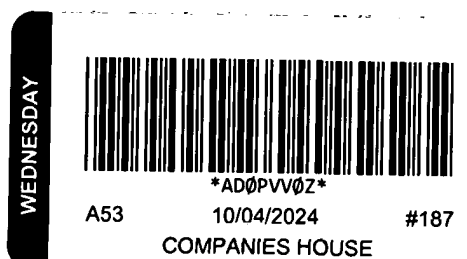


Company Registration Number: 08130253 (England & Wales)

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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



KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Members:	A. Kemp J. Stark J. Mollison S. Wilde W. Newton
Trustees:	H. Mellor [Chair of Trustees] D. Bidwell L. Carter J. Cordell C. Crede L. Farenden C. McConnell R. Marshall A. Pearson S. Thrower
Company Secretary:	L Pope
Senior Leadership Team:	S. Thrower - Headteacher D. Bidwell - Deputy Headteacher L. Farenden - Assistant Headteacher L. Pope - School Business Manager
Company name:	Knightsfield School
Registered Office:	Knightsfield Welwyn Garden City Hertfordshire AL8 7LW
Company Registration Number:	08130253
Independent Auditor:	BKL Audit LLP 35 Ballards Lane London N3 1XW
Bankers:	Lloyds Bank 49 Howardsgate Welwyn Garden City Hertfordshire AL8 7LW
Solicitors:	Winckworth Sherwood LLP Arbor 255 Blackfriars Road London SE1 9AX

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The academy trust operates an academy for pupils aged 9 to 18 who have a 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 66 and had a roll of 63 in the school census on October 2023.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Knightsfield Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates 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 the preceding pages of this document.

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.

Trustees' Indemnities

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

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 Articles of Association and funding agreement as follows:

- The headteacher
- Up to 2 parent trustees, appointed by the members
- Up to 6 community trustees, appointed by the members
- Up to 1 co-opted trustee, appointed by the trustees
- Up to 2 staff trustees appointed by the members, provided that the maximum number of staff trustees does not exceed one third of the total number of trustees
- Any trustees appointed by the Secretary of State for Education

The term of office for any trustee is 4 years. The headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. 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 access their programme of training. A log is kept of all trustee training and is reviewed on a regular basis at Full Trustee meetings.

All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

Structure, Governance and Management (continued)

Organisational Structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives who are the senior leadership team.

The trustee body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives. The full trustee body meets at least four times per academic year.

The reviewing and monitoring of the work of the academy is delegated to two committees which are the Strategy and Pupil Development Committee and the Resources and Audit Committee. 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 of 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 trustee body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The headteacher assumes the accounting officer role.

Arrangements for setting Pay and Remuneration of Key Management Personnel

The Trustee Board has delegated the arrangement for setting the pay and remuneration for executive directors and senior management to the Pay committee whose members comprise Chairs of both committees and the Chair of the Trust. This committee reviews the performance of the executive directors and ensures that succession planning is in line with the plans of the Trust.

This committee also agrees pay rises for all teaching and support staff. All teachers, including the Headteacher and teacher members of the SLT, are paid in accordance to the current School Teachers Pay and Conditions Document. The School Business Manager is paid at a level commensurate with their position and responsibilities in the SLT

Trade Union Facility Time

There was no time spent on Trade Union Facility duties during the period of these accounts.

Related Parties and other Connected Charities and Organisations

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

- Art at KS3
- Art GCSE, Design & Technology GCSE, Music BTEC, and Drama GCSE at KS4.

The licence to occupy also includes the use of the 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 post 16 courses including L1 Hair and Beauty, Level 1 Electrical, L1 Animal Care, L1 Health and Social Care, L1 Multi-trades, L1 Art (with ESOL), L3 Media and L3 Sport and Exercise Science. All Knightsfield School students who attend Oakland College are supported by Knightsfield School notetaking staff.

KNIGHTSFIELD SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and Activities

Objects and Aims

The principal object and activity of the academy is the operation of Knightsfield School to provide a broad and balanced education for pupils aged 9 to 18 who have deafness as their primary disability. Knightsfield School encourages pupils to develop their ability to communicate by consistent use of their listening and language skills. The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Trust is a special school for the deaf and will be at the heart of both the local and wider deaf communities promoting community cohesion and sharing facilities; the basis for admitting students to the Trust, that the curriculum should be broad and balanced; and the basis for charging pupils.

