,167	(763,198)	-	30,000
Specialist school - private funds	20,000	-	-	-	20,000
Pension reserve	(580,000)	-	(80,000)	(12,000)	(672,000)
	<u>(519,969)</u>	<u>1,238,011</u>	<u>(1,258,366)</u>	<u>(25,173)</u>	<u>(565,497)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>2,399,163</u>	<u>5,485</u>	<u>(73,212)</u>	<u>13,173</u>	<u>2,344,609</u>
Total restricted funds	<u>1,879,194</u>	<u>1,243,496</u>	<u>(1,331,578)</u>	<u>(12,000)</u>	<u>1,779,112</u>
Unrestricted funds					
General funds	<u>177,933</u>	<u>11,941</u>	<u>-</u>	<u>-</u>	<u>189,874</u>
Total funds	<u>2,057,127</u>	<u>1,255,437</u>	<u>(1,331,578)</u>	<u>(12,000)</u>	<u>1,968,986</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	2,315,875	2,315,876
Fixed asset investments	-	-	25	25
Current assets	199,927	303,495	-	503,421
Creditors falling due within one year	-	(135,587)	-	(135,587)
Defined benefit pension liability	-	(1,005,000)	-	(1,005,000)
Total net assets	<u>199,927</u>	<u>(837,092)</u>	<u>2,315,900</u>	<u>1,678,735</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,344,584	2,344,584
Fixed asset investments	-	-	25	25
Current assets	189,874	167,362	-	357,236
Creditors falling due within one year	-	(60,858)	-	(60,858)
Defined benefit pension liability	-	(672,000)	-	(672,000)
Total net assets	189,874	(565,496)	2,344,609	1,968,987

18 Pension and similar obligations

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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £19,680 were payable to the schemes at 31 August 2021 (2020: £18,384) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £119,643 (2020: £108,400).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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 contributions are as noted below. The agreed contribution rates for future years are 22.8% for employers and 5.5 to 12.5% 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.

Total contributions made	2021 £	2020 £
Employer's contributions	60,000	66,000
Employees' contributions	17,000	17,000
Total contributions	77,000	83,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

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

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

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

	2021 Fair value £	2020 Fair value £
Equities	448,910	363,580
Debt instruments	245,630	240,100
Cash	59,290	20,580
Property	93,170	61,740
Total market value of assets	847,000	686,000

The actual return on scheme assets was £95,000 (2020: £87,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	125,000	133,000
Past service cost	-	2,000
Interest income	(12,000)	(10,000)
Interest cost	24,000	21,000
Total operating charge	137,000	146,000

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2021	2020
	£	£
At 1 September 2020	1,358,000	1,106,000
Current service cost	125,000	133,000
Interest cost	24,000	21,000
Employee contributions	17,000	17,000
Actuarial loss	339,000	89,000
Benefits paid	(11,000)	(10,000)
Past service cost	-	2,000
At 31 August 2021	1,852,000	1,358,000
Changes in the fair value of the Academy Trust's share of scheme assets	2021	2020
	£	£
At 1 September 2020	686,000	526,000
Interest income	12,000	10,000
Actuarial gain	83,000	77,000
Employer contributions	60,000	66,000
Employee contributions	17,000	17,000
Benefits paid	(11,000)	(10,000)
At 31 August 2021	847,000	686,000
19 Reconciliation of net expenditure to net cash flow from operating activities	2021	2020
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(34,252)	(76,140)
Adjusted for:		
Capital grants from DfE and other capital income	(6,329)	(5,485)
Investment income receivable	(87)	(131)
Defined benefit pension costs less contributions payable	65,000	69,000
Defined benefit pension scheme finance cost	12,000	11,000
Depreciation of tangible fixed assets	72,164	73,212
(Increase) in debtors	(9,861)	(3,229)
Increase/(decrease) in creditors	74,730	(2,684)
Net cash provided by operating activities	173,365	65,543

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	342,442	136,323	478,765

21 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	3,819	3,950
Amounts due in two and five years	5,795	9,614
	<u>9,614</u>	<u>13,564</u>

22 Capital commitments

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	<u>11,904</u>	<u>-</u>

Capital commitments of £11,904 relate to the refurbishment of the Academy's science room. A contract has been entered into, however the works are due to take place in the next financial year. No date for this refurbishment has been confirmed.

23 Related party transactions

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

24 Members' liability

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

KNIGHTSFIELD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £644 (2020: £858) and disbursed £500 (2020: £nil) from the fund. An amount of £1,909 was brought forward from the previous year resulting in a balance of £2,053 included in other creditors relating to undistributed funds that are repayable to the ESFA.

The academy holds funds of £6,936 (2020: £6,936) on behalf on the Parent Teacher Association. This amount is included in other creditors.

The academy is holding £5,040 (2020: £nil) of Sports England grant funding on behalf of other schools.