

Company Registration Number: 07344277 (England and Wales)

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023



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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	T Eddolls (Chair) I Blackburn J Cairns K Martin L Stuart
Trustees	K M Martin, Chair ^{1,2,3} N L Wood, Vice Chair ^{1,2,3} S Copeman ^{2,3,4} T Eddolls ¹ S Elsby ^{1,2} P Lortal ³ L Percy ^{1,2} E Allen (appointed 5 December 2022) ⁴ I Semichon ³ J S Shaw ^{2,3,4} M Smyth ³ S Swatton ⁴ L Titcomb (term ended 20 January 2023) ^{3,4} P Townsend ⁴ V Vines ¹ C Brown (appointed 1 October 2022) ^{1,2} A Wilson (appointed 5 December 2022) ⁴
	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

**HARDENHUIISH SCHOOL LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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
S Kain, Assistant Head
A 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 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2023. 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 the number on roll was 1,528 in the school census in May 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of 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 2023**

When appointing new Trustees, the Board considers 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. A formal induction process has been devised for new governors, including mentoring, and they are all required to attend local authority new governor training. 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. The Board have a blended approach to meetings using Teams and in-person meetings dependent on the requirements of the agenda.

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 2023**

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.

Meetings during the year were held online in Microsoft Teams and in person. 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 using 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, four 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 2023**

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 131 hours per annum at a cost of approximately £5,856. Additionally, the school contributes £1,485 per annum towards the cost of regional trade union facilities time, giving a total spend of approximately £7,341.

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.

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.
- Having a staff committee
- Having 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 2023 are summarised below:

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

- 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 post-16 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, commerce and the wider community.
- to develop the school's capacity to manage change.
- 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 several more specific targets in each strand of the School Development Plan. The three most important targets are:

1. **Adaptive Practice** – this focuses on ensuring that all staff are aware of the varying needs of the young people and are aware of the adaptations needed to support these
2. **Curriculum Development** – to ensure clarity of curriculum intent and implementations to ensure impact by high levels of curriculum engagement
3. **High Expectations** – to ensure a return to the pre-pandemic high expectations of behaviour, attainment and attendance.

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 2023**

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.

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 for sixth form education, with 1233 pupils in the main school and 299 in the sixth form for the year ended 31 August 2023. The Published Admission Number for the Academy for years 7 to 11 for the 2022-23 academic year was 243 and 243 Year 7 pupils arrived in September 2022. The school is heavily oversubscribed for year 7 entry. There were 591 applicants for the 243 places available in year 7 in September 2023.

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

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

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.

Our results for 2023 at both GCSE and A Level were in line with pre-pandemic figures from 2019. This is particularly pleasing when one considers that the 2023 cohort endured far more disruption to their education because of the pandemic than the 2018 and 2019 cohorts had. It is also worth remembering that the class of 2023 are the first post-pandemic year group to have not been afforded the same special considerations that the cohorts of the last 3 years were. Some headlines figures are:

- 23% of GCSE grades were at 9-7
- 72% of pupils achieved the Basics Measure (9-4 in English and maths)

Early progress indicators suggest that Hardenhuish pupils made an average of 0.25 of a grade more progress than the national average and there were some exceptional individual performances:

- 49 pupils (20% of the year group) achieved 5 or more 9-7 grades.
- 20 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 2023 are also very good:

- 55% of grades were at A*-B
- 28% of grades were at A*/A
- 59 students (34% of the year group) achieved at least one A*/A grades and 14 students (9%) got three or more A*/A grades.

111 students (from a total of 135 in the year group) were intent on going to university prior to A level results day. Of these, 97 (87%) secured places at their firm choice university and 11 students (10%) have been placed in their insurance choice.

Hardenhuish experienced a cyber-attack (April 2023) which destroyed our on-premises environment resulting in significantly reduced IT services on site for several weeks. Business continuity was maintained throughout, and the school has worked hard to recover and mitigate against further attacks as far as possible. The Academy was inspected by OFSTED in 2018 and was judged to be Good.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for September 2023 were 1232 in the main school and 328 in Post 16. It is anticipated that the school admission numbers will continue to rise.

During the 2022/23 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 greater energy efficiency. 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 ensure the school's viability as it moves into the 2023/24 financial/academic year.

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

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: the school is continuing to pursue all options 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 169 students.

