

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

**HARDENHUIISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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HARDENHUISH SCHOOL LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

T J Eddolls
I Blackburn (appointed 2 November 2021)
J Cairns
K Clark (resigned 1 November 2021)
K M Martin
L Stuart

Trustees

K M Martin, Chair^{1,2,3}
N L Wood, Vice Chair^{1,2,3}
S Copeman^{2,3,4}
S Dellar (resigned 26 July 2022)³
T Eddolls¹
S Elsby^{1,2}
R Head (term ended 7 February 2022)^{1,2}
P Lortal (appointed 5 December 2021)³
A Ovens (term ended 31 August 2022)⁴
L Percy²
D Rousell (term ended 5 December 2021)
I Semichon³
J S Shaw^{2,3,4}
M Smyth³
S Swatton⁴
L Titcomb^{3,4}
P Townsend^{3,4}
V Vines¹

¹ Resources Committee

² Strategy Committee

³ Education Committee

⁴ Community Committee

All of the above Trustees (excluding those who have resigned) are also Governors and Directors of Hardenhuish School Limited.

Company registered number 07344277

Company name Hardenhuish School Limited

Principal and registered office Hardenhuish Lane
Chippenham
Wiltshire
SN14 6RJ

Accounting officer L J Percy

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

Leadership team

L J Percy, Headteacher
R Bassford, Deputy Headteacher
J Woollin, Deputy Headteacher
J Glossop, Assistant Head
M Heffernan, Assistant Head
B Cobbold, Assistant Head
Andrea Gould, Business Manager

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Bankers

Lloyds Bank plc
29 High Street
Chippenham
Wiltshire
SN15 3HA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a secondary academy for pupils aged 11 to 19 in Chippenham. It has a pupil capacity of 1,610 and had the number on roll of 1607 in the school census in January 2022.

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 Hardenhuish Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Hardenhuish Academy.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

Method of recruitment and appointment or election of Trustees

On 1st September 2010 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 20 Trustees who are appointed by the members.
- up to 1 LA Trustee
- a minimum of 2 Parent Trustees who are elected by parents of registered pupils at the Academy
- up to 3 co-opted Trustees appointed by the Trustees
- up to 2 staff Trustees appointed by Trustee board
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. Staff Trustees are appointed for a one year period initially which can be extended to meet the needs of the governing body.

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

When appointing new Trustees, the Board gives consideration to the skills and experience mix of existing Trustees in order to ensure the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. Trustees participate in a number of training and development opportunities, including attending briefings and seminars run by the Local Authority and the Wiltshire Governors' Association.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. In response to local Covid-19 prevalence during the 2021/22 academic year, the Board continued to conduct their meetings remotely via Teams.

There are four committees as follows:

The Resources Committee, which normally meets six times per year, comprises a mix of governors with relevant skills and the Headteacher. It is also attended by the Business Manager, who does not have voting rights. The Resources committee has the function of an audit committee and is responsible for finance, staffing and health and safety. The committee receives and reviews proposed revenue and capital expenditure budgets prior to the start of the financial year, obtains approval from the Academy Governing Board and regularly monitors income and expenditure against these budgets throughout the School's financial year. The committee approves and monitors expenditure from the financial reserves. The Resources Committee also oversees all aspects of Human Resources. This includes examining Resources requirements, professional development and looking at exit surveys completed by departing staff. The committee ensures all policies relating to staff are up-to-date, are being applied appropriately throughout the School, and are working.

The Education Committee which normally meets six times per year comprises a mix of governors and at least one member of the Senior Leadership Team. The committee oversees and challenges all aspects of the curriculum as defined in the Scheme of Delegation. The SEN and Pupil Premium Governors provide a verbal or written report to the committee although do not need to be members of the committee. The committee invites curriculum leaders, learning managers or leaders to present at the meeting. Staff governors may be co-opted to this committee.

The Community Committee, which normally meets six times per year, consists of at least two parent governors. The committee oversees policies and procedures where there is a clear link to the school community. The committee is responsible for the Admissions policy and monitoring both the intake of pupils and reasons for the departure and arrivals mid-year. It is also responsible for the Safeguarding Child Protection Policy. The committee is attended by representatives of the School Parliament. Staff governors may also be co-opted to this committee.

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

The Strategy Committee, which normally meets three times per year, comprises the Chair of Governors, Vice Chair, committee chairs, Headteacher, and other governors as appropriate. It is responsible for overseeing strategic projects including developing the Vision and Ethos. It also provides an audit function for non-financial matters, managing non-financial risk and ensures legal compliance. The committee ensures all policies the school is legally obliged to have are in place and reviews all policies and items which do not fall within the remit of other committees.

Due to the Coronavirus pandemic meetings during the year were held online in Microsoft Teams. The Chair met regularly with the Headteacher throughout the year.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the annual School Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Academy to the Headteacher and Leadership Team (LT).

The Academy has a leadership structure which consists of the Trustees, The Leadership Team and Team Leaders covering the curriculum, year and support staff. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Leadership Team (LT) consists of the Headteacher, two Deputy Headteachers, three Assistant Headteachers and the Academy Business Manager. The LT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager and Resources Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, and appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings and is determined by the provisions of the School Teachers' Pay and Conditions Document. The scale for the Headteacher is determined by the size of the school in accordance with that document and the scales for the Deputy Headteachers, Assistant Headteachers and Business Manager are linked to the Headteacher's scale with appropriate differentials. The pay of the Leadership Team is increased annually in line with any nationally agreed increases. Performance increments for those Leadership Team members not at the top of scale, are dependent upon the successful completion of appraisal objectives. A panel of three trustees sets and reviews the Headteacher's appraisal objectives on an annual basis. The Headteacher feeds back to the pay panel who are a sub-group of the Resources Committee with regard to the objectives for other members of the Leadership Team.

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

Trade Union Facility Time

There are two members of the teaching staff and one member of the support staff who were relevant union officials during the period as well as a union support staff contact person. The Academy Trust also financially contributes to the facilities time costs of regional trade union officials.

The three union officials at the school are a mix of full time and part time employees and spend approximately 3% of their time on trade union duties which amounts to a total of approximately 115 hours per annum at a cost of approximately £4,080. Additionally, the school contributes £1,399 per annum towards the cost of regional trade union facilities time, giving a total spend of approximately £5,479.