All teachers must have Qualified Teacher Status. Mandatory teacher of the Deaf training is a requirement for all full-time qualified teachers who have completed the 2 year ECT course at Knightsfield School to be started within three years of commencement of employment (where possible). One teacher commenced their teacher of the deaf training in 2022/23 and one teacher completed their teacher of the deaf training in 2022/23.

Speech and Language Therapists support pupils on a weekly basis in accordance with their individual EHC requirements. 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.

Objectives, Strategies and Activities

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, and delivers deaf awareness assemblies upon request in the wider community.

The academy has strong links with national services for deaf people such as the 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 and sponsor Hearing Dogs for the Deaf in 2022/23

Strategic Report - Achievements and Performance

Pupils joining the academy in all years, do not have the same starting points as those in mainstream schools. This can be as a direct result of their deafness or associated issues such as a language development delay. Subsequently, all students complete cognitive tests to provide a baseline target in every subjects for students. These targets are then adjusted accordingly by taking into account the Knightsfield Learning Score (a combination of other tests of vocabulary, resilience, reading etc).

At the end of KS3 98% of students achieved their targets across all subjects and 98% of students achieved their targets in the core subjects (English, maths and science).

At the end of year 11, Knightsfield students have a value-added of 0.11 which means that students achieve marginally more than their CATs related target grade.

Pupil Premium students make the same progress as the whole school population.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

Strategic Report - Achievements and Performance (continued)

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.

In 2021 the academy applied to the Department of Education to increase the admissions number to 60 due to the successful marketing of the school which has increased recruitment of pupils from other local authorities and London boroughs. In the 2022/2023 academic year there were 68 pupils attending Knightsfield School, and in 2023/2024 there are 63. It is anticipated that in 2024/25 there could be 70 pupils on roll and a waiting list will be in operation.

The outstanding Ofsted judgement and increased school roll meet two performance indicators 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 out turn for 2022/23 was more favourable than that set as a projected out turn.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern

Strategic Report - Financial Review

Finance Review

The school's finances have improved in year due to the increased pupils on roll. In addition the school was successful in its bid for CIF funding for two projects to enable boiler & heating distribution works and fire safety & electrical improvements to be completed. Both of these projects commenced in July 2023.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The other main income source is top-up funding received for each pupil that is paid by the child's home local authority.

The majority of expenditure is spent on staffing to provide specialist teaching required at our special school, (all full-time teachers are required to commence the Teacher of the Deaf qualification within three years of starting at the school), and support staff aide our pupils to achieve their academic and social potentials.

The trust has an in year surplus of £1,269k (2022: surplus £974k), but a large proportion of this related to the change in the LGPS pension deficit and fixed asset depreciation. The trust achieved an operating surplus of £44k (2022: £153k).

The trustees of Knightsfield School recognise the pension deficit of £24k (2022: £190k) 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 funded by a central government grant.

KNIGHTSFIELD SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £3,922k. This balance includes unrestricted funds (free reserves) of £220k, which are considered appropriate for the Academy Trust, and restricted funds of £3,726k and a pension deficit of £24k.

The Trustee Body have determined that the appropriate level of free reserves should be up to 35% of gross income to ensure the growth and development of Knightsfield School. This will allow the school to contribute to capital investment projects which have been planned for several years, to pay towards the costs to plan to build a school hall to meet the increasing demand for school places as the current school hall is too small and not fit for purpose given its size and the special needs of our pupils. The reserves will also act as a buffer where there have been exceptional increases in costs, reductions in income, and pupil fluctuations which are of a temporary nature.

The amount of designations made in relation to capital projects is £57k relating to the following specific capital project:

- Water Improvement works (£43k)
- Energy improvement grant (£14k)

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £24k (2022: £190k). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

An unspent balance of £1k 16-19 Bursary is included in the reserves. The school has earmarked these funds to pay for any school transport/lunch/trip applications for students in the 2023/24 academic year should they apply. If the school does not fund this transport, these students will not be able to access the specialist education and support they require, which will severely impact their ability to reach their educational potential.

The reserves policy is reviewed on an annual basis by the Resources and Audit committee and was approved by the full trustee body on 05.12.2023.