	Target	Actual
Total unrestricted funds balance	£500,000	£1,366,332
Staff costs per pupil	£4,500	£5,459
Total non-governmental generated income	£421,000	£747,675
Total investment income	£5,000	£14,790

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 2023 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 2023, total expenditure of £11,275,425 was covered by recurrent grant funding from the DfE together with other incoming resources and the balance from the 2021/22 financial period. The deficit of income over expenditure for the year (excluding restricted fixed asset funds) was £89,006.

On 31 August 2023 the net book value of fixed assets was £19,204,417 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.

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

Following the Local Government Pension Scheme's triennial valuation on 31 March 2022, the new agreed contribution rate of 24.4% became payable from 1 April 2023 which is a slight reduction from the previous rate of 24.7%. This rate will remain until the end of March 2026 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 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 of 23.68% 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 held a high level of reserves as a short term safety blanket to address the current uncertainty with regard to education finance.

The Trustees have determined that the appropriate level of free reserves should be £500,000. Total reserves of the school amount to £20,570,749, although £19,204,417 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,366,332 (representing £1,366,332 of unrestricted funds and £Nil of unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. The intention is that any remaining reserves will contribute to the 2023/24 and 2024/25 financial years.

The Trustees would ideally like to invest further funds in the school estate and resources as highlighted in the Academies Trust Handbook. This year, through robust resource management, it has been possible to use the capitalised GAG to improve areas of the school site requiring attention, which in turn it is hoped will continue to ensure that the school roll is healthy, and the site maintained to a good standard moving forwards.

Over the next 12 month period there will be an investment of £300,000 from the free reserves balance in improving the school estate. This will include refurbishment of student toilets and the upgrade of the school climbing wall.

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.

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 80% 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

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

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 based on 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. Energy prices have risen over the period and are expected to remain high resulting in a larger portion of the premises budget being taken up with power costs.

- **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 to enable both recruitment and retention.
- **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.
- **Cyber Security:** Hardenhuish experienced a cyber-attack (April 2023) which destroyed our on-premises environment resulting in significantly reduced IT services on site for several weeks. Business continuity was maintained throughout and the school has worked hard to recover and mitigate against further attacks as far as possible.

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.

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

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

The school is one of three secondary schools in the town and places available exceed pupil numbers. There is a potential risk to revenue funding due to stiff competition locally. The school addresses this issue by positive marketing based on its excellent reputation. Additionally, partially funded 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.

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, MEI maths funding, STEM 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.

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 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 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, where such developments support and enhance the learning of pupils. Focus remains 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.

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

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

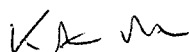
AUDITORS

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.

Approved by order of the members of the Board of Trustees on 6/12/23 and signed on their behalf, by:



K M Martin
Chair of Trustees

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

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 5 times during the year.

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

Trustee	Meetings Attended	Out of Possible
K M Martin, Chair	6	6
N Wood, Vice Chair	6	6
L J Percy, Head Teacher	6	6
S D Copeman	6	6
T J Eddolls	5	6
J S Shaw	6	6
L Titcomb (term ended 9/12/2022)	2	2
P Townsend	5	6
V A Vines	6	6
S Swatton	2	6
A Wilson (appointed 5/12/2022)	4	4
C Brown (appointed 1/9/2022)	5	6
M Smythe	3	6
I L M Semichon	6	6
L Allen (appointed 5/12/2022)	4	4
S J Elsby	6	6
P Lortal	5	6

During the year ended 31 August 2023 one Parent Governor's term came to an end, there were two new Parent Governors appointed, and one appointment of a Community Governor to the Board of Trustees.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Governance Review

The board continues to build the strength of experience among the governors. New appointees bring a wealth of business and education experience. The vice chair has also completed a course in chairing governing bodies allowing for more distribution of tasks by the chair.

A skills audit of the Trustees was completed in the autumn of 2023 using an adapted version of the National Governance Association framework and template so that any skills gaps could be identified, with a view to remedying these via training or via recruitment when vacancies arose. The audit measures the board against the Competency Framework and specifically against personal or professional experience to ensure the right people are on board. The new trustees have received full induction training and are now fully contributing to the business of the board.

The board has reviewed the NGA Twenty Questions framework to measure board activity against expectations and a 360 appraisal was undertaken by the chair.