Related Parties and other Connected Charities and Organisations

Hardenhuish School has links with the following local networks and organisations:

Chippenham Borough Lands Charity which provides grant money to Hardenhuish School, most particularly to assist pupils from low income backgrounds in the purchase of uniforms and payments for school trips alongside the support of mental health provision for pupils in school as part of the Covid-19 recovery plan;

Chippenham Education Foundation, a charitable body which assists pupils attending any of the three Chippenham secondary schools or the Chippenham branch of Wiltshire College, by making minor grants towards extra-curricular activities where hardship can be proven. The Headteacher of Hardenhuish School is a Trustee of this charity;

Hardenhuish Educational Trust and the Friends of Hardenhuish, both of which raise funds in order to support the co-curricular needs of the school;

Sheldon School for the purpose of collaboration with regard to low uptake sixth form courses. Some of these courses are entirely taught at one school or the other, e.g. Media Studies (Sheldon), Spanish (Hardenhuish) whilst for other courses the teaching is equally shared, e.g. Music, Dance, French.

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

Engagement with employees (including disabled persons)

The Trust engages with its employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Have a staff committee
- Have a staff well-being committee
- Regular updates to all staff members, via a daily staff bulletin, weekly briefings, delivered in person or remotely, and the weekly Headlines newsletter

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the School is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on the highest quality teaching and learning for all members of the community.

The principal object and activity of the Charitable Company is the operation of Hardenhuish School to provide free education and care for pupils of different abilities. The aims of the school during the year ended 31 August 2022 are summarised below:

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

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extracurricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the school site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve the best outcomes in their external qualifications
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- to develop the school's capacity to manage change
- to manage the challenges of the Covid-19 pandemic to minimise the impact on the wellbeing of the whole community and on the learning of the young people
- to develop the school's sustainability and climate change agenda, and
- to conduct the school's business in accordance with the highest standards of integrity, probity and openness in line with the principles of ethical leadership.

At Hardenhuish School we aim to achieve the best for, and from, each child. We intend to enable each child to realise their full academic, creative and physical potential and to develop positive social and moral values. Our school is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan which is available from the school Office. The plan covered five strands:

- Teaching and Learning
- Pupil Progress
- Wellbeing
- Leadership
- Sustainability

There are a number of more specific targets in each strand of the School Development Plan. The three most important targets are:

1. **Recovery** – this focuses on ensuring recovery from the challenges posed by Covid-19 from a curriculum and wellbeing perspective
2. **High Expectations** – to ensure a return to the pre-pandemic high expectations of behaviour, attainment and attendance
3. **Curriculum Development** – to ensure clarity of curriculum intent and implementations to ensure impact by high levels of curriculum engagement

At Hardenhuish School pupils are at the centre of all that we do. Our first priority is academic achievement and we aim to nurture the skills and talents of each pupil and student as an individual, enabling every member of the community to succeed. The school provides a curriculum where teachers act as mentors and facilitators, which provides excellence in learning and pupil achievement, strengthens the quality of teaching and meets pupils' needs now and into the future. We have a relentless drive to improve the quality of our provision and this is our ongoing highest priority. The school provides strong pastoral care which supports our young people and we strive to raise aspirations, to ensure that pupils and students develop the study skills for life whilst enjoying their time at school. Hardenhuish School is committed to the holistic development

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

of pupils and students. By providing a wide range of opportunities, pupils and students are enabled to be involved in as many things as possible, to contribute as positive citizens to the school community and to the future, and to develop strong friendships.

Hardenhuish School is committed to the support and learning of all members of our community. This is driven by the five areas of our school development plan which remind us of our priorities and ensure we have a clear focus:

- We continue to push teaching and learning to be consistently outstanding and inspiring, ensuring that pupils make exceptional progress;
- We are committed to the progress and wellbeing of pupils and students, monitoring and supporting them to ensure success;
- We believe that all staff should have access to high quality professional development and their wellbeing should be prioritised;
- We want exceptional leadership at all levels to be encouraged and nurtured;
- We aim for all of this to be achieved by Hardenhuish being managed in a sustainable way to ensure success for the future.

We will continue to monitor our progress towards these aims across the year through lesson observations, learning walks, progress data and pupil and student voice to celebrate success and identify ongoing areas of development, adopting a pre mortem approach where appropriate to eliminate issues before they become barriers to improvement. Due to Covid-19 restrictions in-class lesson observations were not possible until term 3 but robust monitoring took place via curriculum and year teams to identify and support any areas of underperformance.

Our comprehensive Continued Professional Development package and robust and coherent appraisal system support our School and Departmental development plan process. The blended approach to CPD adopted during the pandemic has continued at the request of colleagues. We have continued to take advantage of external providers to supplement in-house provision to support our practice and priorities. The third appraisal target was once again designed to allow flexibility and self-directed learning for colleagues.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the school's aims and objectives and in planning its future activities.

All of the school's charitable activities are undertaken to further its charitable purposes for the public benefit, i.e. the education of secondary age children resident in the town of Chippenham and the surrounding villages and area. In addition, the school provides facilities for recreational and other leisure time occupation for the community at large in the interest of improving the life of the community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Despite the low demographic situation locally, Hardenhuish School continues to be a very popular choice both at the Year 7 entry point and also for sixth form education, with 1249 pupils in the main school and 299 in the sixth form for the year ended 31 August 2022. The Published Admission Number for the Academy for years 7 to 11 for the 2021-22 academic year was 243 and 243 Year 7 pupils arrived in September 2021. The school is heavily oversubscribed. There were 547 applicants for the 243 places available in year 7 in September 2022.

Hardenhuish has a long-standing reputation for fantastic exam results.

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

Our staff are dedicated and hardworking and instil in our pupils the belief that they can succeed, encouraging and supporting them to have high aspirations and be determined to meet them.

It should be acknowledged that 2022 was a transition year for national exam results from the higher number of top grades awarded in 2021, when results were decided by teacher assessed grades, to the normal grade distribution in pre-pandemic years. However, we are very proud of the achievements of our pupils and students, especially because Hardenhuish was one of only 25% of schools nationally whose results in 2022 were better than in 2021. Some key headlines from our 2022 results include:

- 35% of GCSE grades were at 9-7
- 81% of pupils achieved the Basics Measure (9-4 in English and Maths)

Most pupils met or exceeded their challenging targets and there were some exceptional individual performances:

- 75 pupils (30% of the year group) achieved 5 or more 9-7 grades
- 14 pupils achieved at least 10 9-7 grades

Whilst acknowledging the enormous achievements of the most able is very important, we are proud of the progress made by every pupil during their time at Hardenhuish.