KNIGHTSFIELD SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Investment Policy

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2023, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academy face, especially in the operational areas (e.g. in relation to teaching, health and safety, audiology equipment and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff, pupils and visitors.

The trustees also are fully aware of their responsibilities to ensure that the trust's estate is safe, well maintained and compliant with the relevant regulations.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme. 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Fundraising

The Trust did not engage in any formal fundraising, but it is hoped that a PTA will be re-established in the near future.

In 2023 Academy Estate Consultants were contracted to support the school in successfully applying for a CIF bid to replace the boiler and new fire safety and electrical upgrade.

Plans for Future Periods

It is hoped this year that a professional fundraiser will be utilised to help seek funding to allow the school to build a multi-use Hall and classroom block for which it already has planning permission in order to meet increasing demand for places.

Funds Held as Custodian Trustee on Behalf of Others

In the period of these accounts, Knightsfield School transferred the monies held for the Special Schools Heads Forum, HOSSCIE and Sports England grant.

KNIGHTSFIELD SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2023 and signed on the board's behalf by:



Helen Mellor
Chair of Trustees

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees 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 board of trustees has formally met 4 times during the year. The board maintains oversight through regular meetings between the Chair of Trustees and Headteacher, and ongoing communication between SLT and trustees throughout the year.

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

Trustee	Meetings attended	Out of a possible
H Mellor [Chair of Trustees]	7	7
L Carter	6	7
C. Crede	7	7
J. Cordell	3	7
A. Pearson	7	7
R. Marshall	5	7
C. McConnell	3	7
S. Thrower	7	7
D. Bidwell	7	7
L. Farenden	6	7

There has been no change in composition of the Board of Trustees during the period of these accounts.

All attending trustees must declare conflicts of interest at the start of each meeting and complete an annual declarations form. The trust maintains a register of all trustees declarations of interests.

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

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
H Mellor [Chair of Trustees]	3	3
C Crede [Chair of Resources Committee]	3	3
C McConnell	1	3
S Thrower [Headteacher]	3	3

KNIGHTSFIELD SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Annual Review of the teaching and support structure of the academy
- The use of supply agencies to meet the business needs of the school
- Applications for CIF funding to replace obsolete/aging systems

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

The board of trustees has decided:

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

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:

- Review of HR and payroll

KNIGHTSFIELD SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On an annual basis, the auditor reports to the board of trustees, through the Resources & Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Only one visit was conducted during the 2022-2023 year due to Herts for Learning personnel changes. No material control issues were identified as a result of the work undertaken.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 5 December 2023 and signed on their behalf by:



Helen Mellor
Chair of Trustees



Suzanne Thrower
Accounting Officer

KNIGHTSFIELD SCHOOL
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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



Suzanne Thrower
Accounting Officer
Date: 5 December 2023

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2023 and signed on its behalf by:



Helen Mellor
Chair of Trustees

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

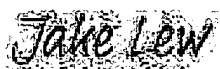
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

Use of our report

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



Jake Lew (Senior statutory auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

5 December 2023

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

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 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Knightsfield School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Knightsfield School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

Conclusion

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

BKL Audit LLP

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 5 December 2023

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	2,967	-	1,033,936	1,036,903	95,597
Other trading activities	5	11,270	-	-	11,270	5,978
Investments	6	65	-	-	65	51
Charitable activities	4	-	1,763,948	-	1,763,948	1,600,234
Total income		14,302	1,763,948	1,033,936	2,812,186	1,701,860
Expenditure on:						
Charitable activities		3,699	1,650,519	79,187	1,733,405	1,668,601
Total expenditure		3,699	1,650,519	79,187	1,733,405	1,668,601
Net income		10,603	113,429	954,749	1,078,781	33,259
Transfers between funds	17	-	(104,172)	104,172	-	-
Net movement in funds before other recognised gains/(losses)		10,603	9,257	1,058,921	1,078,781	33,259
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	24	-	190,000	-	190,000	941,000
Net movement in funds		10,603	199,257	1,058,921	1,268,781	974,259
Reconciliation of funds:						
Total funds brought forward		209,538	121,445	2,322,011	2,652,994	1,678,735
Net movement in funds		10,603	199,257	1,058,921	1,268,781	974,259
Total funds carried forward		220,141	320,702	3,380,932	3,921,775	2,652,994