The Resources Committee is a sub committee 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:

Trustee	Meetings Attended	Out of Possible
K M Martin	6	6
L J Percy	6	6
N Wood	6	6
T Eddolls	5	6
S Elsby	5	6
C Brown	5	6
V Vines	5	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 benchmarked 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 during the past academic year in preparation for September 2023, 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. Due to the variation in formal assessments over the past few years GCSE and A Level results are not being compared at a national level although results this summer from a cohort at A Level who have not sat formal exams previously reflect the resilience, continued dedication and hard work by pupils,

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

staff and parents to ensure that young people achieved their best possible outcomes in challenging circumstances.

- 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 Resources committee and AGB continued to receive and review comprehensive monthly management accounts in addition to a full review and agreement of the ESFA 22/23 budget.
- The risk register has been regularly reviewed and updated by the School Leadership Team and governing body.
- Savings have been achieved in year regarding 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.
- 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 to ensure that the Academy is operating as efficiently as possible.

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating, and managing the Academy Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Board of Trustees appointed an internal auditor, School Business Services, to perform additional checks to meet the requirements of the revised FRC ethical standards and Academy Trust Handbook 2022.

School's Business Services produce an internal scrutiny report and recommendations. The report is 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. The checks carried out in the current period included:

- Full review of payroll systems
- Testing of banking procedures
- Testing of accounting system
- Testing of financial procedures
- Testing of budgeting
- Testing of year end procedures
- Testing of monthly management reporting
- Review of policies

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 Martin
Chair of Trustees
Date: 6/12/23



L J Percy
Accounting Officer
Date: 6/12/23

**HARDENHUIISH 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 including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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



L J Percy
Accounting Officer

Date: 6/12/23

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

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

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

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

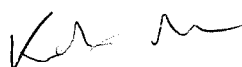
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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: 6/12/23

**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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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
HARDENHUIISH 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
- these matters were discussed among the audit engagement team who also considered 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.

Our procedures to respond to risks identified included the following:

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

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

- 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.

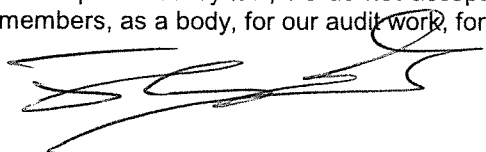
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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:

14/12/2023

**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**

In accordance with the terms of our engagement letter dated 12 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hardenhuish School Limited during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 HARDENHUISH 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

**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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

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

Date: *14/12/2023*

HARDENHUI SH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	19,066	73	63,819	82,958	49,090
Other trading activities		105,777	-	-	105,777	101,617
Investments	6	14,790	34,000	-	48,790	1,520
Charitable activities		587,019	9,824,143	-	10,411,162	9,579,895
Total income		726,652	9,858,216	63,819	10,648,687	9,732,122
Expenditure on:						
Charitable activities		475,747	10,198,127	601,551	11,275,425	10,611,132
Total expenditure		475,747	10,198,127	601,551	11,275,425	10,611,132
Net income / (expenditure)		250,905	(339,911)	(537,732)	(626,738)	(879,010)
Transfers between funds	18	-	(14,549)	14,549	-	-
Actuarial gains on defined benefit pension schemes	25	-	220,000	-	220,000	5,200,000
Pension surplus not recognised	25	-	(193,000)	-	(193,000)	(841,000)
Net movement in funds		250,905	(327,460)	(523,183)	(599,738)	3,479,990
Reconciliation of funds:						
Total funds brought forward		1,115,427	327,460	19,727,600	21,170,487	17,690,497
Net movement in funds		250,905	(327,460)	(523,183)	(599,738)	3,479,990
Total funds carried forward		1,366,332	-	19,204,417	20,570,749	21,170,487

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.

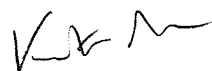
**HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07344277**

**BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	19,204,417	19,727,600
		<u>19,204,417</u>	<u>19,727,600</u>
Current assets			
Stocks	14	45,804	48,765
Debtors	15	448,172	666,503
Cash at bank and in hand		1,791,135	1,670,408
		<u>2,285,111</u>	<u>2,385,676</u>
Creditors: amounts falling due within one year	16	(860,239)	(861,252)
Net current assets		<u>1,424,872</u>	<u>1,524,424</u>
Creditors: amounts falling due after more than one year	17	(58,540)	(81,537)
Net assets excluding pension reserve		<u>20,570,749</u>	<u>21,170,487</u>
Defined benefit pension scheme asset	25	-	-
Total net assets		<u><u>20,570,749</u></u>	<u><u>21,170,487</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	19,204,417	19,727,600
Restricted income funds	18	-	327,460
Total restricted funds	18	<u>19,204,417</u>	<u>20,055,060</u>
Unrestricted income funds	18	<u>1,366,332</u>	<u>1,115,427</u>
Total funds		<u><u>20,570,749</u></u>	<u><u>21,170,487</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: 6/12/23

