

HEDINGHAM SCHOOL AND SIXTH FORM

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' Report	2 - 9
Governance Statement	10 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of trustees' responsibilities	16
Independent Auditors' Report on the financial statements	17 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the financial statements	26 - 52

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs S Ford Mr M Lee Mr D Lee
Trustees	Ms S Ford Mr A Harvison, Head Teacher and Accounting Officer Mr M Lee, Chair of Trustees Mr D Lee Mrs N Barton (Resigned 26 November 2022) Mr D Batch Mr J Carlton Mr A Illingworth Ms R Duffy-Wyatt (Resigned 29 March 2023) Mr R Gough Mr R Hammond Ms A Wake
Company registered number	08330173
Company name	Hedingham School and Sixth Form
Principal and registered office	Yeldham Road Sible Hedingham Halstead Essex CO9 3QH
Company Secretary	Ms S Hyde
Senior Management Team	Mr A Harvison, Headteacher Mr P Finch, Senior Deputy Headteacher Mr D Nash, Assistant Headteacher Mr J Pearson, Assistant Headteacher Mrs K Hillman, Assistant Headteacher Mrs N Cook, Assistant Headteacher Mr R Daniels, Assistant Headteacher Ms S Hyde, Business Manager
Independent Auditors	Price Bailey LLP Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Hedingham School and Sixth Form (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy School (the School or the Academy) for pupils aged 11 to 19 serving a catchment area in North West Essex. It has a pupil capacity of 1,230 and had a roll of 1,132 in the Summer 2023 school census.

Structure, Governance and Management

The Trust is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Hedingham School and Sixth Form.

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body (also referred to as the Board of Trustees). Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 15 Trustees (5 Parents, 2 Staff – Teaching, 1 Staff non-teaching, 6 others plus the Headteacher).

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme continued professional development led by School staff and links with a number of local training providers.

Trustees will complete a skills audit, based on National Governance Association Template, as a useful way of assessing the skills, knowledge and experience of the Governing Body. The results are used to identify training needs, when recruiting new Trustees, when reviewing the Trustees Self Evaluation Form and for succession planning.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Headteacher or Deputy Headteacher. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

the committee work that they will undertake.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governing Body, which meets on at least 3 occasions per year and the three main committees (Finance and Premises Committee, Audit and Risk Committee and Curriculum and Personnel Committee) at least 3 times per year and the Pay and Headteacher's Pay Committees which meet at least once a year, is responsible for the strategic direction of the Trust. The Governing Body reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each Member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Arrangements for setting pay and remuneration of the key management personnel

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Key Management Personnel at the School have been identified as its Senior Management Team (Headteacher, 1 Deputy Headteacher, 5 Assistant Headteachers and the Business Manager). The process for determining the pay and remuneration of the Academy's key management personnel is laid out in the School's pay policy.

Progression

Progression within the salary range for all Key Management Personnel, will be subject to the individual demonstrating a sustained high quality of performance having regard to the most recent review carried out under the performance management policy.

Senior Leadership Team

The Headteacher will be responsible for determining the starting salary, and for making pay progression recommendations, following annual performance management, for posts on the leadership pay ranges. Such decisions will be ratified by the Governing Body Pay Committee.

Headteacher

The Headteacher's Pay Committee will approve annual pay progression for the Headteacher having carried out an annual performance review, supported by an independent external advisor. When determining annual pay progression they take account of the outcome and recommendations arising from the annual review.

Trade Union Facility Time

Due to a change in staffing arrangements during the year no employees (2022: no employees) of the Trust acted as union officials on a 100% full time equivalent contract. The employees spent 0 hours of their time on union facility in the previous year. The total cost of facility time is £NIL for the previous year.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust co-operated with the following organisations during the academic year in pursuit of its charitable activities:

- Association of Secondary Headteachers in Essex
- Behaviour and Attendance Partnership
- Colne Valley Consortium
- Earls Colne Educational Trust
- Essex County Council Road Safety
- Essex Music Services
- Essex Youth Services
- Families and Schools Together
- Football Foundation
- Jack Petchey Awards Scheme
- Make Happen
- Saffron Alliance – as a strategic partner of this teaching school
- Sible Hedingham Parish Council
- St Peter's Primary School, Sible Hedingham

The Trust does not have a formal sponsor.

Objectives and Activities

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 19.

Hedingham School seeks to create a challenging and stimulating learning environment that encourages high expectations for all learners. Students are prepared for life in the 21st century through a safe, caring and supportive environment. We strive to foster positive relationships with students and staff, offering mutual respect for all members of the community.

Our School Motto is: 'Ready Respect Safe'

This Vision is driven through our school curriculum. Our aim is to ensure that the curriculum delivers the following principles:

- To provide the knowledge and skills required to be successful learners
- To create resilient and independent learners who are able to meet the challenges of the 21st century
- To prepare learners for the next step in their education
- To broaden their horizons through a rich and varied enrichment programme
- To encourage learners to be active citizens who contribute positively to the community

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

The academic year ended 31 August 2023 has been another challenging year with recovery from COVID 19 continuing. Staff continue to work incredibly hard to plug the gaps generated by the pandemic. Staff absence has continued to be higher than pre-pandemic levels making cover a constant challenge. In addition, the widely publicised recruitment and retention crisis has meant that finding and keeping the right staff is increasingly more challenging. Student safeguarding and wellbeing remains the priority and it is evident that there are more students requiring support with their mental health. The Academy has used additional funding such as School Led Tutoring and Recovery Premium to provide additional tuition in the form of interventions to further assist our students who missed out on valuable education during the pandemic. Trustees would like to acknowledge the dedication and commitment of school staff.