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

The notes on pages 23 to 48 form part of these financial statements.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08130253

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	2,750,914	2,282,974
Investments	14	25	25
		<u>2,750,939</u>	<u>2,282,999</u>
Current assets			
Debtors	15	833,339	50,458
Cash at bank and in hand		528,044	630,507
		<u>1,361,383</u>	<u>680,965</u>
Creditors: amounts falling due within one year	16	(166,547)	(120,970)
Net current assets		<u>1,194,836</u>	<u>559,995</u>
Total assets less current liabilities		<u>3,945,775</u>	<u>2,842,994</u>
Net assets excluding pension liability		<u>3,945,775</u>	<u>2,842,994</u>
Defined benefit pension scheme liability	24	(24,000)	(190,000)
Total net assets		<u><u>3,921,775</u></u>	<u><u>2,652,994</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	3,380,932	2,322,011
Restricted income funds	17	344,702	311,445
		<u>3,725,634</u>	<u>2,633,456</u>
Restricted funds excluding pension asset	17	3,725,634	2,633,456
Pension reserve	17	(24,000)	(190,000)
Total restricted funds	17	<u>3,701,634</u>	<u>2,443,456</u>
Unrestricted income funds	17	220,141	209,538
Total funds		<u><u>3,921,775</u></u>	<u><u>2,652,994</u></u>

The financial statements on pages 20 to 48 were approved by the Trustees, and authorised for issue on 05 December 2023 and are signed on their behalf, by:



H Mellor
Chair of Trustees

The notes on pages 23 to 48 form part of these financial statements.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(45,337)	112,679
Cash flows from investing activities	20	(57,126)	39,063
Change in cash and cash equivalents in the year		(102,463)	151,742
Cash and cash equivalents at the beginning of the year		630,507	478,765
Cash and cash equivalents at the end of the year	21, 22	<u>528,044</u>	<u>630,507</u>

The notes on pages 23 to 48 form part of these financial statements

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 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 i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the 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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Tangible fixed assets

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

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

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

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold land and buildings	-	2.0%	straight line
Fixtures, fittings & equipment	-	10.0%	straight line
Computer equipment	-	20.0%	straight line
Motor vehicles	-	33.3%	straight line
Audiology equipment	-	20.0%	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.

1.7 Investments

Fixed asset investments are stated at market value.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Leased assets

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

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.14 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	2,967	-	2,967
Capital grants	-	1,033,936	1,033,936
	<u>2,967</u>	<u>1,033,936</u>	<u>1,036,903</u>

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	11,915	-	11,915
Grants	-	83,682	83,682
	<u>11,915</u>	<u>83,682</u>	<u>95,597</u>

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

4. Funding for the Academy Trust's charitable activities

	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants		
General annual grant (GAG)	550,000	550,000
Other DfE/ESFA grants		
Pupil premium	17,290	17,290
Others	1,000	1,000
	<hr/> 568,290	<hr/> 568,290
Other Government grants		
Local authority grants	1,161,262	1,161,262
	<hr/> 1,161,262	<hr/> 1,161,262
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	34,396	34,396
	<hr/> 34,396	<hr/> 34,396
	<hr/> 1,763,948	<hr/> 1,763,948
	<hr/> <hr/> 1,763,948	<hr/> <hr/> 1,763,948

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

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

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
DfE/ESFA grants		
General annual grant (GAG)	510,400	510,400
Other DfE/ESFA grants		
Pupil premium	19,191	19,191
Others	7,793	7,793
	<hr/> 537,384	<hr/> 537,384
Other Government grants		
Local authority grants	1,018,319	1,018,319
	<hr/> 1,018,319	<hr/> 1,018,319
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	44,531	44,531
	<hr/> 44,531	<hr/> 44,531
	<hr/> 1,600,234	<hr/> 1,600,234
	<hr/> <hr/> 1,600,234	<hr/> <hr/> 1,600,234

5. Other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Other income	2,552	2,552
Trip income	8,718	8,718
	<hr/> 11,270	<hr/> 11,270
	<hr/> <hr/> 11,270	<hr/> <hr/> 11,270

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

5. Other trading activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Catering income	3	3
Other income	1,543	1,543
Trip income	4,432	4,432
	<u>5,978</u>	<u>5,978</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	<u>65</u>	<u>65</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest	<u>51</u>	<u>51</u>