Our pupil centred approach along with the fantastic support and dedication of our wonderful teachers enables our young people to move on to the next stages of their careers with confidence.

The A level results of the class of 2022 are also to be celebrated:

- 68% of grades were at A*-B
- 43% of grades were at A*/A
- 40 students (25% of the year group) achieved at least three A*/A grades and 10 students got three or more A* grades.

Our students made exceptional progress and exceeded the challenging targets based on their GCSE results two years earlier. This high number of top grades secured places for over 90% of students at their first choice university.

The Academy was inspected by OFSTED in 2018 and was judged to be Good.

During the year the school completed the second phase of a two-year project to update electrical wiring and fire protection in L Centre.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for August 2022 were 1247 in the main school and 301 in Post 16. It is anticipated that the school admission numbers will continue to rise.

During the 2021/2022 academic year the school strived to maximise its income throughout the year as much as possible. Additional income was generated through the letting of its premises outside of school hours, through its catering operation and by generating energy via its solar panels and wind turbine. Ongoing site improvements continue to support energy efficiency, with phase 2 of the compliance project in L Centre completed in August 2022. All income received continues to be used to implement the strategic and operational needs of the school for the benefit of the pupils and students. Hardenhuish School continues to be very popular, as demonstrated by the school's first choice admission numbers. These numbers, together with a £361,603 GAG carry forward, ensure the school's viability as it moves into the 2022/23 financial/academic year.

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

Below is a list of KPIs set at the start of the year, together with the year-end outcomes:

GAG carry forward: Trustees aim to carry forward sufficient reserves to provide for in year shortfalls for at least the next two financial years.

Total generated income: despite the impact of the pandemic the school is continuing to pursue all options. The school continues to work to attract new regular lettings of the school premises alongside development of the catering operation, continuing to increase both sales revenues and profits.

Total investment income: trustees continue to place reserves on high level deposit accounts.

Staff costs per pupil: tight curriculum staffing achieved and closer management of options as well as collaboration with another local sixth form.

Resource management: a range of benchmarking tools are utilised to ensure efficient resource management is evidenced.

Post 16 provision: Year 12 intake improved with the admission of 172 students.

	Target	Actual
Total free reserves	£500,000	£1,442,887
Staff costs per pupil	£4,500	£4,923
Total non-governmental generated income	£421,000	£503,000
Total investment income	£5,000	£1,520

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The school also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned, as defined in the Academy's accounting policies.

During the period ended 31 August 2022, total expenditure of £9,410,793 was covered by recurrent grant funding from the DfE together with other incoming resources and the balance from the 2021/22 financial period. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £289,044.

At 31 August 2022 the net book value of fixed assets was £19,727,600 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the school.

Following the Local Government Pension Scheme's triennial valuation on 31 March 2020, the new agreed contribution rate of 22.5% became payable from 1 April 2020 which is a slight reduction from the previous rate of 24.7%. This rate will remain until the end of March 2023 when another revaluation will take place. This will in the view of the actuaries provide a 75% certainty that the Academy will return to a fully funded position over the next 13 years. The decision by the Trustees six years ago to significantly contribute to the deficit

**TRUSTEES' REPORT (CONTINUED)
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reduction programme has meant that Hardenhuish School's LGPS Fund has benefitted from an investment return of more than 27% over the recent past and therefore enabled this proposed contribution rate reduction. The contribution rate for the Teachers' Pension Scheme increased from 16.48% to 23.68% in September 2019 and is due to be reviewed again in April 2024.

Key financial policies adopted or reviewed during the year include the School's Finance Manual and Financial Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included the Pay Policy.

Reserves Policy

The Trustees review the reserve levels of the school annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the uncertainty over future income streams as well as the future plans of the school, including the high cost of maintaining a large site with buildings of varying ages.

The Trustees have determined that the appropriate level of free reserves is £500,000 at 31 August 2022. Total reserves of the school amount to £20,055,060, although £19,727,600 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,442,887 (representing £1,115,427 of unrestricted funds and £327,460 of unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.7 months of normal recurring expenditure. The Trustees expect to use reserves to finance additional staffing over the coming two years which the school are using to aid the recovery from the Covid-19 pandemic. The intention is that any remaining reserves will contribute to the 2022/23 and 2023/24 financial years.

The Trustees would ideally like to invest further funds in the school estate and resources which may cover ICT projects, Premises projects and to meet the Covid-19 recovery plan. However, through robust resource management, it has been possible to use the capitalised GAG to improve the ICT infrastructure and school facilities, which in turn it is hoped will continue to ensure that the school roll is healthy and the school is offering a 21st century education.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the school has been paying higher employers' pension contributions over a period of years. The higher employers' pension contributions are met from the school's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the school.

Investment Policy

At its meetings, held six times per year, the Trustees consider the cash balances being held by the school. Due to the nature and timing of receipt of funding, the school may at times hold cash balances surplus to its short-term requirements. The Trustees have previously authorised the opening of an additional short-term bank investment account to take advantage of higher interest rates and where balances allow money is also invested on deposit for extended periods. No other form of investment is authorised. All bank providers are covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Business Manager.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

The principal risks and uncertainties facing the Academy are as follows:

- **Financial:** The school has considerable reliance on continued Government funding through the ESFA. In the last year the school's GAG income accounted for 87% of total revenue. This level of GAG income is at risk from real terms per pupil funding reductions due to a negative minimum funding guarantee over a period of years. At the same time cost pressures are increasing, particularly with regard to staffing and premises costs, most particularly annual increments and increases in on-costs. The school is proactively marketing on the basis of its excellent academic and pastoral provision and outcomes in order to maintain pupil numbers as well as seeking to maximise its income outside of the GAG.
- **Failures in governance and/or management:** the risk in this area arises from potential failure to effectively manage the school's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks
- **Reputational:** the continuing success of the school is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil and student success and achievement are closely monitored and reviewed.
- **Fraud and mismanagement of funds:** the school has appointed internal and external auditors to carry out checks on financial systems and records as required by the Academies Trust Handbook. All those who have finance decision making responsibility receive training to keep them up to date with financial practice requirements, including the prevention of cybercrime training.
- **Risk that financial information cannot be recovered in the event of a disaster**, e.g. fire: all electronic data is backed up on a daily basis.
- **Cashflow:** the school receives the majority of its income on a monthly basis from the ESFA and spends the majority of it on a monthly basis according to budget. The school currently has sufficient reserves for overspend to be a minimal risk. Cashflow forecasting forms part of the budgeting process.
- **Safeguarding and Child Protection:** the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, and health and safety.
- **Staffing:** the success of the school is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- **Risk Management:** the Trustees have a Risk Register, which includes the financial risks to the school, and which is regularly reviewed in the light of any new information and formally reviewed annually.