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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	142,183	721,418
Cash flows from investing activities	22	241	(758,231)
Cash flows from financing activities	21	(21,697)	(21,655)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		120,727	(58,468)
Cash and cash equivalents at the beginning of the year		1,670,408	1,728,876
Cash and cash equivalents at the end of the year	23, 24	<hr/> 1,791,135 <hr/>	<hr/> 1,670,408 <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 2023

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

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

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

• **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 £5,000 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.

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

1.7 STOCKS

Uniform and food stocks are value 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 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

1. 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.

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

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

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 JUDGEMENT

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

Critical accounting estimates and assumptions:

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

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 25, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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.

HARDENHUIISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	19,066	73	-	19,139	16,805
Capital Grants	-	-	63,819	63,819	32,285
	<u>19,066</u>	<u>73</u>	<u>63,819</u>	<u>82,958</u>	<u>49,090</u>
TOTAL 2022	<u>15,564</u>	<u>1,241</u>	<u>32,285</u>	<u>49,090</u>	

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

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

4. FUNDING FOR THE ACADEMY'S CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	7,015,200	7,015,200	6,899,581
OTHER DFE/ESFA GRANTS				
16-19 Funding	-	1,467,009	1,467,009	1,405,259
Pupil Premium	-	196,340	196,340	207,503
Teachers' Pension Grant	-	59,004	59,004	86,996
Mainstream Schools Additional Grant	-	104,598	104,598	-
Schools Supplementary Grant	-	213,277	213,277	89,164
Other DFE/ESFA Grants	-	17,369	17,369	99,688
	-	9,072,797	9,072,797	8,788,191
OTHER GOVERNMENT GRANTS				
High Needs	-	323,491	323,491	155,579
Other Government Income	-	293,780	293,780	323,207
	-	617,271	617,271	478,786
Other income from the Academy's education	587,019	54,879	641,898	261,387
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Recovery Premium	-	53,726	53,726	22,242
National Tutoring Programme	-	25,470	25,470	24,152
Other DfE/ESFA COVID-19 funding	-	-	-	5,137
	-	79,196	79,196	51,531
TOTAL 2023	587,019	9,824,143	10,411,162	9,579,895
TOTAL 2022	241,029	9,338,866	9,579,895	

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

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	72,568	72,568	34,731
Income from clubs	4,757	4,757	4,123
Sale of uniforms	6,152	6,152	4,401
Staff & visitors catering income	1,148	1,148	16,072
Sale of goods & services	12,351	12,351	31,874
Other trading income	8,801	8,801	10,416
	<u>105,777</u>	<u>105,777</u>	<u>101,617</u>
	<u>101,617</u>	<u>101,617</u>	
TOTAL 2022	<u>101,617</u>	<u>101,617</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	14,790	-	14,790	1,520
Pension income	-	34,000	34,000	-
	<u>14,790</u>	<u>34,000</u>	<u>48,790</u>	<u>1,520</u>
TOTAL 2022	<u>1,520</u>	<u>-</u>	<u>1,520</u>	

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

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

7. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
EDUCATION:					
Direct costs	6,937,876	601,551	901,586	8,441,013	7,902,968
Allocated support costs	1,461,568	684,430	688,414	2,834,412	2,708,164
	<u>8,399,444</u>	<u>1,285,981</u>	<u>1,590,000</u>	<u>11,275,425</u>	<u>10,611,132</u>
TOTAL 2022	<u><u>8,215,500</u></u>	<u><u>1,157,759</u></u>	<u><u>1,237,873</u></u>	<u><u>10,611,132</u></u>	

HARDENHUISSH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

7. EXPENDITURE (CONTINUED)

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	8,441,013	2,834,412	11,275,425	10,611,132
Total 2022	<u>7,902,968</u>	<u>2,708,164</u>	<u>10,611,132</u>	

ANALYSIS OF DIRECT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	-	28,000
Staff costs	6,896,058	6,714,224
Depreciation	511,318	496,174
Educational supplies	424,456	363,139
Examination fees	181,911	164,052
Staff development	16,230	8,314
Educational visits and other costs	337,468	11,556
Supply teachers	40,818	69,118
Recruitment and support	24,456	17,579
Technology costs	8,298	30,812
	<u>8,441,013</u>	<u>7,902,968</u>

HARDENHUISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	-	38,000
Staff costs	1,462,568	1,432,158
Depreciation	90,233	86,003
Staff development	5,545	12,758
Other costs	25,133	71,626
Recruitment and support	7,260	11,347
Maintenance of premises and equipment	170,006	182,607
Cleaning	193,915	196,549
Rent and rates	30,730	50,384
Energy costs	217,595	121,811
Insurance	47,051	45,393
Security and transport	24,349	19,276
Catering	219,246	179,093
Technology costs	164,403	141,891
Office overheads	106,056	63,745
Legal and professional	47,175	18,638
Bank interest and charges	433	2,004
Governance	22,714	34,881
	<u>2,834,412</u>	<u>2,708,164</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	43,517	26,627
Depreciation of tangible fixed assets	601,551	582,177
Fees paid to auditors for:		
- audit	11,750	10,800
- other services	2,115	2,875
	<u>668,933</u>	<u>622,479</u>

HARDENHUIISH SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	6,303,814	5,767,874
Social security costs	567,925	552,166
Pension costs	1,486,887	1,826,342
	8,358,626	8,146,382
	<hr/>	<hr/>
Agency staff costs	40,818	69,118
	8,399,444	8,215,500
	<hr/> <hr/>	<hr/> <hr/>

b. STAFF NUMBERS

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

	2023	2022
	No.	No.
Teachers	116	110
Educational Support	72	71
Administration and Clerical	25	29
Management	8	7
	221	217
	<hr/> <hr/>	<hr/> <hr/>

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Teachers	106	93
Educational Support	47	46
Administration and Clerical	17	18
Management	8	7
	178	164
	<hr/> <hr/>	<hr/> <hr/>

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

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

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	4	3
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £815,429 (2022: £668,810).

11. 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 £110,000 - £120,000 (2022: £105,000 - £110,000), employer's pension contributions £25,000 - £30,000 (2022: £25,000 - £30,000).

During the year, no Trustees received any benefits in kind (2022: £NIL).

During the year, retirement benefits were accruing to no Trustees (2022 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2023, expenses totalling £330 were reimbursed or paid directly to 1 Trustee (2022 - £1,394 to 1 Trustee).

12. 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.

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

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2022	24,865,731	353,292	255,053	913,070	44,579	26,431,725
Additions	21,844	-	6,626	49,898	-	78,368
At 31 August 2023	24,887,575	353,292	261,679	962,968	44,579	26,510,093
DEPRECIATION						
At 1 September 2022	5,396,452	270,333	227,077	770,443	39,820	6,704,125
Charge for the year	497,959	27,849	5,769	68,387	1,587	601,551
At 31 August 2023	5,894,411	298,182	232,846	838,830	41,407	7,305,676
NET BOOK VALUE						
At 31 August 2023	18,993,164	55,110	28,833	124,138	3,172	19,204,417
At 31 August 2022	19,469,279	82,959	27,976	142,627	4,759	19,727,600

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

14. STOCKS

	2023 £	2022 £
Finished goods and goods for resale	<u>45,804</u>	<u>48,765</u>

15. DEBTORS

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	29,576	20,908
Other debtors	28,572	62,592
Prepayments and accrued income	390,024	583,003
	<u>448,172</u>	<u>666,503</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
ESFA Loans	19,997	21,697
Trade creditors	82,331	52,920
Other taxation and social security	146,549	128,196
Other creditors	185,222	176,442
Accruals and deferred income	426,140	481,997
	<u>860,239</u>	<u>861,252</u>

	2023 £	2022 £
Deferred income at 1 September 2022	121,619	99,882
Resources deferred during the year	267,870	121,619
Amounts released from previous periods	(21,737)	(99,882)
Total deferred income at year end	<u>367,752</u>	<u>121,619</u>

At the balance sheet date the Academy was holding funds received in advance for student meals and trips taking place in the 2023/24 academic year.