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Academy's educational operations				
Direct costs	1,025,044	-	154,304	1,179,348
Allocated support costs	283,946	167,935	102,176	554,057
	<u>1,308,990</u>	<u>167,935</u>	<u>256,480</u>	<u>1,733,405</u>

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

7. Expenditure (continued)

	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Educational activities:				
Direct costs	892,024	-	154,332	1,046,356
Allocated support costs	340,968	137,596	143,681	622,245
	<u>1,232,992</u>	<u>137,596</u>	<u>298,013</u>	<u>1,668,601</u>

8. Analysis of expenditure by activities

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Educational activities	<u>1,179,348</u>	<u>554,057</u>	<u>1,733,405</u>

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Educational activities	<u>1,046,356</u>	<u>622,245</u>	<u>1,668,601</u>

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational activities 2023 £	Total funds 2023 £
Staff costs	981,764	981,764
Staff development	17,268	17,268
Educational supplies	9,232	9,232
Examination fees	4,582	4,582
Educational consultancy	70,917	70,917
Other direct costs	52,305	52,305
Teaching supply costs	43,280	43,280
	<u>1,179,348</u>	<u>1,179,348</u>

	<i>Educational activities 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	892,024	892,024
Staff development	15,992	15,992
Educational supplies	33,450	33,450
Examination fees	4,894	4,894
Educational consultancy	56,484	56,484
Other direct costs	43,512	43,512
	<u>1,046,356</u>	<u>1,046,356</u>

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2023 £	Total funds 2023 £
Pension finance costs	8,000	8,000
Staff costs	267,946	267,946
Depreciation	79,187	79,187
Cleaning	7,778	7,778
Rent, rates and other occupancy costs	30,873	30,873
Maintenance of premises and equipment	3,051	3,051
Other support costs	27,270	27,270
Energy costs	36,154	36,154
Rent, rates and other occupancy costs	9,418	9,418
Security and transport	7,230	7,230
Legal and professional	38,333	38,333
Governance costs	12,608	12,608
Non cash pension costs	16,000	16,000
Insurance	10,209	10,209
	<hr/> 554,057 <hr/>	<hr/> 554,057 <hr/>

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational activities 2022 £</i>	<i>Total funds 2022 £</i>
Pension finance costs	17,000	17,000
Staff costs	231,968	231,968
Depreciation	77,572	77,572
Cleaning	6,713	6,713
Rent, rates and other occupancy costs	3,632	3,632
Other support costs	52,227	52,227
Maintenance of premises and equipment	28,638	28,638
Energy costs	13,713	13,713
Technology costs	24,112	24,112
Security and transport	8,752	8,752
Legal and professional	30,266	30,266
Governance costs	11,324	11,324
Non cash pension costs	109,000	109,000
Insurance	7,328	7,328
	<u>622,245</u>	<u>622,245</u>

9. Net income

Net income for the year includes:

	2023 £	2022 £
Operating lease rentals	1,035	4,196
Depreciation of tangible fixed assets	79,187	77,572
Fees paid to auditors for:		
- audit	6,500	5,750
- other services	4,500	3,500
	<u>82,122</u>	<u>87,418</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	953,030	856,411
Social security costs	80,668	73,221
Pension costs	216,012	194,360
	<u>1,249,710</u>	<u>1,123,992</u>
Teaching supply costs	43,280	-
Non cash pension costs	16,000	109,000
	<u><u>1,308,990</u></u>	<u><u>1,232,992</u></u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	13	12
Administration and support	22	23
Management	4	3
	<u>39</u>	<u>38</u>

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

10. Staff (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. 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 £358,810 (2022 - £262,771). An Assistant Head joined the senior management team in the year which explains the increase in costs from 2022.

11. Trustees' remuneration and expenses

One or more 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. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	2022 £
S J Thrower (Headteacher)	Remuneration	90,000 -	80,000 -
		95,000	85,000
	Pension contributions paid	20,000 -	15,000 -
		25,000	20,000
D Bidwell (Deputy Headteacher)	Remuneration	65,000 -	60,000 -
		70,000	65,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
L Farenden (Staff Trustee)	Remuneration	50,000 -	NIL
		55,000	
	Pension contributions paid	10,000 -	NIL
		15,000	

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

12. 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 membership.