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

During the 2021/22 academic year and following an unsettled two years due to the Covid-19 pandemic, Hardenhuish Trust focussed on the following:

- **Effective governance:** the Chair of Governors, Committee Chairs and wider governing body received regular communication and key information despite meeting remotely. The Headteacher and Chair of Governors met regularly to discuss key risks, mitigation and associated planning.
- **Effective technology:** teaching staff laptops were replaced to enable fully functioning up-to-date technology to enable staff to adapt their practice as required to meet the needs of pupils. An air conditioning project was also carried out to ensure the longevity and efficiency of hardware in computer rooms.
- **Staffing:** The size of the Leadership Team was increased to increase the capacity to set and maintain high expectations. Increased teaching staffing also enabled the provision of recovery tuition for pupils impacted by lost learning during the pandemic.
- **Business Continuity:** the school's business continuity plan was updated to reflect the ongoing risks posed and was shared with key stakeholders to include the Leadership Team and governing body and reviewed regularly.
- **Effective Financial Management:** compliance with financial regulation, as identified within the school's finance manual and Academy Trust Handbook continued with updated processes as the school recovered from the pandemic closures. The Headteacher and Business Manager worked closely and enabled the school to demonstrate continued compliant practice alongside collaborative decision making. The internal scrutiny programme took place as scheduled.

The Trustees are very aware of and have assessed the major risks to which the school is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The school is one of three secondary schools in the town and places available exceed pupil numbers; therefore there is an ongoing risk to revenue funding due to falling numbers. The school addresses this issue by positive marketing based on its excellent reputation. Additionally, unfunded pay rises for teachers and support staff and significantly increased energy costs mean that budgets will continue to be tight in coming years. The Trustees carefully examine the financial health of the school formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports.

At the year end the school had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the Local Government Pension Scheme deficit, which is set out in note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the school is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

As well as GAG income received from the ESFA, the school seeks to increase its income by fundraising in the following ways:

- Applying for published national grants. These include CIF funding, Salix funding, maths funding and funding from the British Council;
- Applying for local grants from local charities for specific purposes;
- Income from donations to Hardenhuish Educational Trust;
- Fundraising by the Friends of Hardenhuish, primarily through social events;
- Income generation by the letting of premises, the rental of the school bungalow, feed-in tariff payments from the solar panels and income from the catering function.

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

All such activities are closely monitored by the Trustees to ensure conformance with the Charities (Protection and Social Investment) Act 2016. Particular care is taken to ensure that no pressure is applied on anybody to donate.

PLANS FOR FUTURE PERIODS

The school will continue striving to provide outstanding education and to improve the levels of performance of all its pupils and students, continuing to ensure they are best placed to access higher education or employment once they leave. The school will also actively seek to maintain a full complement of pupils. The school will continue to aim to attract high quality teaching and support staff in order to deliver its objectives.

The school will continue to work with partner schools to improve the educational opportunities for pupils and students in the wider community and remains active in considerations of the ambition for all schools to be part of a strong family of schools by 2030.

The school will continue to invest in its estate to the level of its capital balances in order to maintain and develop the learning and working environment for the benefit of pupils and staff. There is continued focus on ensuring that the ICT infrastructure keeps pace with technological developments, in particular where such developments support and enhance the learning of pupils. In recovery from the disruption caused by closure due to the Covid 19 pandemic, focus will be on maintaining high expectations from both the academic and pastoral perspective, adapting practice to meet the needs of all pupils and students and embedding curriculum developments, sharing them with the wider school community to enhance curriculum engagement.

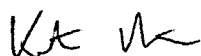
AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

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



K M Martin
Chair of Trustees

Date: 7/12/22

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Hardenhuish School Limited 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, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hardenhuish School Limited 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 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

	Meetings Attended	Out of Possible
Kirsty Martin	6	6
Nicola Wood	6	6
Lisa Percy	6	6
Sheila Copeman	6	6
Sally Dellar	2	6
Trevor Eddolls	6	6
Stephen Elsby	6	6
Robert Head	2	2
Paul Lortal	2	3
Isabelle Semichon	6	6
J Spencer Shaw	5	6
Michael Smyth	5	6
Sophia Swatton	5	6
David Roussell	0	2
Lisa Titcomb	5	6
Phil Townsend	6	6
Vivian Vines	4	6

During the year ended 31 August 2022 there has been 1 resignation, 2 terms ended, 1 new appointment to the Board of Trustees, 1 new member and 1 co-opted staff governor. The new trustee has received full induction training and is now fully contributing to the business of the board.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The **Resources Committee** is a subcommittee of the main Board of Trustees. Its purpose is to consider whole school policies for recommendation to the full Board of Trustees, to monitor the Academy's finances against budget and to consider and recommend the annual budget to the full Board of Trustees. It has delegated powers to approve purchases up to the value of £100,000 (following a tender process). The Resources Committee also fulfils the function of an audit committee.

Attendance during the year at meetings was as follows:

	Meetings Attended	Out of Possible
K M Martin	6	6
N Wood	6	6
R A Head	2	6
V Vines	5	6
T Eddolls	6	6
S Elsby	5	6
L Percy	6	6

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 most recent Ofsted visit in January 2018 judged the school to be good with only two improvement points, demonstrating that Hardenhuish School does indeed provide good value for money.