HARDENHUIISH SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023	2022
	£	£
Other loans	58,540	81,537

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

	2023	2022
	£	£
Condition Improvement Fund Loan	4,500	6,000
	4,500	6,000

Included above are two (2022: three) additional Condition Improvement Fund loans. The first loan is for £50,000 and is repayable over 8 years starting from September 2018. The second 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds	1,115,427	726,652	(475,747)	-	-	1,366,332
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	327,460	7,015,200	(7,328,111)	(14,549)	-	-
16-19 Funding	-	1,467,009	(1,467,009)	-	-	-
Pupil Premium	-	196,340	(196,340)	-	-	-
Teachers' Pension Grant	-	59,004	(59,004)	-	-	-
Mainstream Schools Additional Grant	-	104,598	(104,598)	-	-	-
Schools Supplementary Grant	-	213,277	(213,277)	-	-	-
Other DfE/ESFA Grants	-	42,839	(42,839)	-	-	-
High Needs	-	323,491	(323,491)	-	-	-
Other LA Grants	-	293,780	(293,780)	-	-	-
Recovery Premium	-	53,726	(53,726)	-	-	-
Other Restricted Funds	-	54,952	(54,952)	-	-	-
Pension Reserve	-	34,000	(61,000)	-	27,000	-
	327,460	9,858,216	(10,198,127)	(14,549)	27,000	-

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

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Assets transferred on conversion	15,643,535	-	(411,672)	-	-	15,231,863
Fixed assets purchased from GAG	1,150,385	-	(53,141)	14,549	-	1,111,793
DfE/ESFA capital grants	2,695,832	63,819	(125,888)	-	-	2,633,763
Other government capital grants	237,848	-	(10,850)	-	-	226,998
	<u>19,727,600</u>	<u>63,819</u>	<u>(601,551)</u>	<u>14,549</u>	<u>-</u>	<u>19,204,417</u>
TOTAL RESTRICTED FUNDS	<u>20,055,060</u>	<u>9,922,035</u>	<u>(10,799,678)</u>	<u>-</u>	<u>27,000</u>	<u>19,204,417</u>
TOTAL FUNDS	<u><u>21,170,487</u></u>	<u><u>10,648,687</u></u>	<u><u>(11,275,425)</u></u>	<u><u>-</u></u>	<u><u>27,000</u></u>	<u><u>20,570,749</u></u>

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.

16-19 Funding - Funding received from the ESFA for students aged 16 to 19.

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' Pension Grant - Funding received from the ESFA to support increased pension contributions for all teachers.

Mainstream Schools Additional Grant - Additional grant from the ESFA to increase the core school budget.

Schools Supplementary Grant - Funding from the ESFA which provides support for the costs of the Health and Social Care Levy and wider costs.

Other DfE/ESFA Grants - Other funding including the National Tutoring Programme and STEM Computer Science Programme.

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

18. STATEMENT OF FUNDS (CONTINUED)

High Needs - funding received from the Local Authority to fund further support for students with additional needs.

Other LA Grants - Funding received from Wiltshire Council including Young People's Support Services, Free School Meals and MAT Exploration.

Recovery Premium - Funding from the ESFA to support pupils whose education has been impacted by COVID-19, focusing on pupils who are eligible for pupil premium.

Other restricted funds - This represents income received from other sources, and includes Mathematics in Education and Industry funding and income from sales of stock.

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 2023.

HARDENHUIH SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. STATEMENT OF FUNDS (CONTINUED)

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

	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 FUNDS						
General Annual Grant (GAG)	192,402	8,304,840	(8,185,146)	15,364	-	327,460
16-19 Funding	-	1,241	(1,241)	-	-	-
Pupil Premium	-	207,503	(207,503)	-	-	-
Teachers' Pension Grant	-	86,996	(86,996)	-	-	-
Mainstream Schools Additional Grant	27,156	188,852	(216,008)	-	-	-
Schools Supplementary Grant	-	478,786	(478,786)	-	-	-
Other DfE/ESFA Grants	-	51,531	(51,531)	-	-	-
High Needs	-	20,358	(20,358)	-	-	-
Pension Reserve	(3,762,000)	-	(597,000)	-	4,359,000	-
	<u>(3,542,442)</u>	<u>9,340,107</u>	<u>(9,844,569)</u>	<u>15,364</u>	<u>4,359,000</u>	<u>327,460</u>

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

18. STATEMENT OF FUNDS (CONTINUED)

**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>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	19,204,417	19,204,417
Current assets	1,444,869	840,242	-	2,285,111
Creditors due within one year	(19,997)	(840,242)	-	(860,239)
Creditors due in more than one year	(58,540)	-	-	(58,540)
TOTAL	<u>1,366,332</u>	<u>-</u>	<u>19,204,417</u>	<u>20,570,749</u>