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

13. Tangible fixed assets

	Leasehold land and buildings £	Audiology equipment £	Assets under construction £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2022	2,637,415	56,288	-	115,290	137,021	8,250	2,954,264
Additions	270,750	12,605	210,427	8,091	45,254	-	547,127
At 31 August 2023	<u>2,908,165</u>	<u>68,893</u>	<u>210,427</u>	<u>123,381</u>	<u>182,275</u>	<u>8,250</u>	<u>3,501,391</u>
Depreciation							
At 1 September 2022	461,863	35,468	-	99,720	65,989	8,250	671,290
Charge for the year	48,076	8,989	-	9,299	12,823	-	79,187
At 31 August 2023	<u>509,939</u>	<u>44,457</u>	<u>-</u>	<u>109,019</u>	<u>78,812</u>	<u>8,250</u>	<u>750,477</u>
Net book value							
At 31 August 2023	<u>2,398,226</u>	<u>24,436</u>	<u>210,427</u>	<u>14,362</u>	<u>103,463</u>	<u>-</u>	<u>2,750,914</u>
At 31 August 2022	<u>2,175,552</u>	<u>20,820</u>	<u>-</u>	<u>15,570</u>	<u>71,032</u>	<u>-</u>	<u>2,282,974</u>

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

14. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 September 2022	25
	<hr/>
At 31 August 2023	25
	<hr/> <hr/>
Net book value	
At 31 August 2023	25
	<hr/>
At 31 August 2022	25
	<hr/> <hr/>

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	-	19,641
Other debtors	50,202	5,504
Prepayments and accrued income	783,137	25,313
	<hr/>	<hr/>
	833,339	50,458
	<hr/> <hr/>	<hr/> <hr/>

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

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	58,489
Other taxation and social security	45,008	41,332
Other creditors	1,424	-
Accruals and deferred income	120,115	21,149
	<u>166,547</u>	<u>120,970</u>
	2023 £	2022 £
Deferred income at 1 September 2022	8,589	-
Resources deferred during the year	-	8,589
Amounts released from previous periods	(8,589)	-
	<u>-</u>	<u>8,589</u>

17. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	209,538	14,302	(3,699)	-	-	220,141
Restricted general funds						
General Annual Grant (GAG)	311,445	550,000	(412,571)	(104,172)	-	344,702
Pupil Premium	-	17,290	(17,290)	-	-	-
Other DfE/ESFA grants	-	1,000	(1,000)	-	-	-
Local authority grants	-	1,161,262	(1,161,262)	-	-	-
Other DfE/ESFA COVID19 funding	-	34,396	(34,396)	-	-	-
Pension reserve	(190,000)	-	(24,000)	-	190,000	(24,000)
	<u>121,445</u>	<u>1,763,948</u>	<u>(1,650,519)</u>	<u>(104,172)</u>	<u>190,000</u>	<u>320,702</u>

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

17. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
DfE group capital grants	2,322,011	1,033,936	(79,187)	104,172	-	3,380,932
Total Restricted funds	2,443,456	2,797,884	(1,729,706)	-	190,000	3,701,634
Total funds	2,652,994	2,812,186	(1,733,405)	-	190,000	3,921,775

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

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academies.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds consist of the school fund balances transferred into the trust on conversion and income and expenditure in the school funds from those dates until the period end.

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

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

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds					
General Fund	199,927	11,969	(2,358)	-	209,538
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted general funds					
General Annual Grant (GAG)	97,907	510,400	(296,862)	-	311,445
Pupil Premium	-	19,191	(19,191)	-	-
Other DfE / ESFA grants	-	58,828	(58,828)	-	-
Other government grant	20,000	-	(20,000)	-	-
Specialist school - private	20,000	-	(20,000)	-	-
Covid mass testing	30,000	-	(30,000)	-	-
Local authority grants	-	884,361	(884,361)	-	-
Other DfE/ESFA COVID19 funding	-	44,531	(44,531)	-	-
General funds	-	88,898	(88,898)	-	-
Pension reserve	(1,005,000)	-	(126,000)	941,000	(190,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(837,093)	1,606,209	(1,588,671)	941,000	121,445
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds					
DfE group capital grants	2,315,901	83,682	(77,572)	-	2,322,011
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted funds	1,478,808	1,689,891	(1,666,243)	941,000	2,443,456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	1,678,735	1,701,860	(1,668,601)	941,000	2,652,994
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	2,750,914	2,750,914
Fixed asset investments	-	-	25	25
Current assets	220,141	511,249	629,993	1,361,383
Creditors due within one year	-	(166,547)	-	(166,547)
Defined benefit pension liability	-	(24,000)	-	(24,000)
Total	220,141	320,702	3,380,932	3,921,775