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 where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Deploying staff to provide best value in terms of quality of teaching, quality of learning, adult pupil ratio, and curriculum management. The range of options choices has been further refined, as well as careful review of A Level specifications. There is continued collaboration at sixth form level with a nearby school. The effectiveness of curriculum and teaching provision can be demonstrated by pupil outcomes. The strong outcomes at both GCSE and A Level reflect the continued dedication and hard work by pupils, staff and parents to ensure that young people achieved their best possible outcomes despite the challenging circumstances of the last two years. During the financial year, the school continued to obtain best value quotations, and updated the business continuity plan to ensure that financial regulation continued to be fully utilised.
- The risk register has been regularly reviewed and updated by the School Leadership Team and governing body.
- Savings have been achieved in year with regard to the review and value of each ICT subscription/licence as they are due for renewal. These have only been continued if there has been demonstrable evidence of impact upon school operation and/or teaching and learning.
- A new finance software system was implemented in September 2021 following a best value quotation process.
- A full review of the school finance manual was completed in preparation for September 2021 and amendments were reviewed and agreed with the Resources committee.
- Making comparisons with similar Academies using data provided by the ESFA and the government, for example completion of the ICFP, as well as data provided by the Academy's accountants and consultation on cost levels with other local secondary academies in order to ensure that the Academy is operating as efficiently as possible.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Moving into the next financial year, the Academy will continue to strive for better value for money as it keeps its staffing, its service contracts, its learning environment and procurement of resources under continuous review and scrutiny.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Hardenhuish School Limited for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risk.

The Board of Trustees appointed an internal auditor, School Business Services, to perform additional checks in order to meet the requirements of the revised FRC ethical standards and Academies Trust Handbook 2021.

The internal security programme was successfully completed by 31st August 2022, with an accompanying internal scrutiny report and recommendations. The report will be reviewed by the Resources (Audit) committee who will monitor the implementation of recommendations made.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations
- Testing of financial reporting
- Testing of safer recruitment
- Testing of risk management
- Testing of robust governance

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

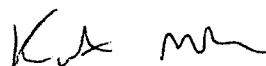
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditors;
- the work of the external auditors.

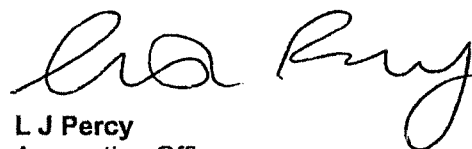
The Accounting Officer has been informed of the findings of the above and is satisfied that the system of internal control is effective and appropriate action has been taken where required to ensure continuous improvement of the system.

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



K M Martin
Chair of Trustees

Date: 7/12/22



L J Percy
Accounting Officer

Date: 7/12/22

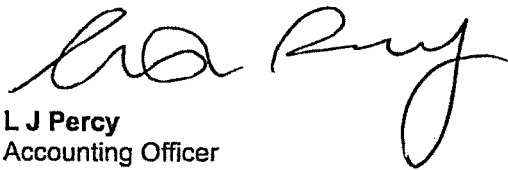
**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



L J Percy
Accounting Officer

Date: 7/12/22

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

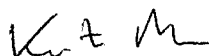
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



K M Martin
Chair of Trustees

Date: 7/12/22

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARDENHUISH SCHOOL LIMITED (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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARDENHUISH SCHOOL LIMITED (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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

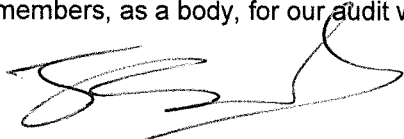
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 15/12/2012

**HARDENHUISSH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 24 February 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hardenhuish School Limited during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HARDENHUISSH SCHOOL LIMITED'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Hardenhuish School Limited's funding agreement with the Secretary of State for Education dated 23 August 2010 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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

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

**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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

Bishop Fleming LLP

Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: *15/12/2022*

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	15,564	1,241	32,285	49,090	299,381
Other trading activities	6	101,617	-	-	101,617	15,310
Investments	7	1,520	-	-	1,520	191
Charitable activities		241,029	9,338,866	-	9,579,895	9,324,083
Total income		359,730	9,340,107	32,285	9,732,122	9,638,965
Expenditure on:						
Charitable activities		184,386	9,844,569	582,177	10,611,132	10,036,693
Total expenditure		184,386	9,844,569	582,177	10,611,132	10,036,693
Net income / (expenditure)		175,344	(504,462)	(549,892)	(879,010)	(397,728)
Transfers between funds	19	-	15,364	(15,364)	-	-
Actuarial gains/(losses) on defined benefit pension schemes	26	-	4,359,000	-	4,359,000	(1,107,000)
Net movement in funds		175,344	3,869,902	(565,256)	3,479,990	(1,504,728)
Reconciliation of funds:						
Total funds brought forward		940,083	(3,542,442)	20,292,856	17,690,497	19,195,225
Net movement in funds		175,344	3,869,902	(565,256)	3,479,990	(1,504,728)
Total funds carried forward		1,115,427	327,460	19,727,600	21,170,487	17,690,497

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

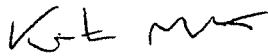
The notes on pages 30 to 57 form part of these financial statements.

HARDENHUISE SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07344277

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	19,727,600	19,517,741
		<u>19,727,600</u>	<u>19,517,741</u>
Current assets			
Stocks	15	48,765	43,511
Debtors	16	666,503	1,040,784
Cash at bank and in hand		1,670,408	1,728,876
		<u>2,385,676</u>	<u>2,813,171</u>
Creditors: amounts falling due within one year	17	(861,252)	(775,223)
Net current assets		<u>1,524,424</u>	<u>2,037,948</u>
Creditors: amounts falling due after more than one year	18	(81,537)	(103,192)
Net assets excluding pension asset / liability		<u>21,170,487</u>	<u>21,452,497</u>
Defined benefit pension scheme asset / liability	26	-	(3,762,000)
Total net assets		<u><u>21,170,487</u></u>	<u><u>17,690,497</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	19,727,600	20,292,856
Restricted income funds	19	327,460	219,558
		<u>20,055,060</u>	<u>20,512,414</u>
Restricted funds excluding pension asset	19	20,055,060	20,512,414
Pension reserve	19	-	(3,762,000)
Total restricted funds	19	<u>20,055,060</u>	<u>16,750,414</u>
Unrestricted income funds	19	<u>1,115,427</u>	<u>940,083</u>
Total funds		<u><u>21,170,487</u></u>	<u><u>17,690,497</u></u>

The financial statements on pages 27 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


K M Martin
 Chair of Trustees
 Date: 7/12/22

The notes on pages 30 to 57 form part of these financial statements.

HARDENHUIISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	721,418	582,215
Cash flows from investing activities	23	(758,231)	(250,389)
Cash flows from financing activities	22	(21,655)	(22,095)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(58,468)	309,731
Cash and cash equivalents at the beginning of the year		1,728,876	1,419,145
Cash and cash equivalents at the end of the year	24, 25	1,670,408	1,728,876
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 57 from part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TAXATION

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

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

1.6 TANGIBLE FIXED ASSETS

Assets costing £3,000 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, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Furniture and fixtures	-	15% straight line
Plant and equipment	-	15% straight line
Computer equipment	-	20% straight line
Motor vehicles	-	33% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

1.7 STOCKS

Uniform and food stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

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 and cash on deposit that has a notice period of less than 30 days.

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

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

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Under FRS 102 an entity shall only recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore when a pension scheme is valued at a surplus, it is recognised at a £Nil value.

1.14 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 31.

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

1. ACCOUNTING POLICIES (continued)

1.15 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the Academy was subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2022.

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	15,564	1,241	-	16,805	31,305
Capital Grants	-	-	32,285	32,285	208,532
Contributions towards school trips	-	-	-	-	59,544
	<u>15,564</u>	<u>1,241</u>	<u>32,285</u>	<u>49,090</u>	<u>299,381</u>
TOTAL 2021	<u>3,097</u>	<u>87,752</u>	<u>208,532</u>	<u>299,381</u>	

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR THE ACADEMY'S CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	8,304,840	8,304,840	7,786,700
OTHER DFE/ESFA GRANTS				
Pupil premium	-	207,503	207,503	163,278
Teachers pay and pension grant	-	86,996	86,996	419,032
Other DfE/EFSA grants	-	188,852	188,852	232,779
	-	8,788,191	8,788,191	8,601,789
OTHER GOVERNMENT GRANTS				
Local authority grants	-	478,786	478,786	298,043
	-	478,786	478,786	298,043
Other income from the Academy's education	241,029	20,358	261,387	283,611
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	-	-	105,080
Recovery Premium	-	22,242	22,242	-
Other DfE/ESFA COVID-19 funding	-	29,289	29,289	35,560
	-	51,531	51,531	140,640
	241,029	9,338,866	9,579,895	9,324,083
	241,029	9,338,866	9,579,895	9,324,083
TOTAL 2021	279,853	9,044,230	9,324,083	

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	34,731	34,731	15,310
Income from clubs	4,123	4,123	-
Sale of uniforms	4,401	4,401	-
Staff & visitors catering income	16,072	16,072	-
Sale of goods & services	31,874	31,874	-
Other trading income	10,416	10,416	-
	<u>101,617</u>	<u>101,617</u>	<u>15,310</u>
TOTAL 2021	<u>15,310</u>	<u>15,310</u>	

7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	1,520	1,520	191
TOTAL 2021	<u>191</u>	<u>191</u>	

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

8. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
EDUCATION:					
Direct costs	6,782,342	496,174	624,452	7,902,968	7,776,126
Allocated support costs	1,433,158	661,585	613,421	2,708,164	2,260,567
	<u>8,215,500</u>	<u>1,157,759</u>	<u>1,237,873</u>	<u>10,611,132</u>	<u>10,036,693</u>
TOTAL 2021	<u>7,719,714</u>	<u>1,273,450</u>	<u>1,043,529</u>	<u>10,036,693</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	<u>7,902,968</u>	<u>2,708,164</u>	<u>10,611,132</u>	<u>10,036,693</u>
Total 2020	<u>7,611,095</u>	<u>2,425,598</u>	<u>10,036,693</u>	

ANALYSIS OF DIRECT COSTS

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS (continued)

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	28,000	24,000
Staff costs	6,714,224	6,330,098
Depreciation	496,174	640,718
Educational supplies	363,139	220,076
Examination fees	164,052	87,295
Staff development	8,314	12,794
Educational visits and other costs	11,556	190,142
Supply teachers	69,118	61,740
Recruitment and support	17,579	12,471
Technology costs	30,812	31,761
	7,902,968	7,611,095

HARDENHUISE SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	38,000	17,000
Staff costs	1,432,158	1,317,876
Depreciation	86,003	-
Staff development	12,758	3,947
Other costs	71,626	23,812
Recruitment and support	11,347	34,822
Maintenance of premises and equipment	182,607	193,061
Cleaning	196,549	191,970
Rent and rates	50,384	85,366
Energy costs	121,811	142,460
Insurance	45,393	43,402
Security and transport	19,276	21,105
Catering	179,093	146,412
Technology costs	141,891	111,622
Office overheads	63,745	41,151
Legal and professional	18,638	35,483
Bank interest and charges	2,004	2,259
Governance	34,881	13,850
	<u>2,708,164</u>	<u>2,425,598</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	26,627	31,057
Fees paid to auditors for:		
- audit	10,800	9,875
- other services	2,875	1,725
	<u>2,875</u>	<u>1,725</u>

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

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	5,767,874	5,486,498
Social security costs	552,166	538,007
Pension costs	1,826,342	1,623,469
	8,146,382	7,647,974
Agency staff costs	69,118	61,740
Ex-gratia payment	-	10,000
	8,215,500	7,719,714

The Academy has provided £10,000 in the prior year in relation to a settlement payment relating to a claim raised by an ex-employee.

b. STAFF NUMBERS

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

	2022	2021
	No.	No.
Teachers	110	109
Educational Support	71	72
Administration and Clerical	29	25
Management	7	7
	217	213

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	93	92
Educational Support	46	52
Administration and Clerical	18	18
Management	7	7
	164	169

c. HIGHER PAID STAFF

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

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

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £688,810 (2021: £668,643).

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands: L J Percy: remuneration £105,000 - £110,000 (2021: £100,000 - £105,000), employer's pension contributions £25,000 - £30,000 (2021: £20,000 - £25,000); A Ovens remuneration £45,000 - £50,000 (2021: £45,000 - £50,000), employer's pension contributions £10,000 - £15,000 (2021: £10,000 - £15,000).

During the year, no Trustees received any benefits in kind (2021: £NIL).

During the year, retirement benefits were accruing to 2 Trustees (2021 - 3) in respect of defined benefit pension schemes.