HARDENHUIISH SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	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

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(626,738)	(879,010)
ADJUSTMENTS FOR:		
Depreciation charges	601,551	582,177
Capital grants from DfE and other capital income	(63,819)	(32,285)
Interest received	(14,790)	(1,520)
Defined benefit pension scheme cost less contributions payable	(7,000)	531,000
Defined benefit pension scheme finance cost	34,000	66,000
Decrease/(increase) in stocks	2,961	(5,254)
Decrease in debtors	218,331	374,281
(Decrease)/increase in creditors	(2,313)	86,029
NET CASH PROVIDED BY OPERATING ACTIVITIES	142,183	721,418

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2023 £	2022 £
Repayments of borrowing	(21,697)	(21,655)
NET CASH USED IN FINANCING ACTIVITIES	(21,697)	(21,655)

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

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest received	14,790	1,520
Purchase of tangible fixed assets	(78,368)	(792,036)
Capital grants from DfE/ESFA	63,819	32,285
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	241	(758,231)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	1,791,135	1,670,408
TOTAL CASH AND CASH EQUIVALENTS	1,791,135	1,670,408

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,670,408	120,727	1,791,135
Debt due within 1 year	(21,697)	1,700	(19,997)
Debt due after 1 year	(81,537)	22,997	(58,540)
	1,567,174	145,424	1,712,598

25. 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 Somerset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £163,618 were payable to the schemes at 31 August 2023 (2022 - £145,117) and are included within creditors.

25. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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 202 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy)

The employer's pension costs paid to TPS in the year amounted to £1,061,088 (2022 - £981,877).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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.

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

25. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £458,000 (2022 - £397,000), of which employer's contributions totalled £364,000 (2022 - £314,000) and employees' contributions totalled £ 94,000 (2022 - £83,000). The agreed contribution rates for future years are 24.4 per cent for employers and 5.5 - 12.5 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.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2023	2022
	%	%
Rate of increase in salaries	3.50	3.45
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

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

	2023	2022
	Years	Years
RETIRING TODAY		
Males	20.2	21.7
Females	25.2	24.2
RETIRING IN 20 YEARS		
Males	21.6	22.6
Females	25.8	26.0

SENSITIVITY ANALYSIS

	2023	2022
	£000	£000
Discount rate -0.1%	155	166
Mortality assumption - 1 year increase	282	280
CPI rate +0.1%	146	152
Salary increase rate +0.1%	12	16

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	At 31 August 2023	At 31 August 2022
	£	£
Equities	4,442,000	4,236,000
Bonds	2,342,000	2,432,000
Property	1,131,000	1,176,000
Cash and other liquid assets	161,000	-
TOTAL MARKET VALUE OF ASSETS	8,076,000	7,844,000

The actual return on scheme assets was £-121,000 (2022 - £-322,000).

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

	2023	2022
	£	£
Current service cost	(425,000)	(845,000)
Interest income	340,000	133,000
Interest cost	(306,000)	(199,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(391,000)	(911,000)

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

	2023	2022
	£	£
AT 1 SEPTEMBER	7,003,000	11,677,000
Current service cost	425,000	845,000
Interest cost	306,000	199,000
Employee contributions	94,000	83,000
Actuarial gains	(674,000)	(5,660,000)
Benefits paid	(112,000)	(141,000)
AT 31 AUGUST	7,042,000	7,003,000

HARDENHUISH SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. PENSION COMMITMENTS (CONTINUED)

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

	2023	2022
	£	£
AT 1 SEPTEMBER	7,844,000	7,915,000
Interest income	340,000	133,000
Actuarial losses	(454,000)	(460,000)
Employer contributions	364,000	314,000
Employee contributions	94,000	83,000
Benefits paid	(112,000)	(141,000)
AT 31 AUGUST	8,076,000	7,844,000

The Academy has an unrecognised surplus of £1,034,000 (2022 - £841,000) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

26. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	25,019	13,335
Later than 1 year and not later than 5 years	62,302	98
	87,321	13,433

27. 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.

28. 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.

29. 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.

30. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursaries as an agent for ESFA. In the year ending 31 August 2023 the Academy received £8,442 and disbursed £8,442 from the fund. An amount of £Nil (2022: £178) is included within other creditors relating to undistributed funds that is repayable to ESFA.