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,282,974	2,282,974
Fixed asset investments	-	-	25	25
Current assets	209,538	432,415	39,012	680,965
Creditors due within one year	-	(120,970)	-	(120,970)
Defined benefit pension liability	-	(190,000)	-	(190,000)
Total	209,538	121,445	2,322,011	2,652,994

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

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

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	1,078,781	33,259
Adjustments for:		
Depreciation of tangible fixed assets	79,187	77,572
Capital grants from DfE and other capital income	(489,936)	(83,682)
Interest income receivable	(65)	(51)
Defined benefit pension scheme cost less contributions payable	16,000	109,000
Defined benefit pension scheme finance cost	8,000	17,000
Increase in debtors	(782,881)	(25,802)
Increase/(decrease) in creditors	45,577	(14,617)
Net cash (used in)/provided by operating activities	(45,337)	112,679

20. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	65	51
Purchase of tangible fixed assets	(547,127)	(44,670)
Capital grants from DfE Group	489,936	83,682
Net cash (used in)/provided by investing activities	(57,126)	39,063

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	528,044	630,507
Total cash and cash equivalents	528,044	630,507

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

22. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	630,507	(102,463)	528,044
	<u>630,507</u>	<u>(102,463)</u>	<u>528,044</u>

23. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Expenditure contracted for but not provided in the accounts	-	229,000
	<u>-</u>	<u>229,000</u>

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

24. Pension commitments

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

The latest valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2023.

Contributions amounting to £16,726 were payable to the schemes at 31 August 2023 (2022 - £16,505) 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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £138,550 (2022 - £128,965).

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

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

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

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £99,000 (2022 - £83,000), of which employer's contributions totalled £78,000 (2022 - £65,000) and employees' contributions totalled £ 21,000 (2022 - £18,000). The agreed contribution rates for future years are 22.65 per cent for employers and between 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

Hertfordshire County Council Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	3.45	3.45
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.0	21.9
Females	24.7	24.4
<i>Retiring in 20 years</i>		
Males	20.5	22.9
Females	25.6	26.0

Share of scheme assets

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

	At 31	At 31 August
	August	2022
	2023	2022
	£	£
Equities	488,000	431,500
Debt instrument	229,000	198,490
Property	134,000	129,450
Cash	106,000	103,560
Total market value of assets	957,000	863,000

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

The actual return on scheme assets was £(26,000) (2022 - £(71,000)).

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

	2023 £	2022 £
Current service cost	(94,000)	(174,000)
Interest income	39,000	15,000
Interest cost	(47,000)	(32,000)
Total amount recognised in the Statement of financial activities	(102,000)	(191,000)

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

	2023 £	2022 £
At 1 September	1,053,000	1,852,000
Current service cost	94,000	174,000
Interest cost	47,000	32,000
Employee contributions	21,000	18,000
Actuarial gains	(223,000)	(1,012,000)
Benefits paid	(11,000)	(11,000)
At 31 August	981,000	1,053,000

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

	2023 £	2022 £
At 1 September	863,000	847,000
Interest income	39,000	15,000
Actuarial losses	(33,000)	(71,000)
Employer contributions	78,000	65,000
Employee contributions	21,000	18,000
Benefits paid	(11,000)	(11,000)
At 31 August	957,000	863,000

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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

25. Long-term commitments, including operating leases

a. Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts due within one year	1,035	1,035
Amounts due between one and five years	2,759	3,161
	<hr/> 3,794 <hr/>	<hr/> 4,196 <hr/>

26. Members' liability

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

27. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £1,424 (2022: £2,781) and disbursed £nil (2022: £2,781) from the fund. There is a balance of £1,424 included in other creditors relating to undistributed funds that are repayable to the ESFA.

The academy is holding £Nil (2022: £4,770) of Sports England grant funding on behalf of other schools.