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

12. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

During the year ended 31 August 2022, expenses totalling £1,394 were reimbursed or paid directly to 1 Trustee (2021 - £1,261 to 2 Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost is part of a larger premium and is not identifiable separately.

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2021	24,110,091	353,292	230,843	900,884	44,579	25,639,689
Additions	755,640	-	24,210	12,186	-	792,036
At 31 August 2022	24,865,731	353,292	255,053	913,070	44,579	26,431,725
DEPRECIATION						
At 1 September 2021	4,920,776	241,064	224,368	698,299	37,441	6,121,948
Charge for the year	475,676	29,269	2,709	72,144	2,379	582,177
At 31 August 2022	5,396,452	270,333	227,077	770,443	39,820	6,704,125
NET BOOK VALUE						
At 31 August 2022	19,469,279	82,959	27,976	142,627	4,759	19,727,600
At 31 August 2021	19,189,315	112,228	6,475	202,585	7,138	19,517,741

HARDENHUISE SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

15. STOCKS

	2022 £	2021 £
Finished goods and goods for resale	48,765	43,511

16. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	20,908	36,828
Other debtors	62,592	42,429
Prepayments and accrued income	583,003	961,527
	666,503	1,040,784

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
ESFA Loans	21,697	21,697
Trade creditors	52,920	270,231
Other taxation and social security	128,196	129,933
Other creditors	176,442	161,783
Accruals and deferred income	481,997	191,579
	861,252	775,223

	2022 £	2021 £
Deferred income at 1 September 2021	99,882	103,452
Resources deferred during the year	121,619	99,882
Amounts released from previous periods	(99,882)	(103,452)
Total deferred income at year end	121,619	99,882

At the balance sheet date the Academy was holding funds received in advance for student meals and trips taking place in the 2022/23 academic year.

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other loans	81,537	103,192
	<u>81,537</u>	<u>103,192</u>

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

	2022	2021
	£	£
ESFA Loans	-	12,205
	<u>-</u>	<u>12,205</u>

Included above are three additional Condition Improvement Fund loans. The first is for £16,000 and is repayable over 5 years starting from September 2018. The second loan is for £50,000 and is repayable over 8 years starting from September 2018. The third loan is for £15,000 and is repayable over 10 years with an applicable interest rate of 1.83%.

Also included above is a Salix loan which is an interest free loan of £96,730 and is repayable over 8 years starting from March 2019.

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	940,083	359,730	(184,386)	-	-	1,115,427
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	192,402	8,304,840	(8,185,146)	15,364	-	327,460
Donations	-	1,241	(1,241)	-	-	-
Pupil Premium	-	207,503	(207,503)	-	-	-
Teachers Pay and Pension Grant	-	86,996	(86,996)	-	-	-
Other DfE/ESFA Grants	27,156	188,852	(216,008)	-	-	-
Local Authority Grants	-	478,786	(478,786)	-	-	-
ESFA Additional COVID-19 Funding	-	51,531	(51,531)	-	-	-
Other Restricted Funds	-	20,358	(20,358)	-	-	-
Pension Reserve	(3,762,000)	-	(597,000)	-	4,359,000	-
	(3,542,442)	9,340,107	(9,844,569)	15,364	4,359,000	327,460

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Assets transferred on conversion	16,053,160	-	(411,672)	2,047	-	15,643,535
Fixed assets purchased from GAG	3,464,581	-	(32,826)	(2,281,370)	-	1,150,385
DfE/ESFA capital grants	775,115	32,285	(126,517)	2,014,949	-	2,695,832
Other government capital grants	-	-	(11,162)	249,010	-	237,848
	<u>20,292,856</u>	<u>32,285</u>	<u>(582,177)</u>	<u>(15,364)</u>	<u>-</u>	<u>19,727,600</u>
TOTAL RESTRICTED FUNDS	<u>16,750,414</u>	<u>9,372,392</u>	<u>(10,426,746)</u>	<u>-</u>	<u>4,359,000</u>	<u>20,055,060</u>
TOTAL FUNDS	<u>17,690,497</u>	<u>9,732,122</u>	<u>(10,611,132)</u>	<u>-</u>	<u>4,359,000</u>	<u>21,170,487</u>

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

19. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Donations - This represents restricted funds donated by Hardenhuish Educational Trust, Chippenham Borough Lands Charity and Friends of Hardenhuish. It also includes contributions received from parents towards trips.

Pupil Premium - Represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Teachers Pay and Pension Grant - Funding received from the ESFA to support increased pay and pension contributions for all teachers.

Other DfE/ESFA Grants - Funding relating to reimbursement of rates, SSG, national tutoring programme, NQT funding, sports partnership etc.

ESFA Additional COVID-19 Funding - Funding relating to costs incurred due to the COVID-19 pandemic for vaccinations, mass testing, summer schools and general recovery.

Local Authority Funding - Funding received from Wiltshire Council to fund further support for students with additional needs.

Other restricted funds - This represents income received from Wiltshire Council and other sources, and includes contributions to school trips.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the building and equipment donated to the School from Wiltshire Council on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds - This represents amounts spent on fixed assets from the GAG funding received from the ESFA

DfE/ESFA Capital Grants - These funds are received for direct expenditure on fixed asset projects, maintenance and purchase of fixed assets. The fixed asset fund balance at the year end represents the net book value of assets and any unspent grant amounts.

Other government capital grants - This represents fixed assets purchased from funding received from other government bodies.

OTHER INFORMATION

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

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

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	808,886	298,451	(167,254)	-	-	940,083
RESTRICTED FUNDS						
General Annual Grant (GAG)	75,176	7,786,700	(7,467,547)	(201,927)	-	192,402
Donations	11,436	28,208	(39,644)	-	-	-
Pupil Premium	17,782	163,278	(181,060)	-	-	-
Teachers Pay and Pension Grant	-	419,032	(419,032)	-	-	-
Other DfE/ESFA Grants	-	205,623	(178,467)	-	-	27,156
Local Authority Grants	-	298,043	(298,043)	-	-	-
ESFA Additional COVID-19 Funding	-	140,640	(140,640)	-	-	-
Other Restricted Funds	37,830	90,458	(128,288)	-	-	-
Pension Reserve	(2,279,000)	-	(376,000)	-	(1,107,000)	(3,762,000)
	(2,136,776)	9,131,982	(9,228,721)	(201,927)	(1,107,000)	(3,542,442)
RESTRICTED FIXED ASSET FUNDS						
Assets transferred on conversion	16,464,832	-	(411,672)	-	-	16,053,160
Fixed assets purchased from GAG	1,062,010	-	(229,046)	2,631,617	-	3,464,581
DfE/ESFA capital grants	2,733,683	208,532	-	(2,167,100)	-	775,115
Other government capital grants	262,590	-	-	(262,590)	-	-
	20,523,115	208,532	(640,718)	201,927	-	20,292,856
TOTAL RESTRICTED FUNDS	18,386,339	9,340,514	(9,869,439)	-	(1,107,000)	16,750,414
TOTAL FUNDS	19,195,225	9,638,965	10,036,693	-	(1,107,000)	17,690,497

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	19,727,600	19,727,600
Current assets	1,218,661	1,167,015	-	2,385,676
Creditors due within one year	(21,697)	(839,555)	-	(861,252)
Creditors due in more than one year	(81,537)	-	-	(81,537)
TOTAL	1,115,427	327,460	19,727,600	21,170,487

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	19,517,741	19,517,741
Current assets	1,064,972	973,084	775,115	2,813,171
Creditors due within one year	(21,697)	(753,526)	-	(775,223)
Creditors due in more than one year	(103,192)	-	-	(103,192)
Provisions for liabilities and charges	-	(3,762,000)	-	(3,762,000)
TOTAL	940,083	(3,542,442)	20,292,856	17,690,497

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

21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(879,010)	(397,728)
ADJUSTMENTS FOR:		
Depreciation charges	582,177	640,718
Capital grants from DfE and other capital income	(32,285)	(31,509)
Interest received	(1,520)	(191)
Defined benefit pension scheme cost less contributions payable	531,000	335,000
Defined benefit pension scheme finance cost	66,000	41,000
Increase in stocks	(5,254)	(6,799)
Decrease/(increase) in debtors	374,281	(268,568)
Increase in creditors	86,029	270,292
NET CASH PROVIDED BY OPERATING ACTIVITIES	721,418	582,215

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2022 £	2021 £
Repayments of borrowing	(21,655)	(22,095)
NET CASH USED IN FINANCING ACTIVITIES	(21,655)	(22,095)

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Interest received	1,520	191
Purchase of tangible fixed assets	(792,036)	(643,148)
Capital grants from DfE/ESFA	32,285	392,568
NET CASH USED IN INVESTING ACTIVITIES	(758,231)	(250,389)

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

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	1,670,408	1,728,876
TOTAL CASH AND CASH EQUIVALENTS	1,670,408	1,728,876

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,728,876	(58,468)	1,670,408
Debt due within 1 year	(21,697)	-	(21,697)
Debt due after 1 year	(103,192)	21,655	(81,537)
	1,603,987	(36,813)	1,567,174

26. PENSION COMMITMENTS

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

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

Contributions amounting to £145,117 were payable to the schemes at 31 August 2022 (2021 - £143,749) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

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

26. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £981,877 (2021 - £853,030).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £397,000 (2021 - £385,000), of which employer's contributions totalled £314,000 (2021 - £305,000) and employees' contributions totalled £ 83,000 (2021 - £80,000). The agreed contribution rates for future years are 24.7 per cent for employers and 5.5 - 8.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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

26. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2022	2021
	%	%
Rate of increase in salaries	3.45	3.30
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90

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

	2022	2021
	Years	Years
RETIRING TODAY		
Males	21.7	21.9
Females	24.2	24.4
RETIRING IN 20 YEARS		
Males	22.6	22.9
Females	26.0	26.2

SENSITIVITY ANALYSIS

	2022	2021
	£000	£000
Discount rate -0.1%	166	280
Mortality assumption - 1 year increase	280	467
CPI rate +0.1%	152	252
Salary increase rate +0.1%	16	25

SHARE OF SCHEME ASSETS

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	4,236,000	4,353,000
Bonds	2,432,000	2,612,000
Property	1,176,000	871,000
Cash and other liquid assets	-	79,000
TOTAL MARKET VALUE OF ASSETS	7,844,000	7,915,000

The actual return on scheme assets was £-322,000 (2021 - £1,037,000).

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

26. PENSION COMMITMENTS (CONTINUED)

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

	2022 £	2021 £
Current service cost	(845,000)	(640,000)
Interest income	133,000	117,000
Interest cost	(199,000)	(158,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(911,000)	(681,000)

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

	2022 £	2021 £
AT 1 SEPTEMBER	11,677,000	9,023,000
Current service cost	845,000	640,000
Interest cost	199,000	158,000
Employee contributions	83,000	80,000
Actuarial (gains)/losses	(4,819,000)	1,894,000
Benefits paid	(141,000)	(118,000)
AT 31 AUGUST	7,844,000	11,677,000

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

	2022 £	2021 £
AT 1 SEPTEMBER	7,915,000	6,744,000
Interest income	133,000	117,000
Actuarial (losses)/gains	(460,000)	787,000
Employer contributions	314,000	305,000
Employee contributions	83,000	80,000
Benefits paid	(141,000)	(118,000)
AT 31 AUGUST	7,844,000	7,915,000

The actuarial valuation has valued the pension scheme at a surplus of £841,000 as at 31 August 2022. Under FRS 102 an entity shall only recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore, as this valuation will not reduce future contribution rates, the asset has not been recognised and is reflected at £Nil in the financial statements for the year ended 31 August 2022.

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

27. OPERATING LEASE COMMITMENTS

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

	2022	2021
	£	£
Not later than 1 year	13,335	26,627
Later than 1 year and not later than 5 years	98	13,433
	<hr/> 13,433 <hr/>	<hr/> 40,060 <hr/>

28. 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.

29. GENERAL INFORMATION

Hardenhuish School is a company limited by guarantee, incorporated in England and Wales. The registered office is Hardenhuish Lane, Chippenham, Wiltshire, SN14 6RJ.

30. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

31. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursaries as an agent for ESFA. In the year ending 31 August 2022 the Academy received £8,977 and disbursed £23,525 from the fund. An amount of £178 (2021: £14,726) is included within other creditors relating to undistributed funds that is repayable to ESFA.