Key Performance Indicators

The Trustees serving on the Finance and Premises Committee and the SLT receive monthly financial information to enable them to monitor the financial performance of the Trust compared to aims, strategies and financial budgets.

Governors unanimously agreed the Key Performance Indicators as below:

- Achieve the attainment targets set for all students within the context of Covid-19 recovery
- To achieve the Key Priorities Identified within the School Development Plan

Five Year Budget Plan

Included in the Budget Plan is a five year forecast representing anticipated pupil numbers and known changes in staffing. The plan demonstrates the Trust's continued financial viability over time. The plan will be kept under review and careful financial planning monitoring will continue to ensure a balanced budget can be set in the future.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2023 the Trust received £7,016,061 of GAG and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £7,429,527 on general running costs (excluding capital expenditure and depreciation). A summary of the Trust's financial results are set out below:

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	7,214,029	63,141	1,254,297	-	8,531,467
Resources Expended	(7,353,415)	(76,112)	(118,471)		(7,547,998)
LGPS Charge				(365,000)	(365,000)
Depreciation			(246,551)		(246,551)
Employer contributions paid				308,000	308,000
Total Resources Expended	(7,353,415)	(76,112)	(365,022)	(57,000)	(7,851,549)
Assets Purchased from GAG	-		-		-
Actuarial gains	-			789,000	789,000
Surplus / (Deficit) for the year	(139,386)	(12,971)	889,275	732,000	1,468,918
Balance at 1 September 2022	387,896	57,025	12,224,506	(770,000)	11,899,427
Balance at 31 August 2023	248,510	44,054	13,113,781	(38,000)	13,368,345

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a pension fund deficit of £38,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £770,000 resulting from the application of actuarial assumptions and does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees will monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan will identify how any carry forward will be allocated in the budget plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose eg. sink fund for artificial pitch. The Trustees earmark restricted and unrestricted reserves where they feel it is appropriate.

The carry forward at 31 August 2023 is £248,510 (2022: £387,896) restricted funding (excluding pension reserve and restricted fixed asset funds) and £44,054 (2022: £57,025) unrestricted funding.

Reserves

The budget plan 2023/24 has been prepared based on current and known staffing changes which indicates that a balanced budget can be set with a small unallocated funds.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £761,310 (2022: £747,864). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the Finance and Premises Committee Business Manager reports and attempt to hold a minimum of £94,000 to cover short term cash flow variances. The level of cash has not fallen below this balance within the year.

Investment Policy

An investment policy was reviewed and approved by the Governing Body on 22nd March 2017 as part of the

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

Trust's financial regulations.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure, are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk.

The Academy has no investments at the present time.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees by the Finance and Premises Committee. The principal risks facing the Trust are outlined below; those facing the School at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Presence of other organisations with similar objects and little scope for differentiation. This risk is mitigated by having an effective marketing strategy and forward financial planning. Maximising student numbers has been a priority since incorporation.
- Change of funding policy and introduction of new education priorities by Government – This risk is mitigated as policy is monitored by the Senior Management Team and core strategy is checked for compliance. Sound forward financial planning supports this.
- Risk that budget will be in a deficit position that cannot be met by reserves. This risk is mitigated by effective budget planning and forecasting against staffing model and pupil numbers.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year in addition to minor events to raise funds for donating to charities. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Estates Management

The Trustees are mindful of the recommendations set out in the ESFA Good Estates Management Guide as a tool to assess and mitigate risks associated with the management of the Trust's estate.

Plans for Future Periods

The Trust will continue striving to improve the levels of performance of its students at all levels, and will attempt

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

to maintain its recent progress in ensuring the number of students on roll properly reflects the demand for places.

The Trustees intend to enhance and expand facilities in pursuance of the School's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

The Trust continues to seek opportunities to engage with local schools with the ultimate aim of building a family of schools of exceptional quality.

T-Level offer

This is our second year of delivering the T-Level programme in our state of the art T-Level block and we have welcomed our second cohort of T-Level students studying Digital Business Services.

New T-Level Bids

The Academy worked with Barker Associates to submit two new T-Level Bids, one for Creative & Design, the other for Hairdressing, Barbering and Beauty Therapy – unfortunately both bids were unsuccessful.

CIF Projects

The Academy is working with Academy Estate Consultants who have successfully secured two CIF bids for the academy. The first is for Urgent Roof Replacement Works (we lost a similar bid in 2022) and the second is for Site Security and Safeguarding Improvements. These bids enable the Academy to make much needed improvements that would not be possible without CIF funding.

OSF

The DFE Opening Schools Facilities programme has enabled the Academy to purchase much needed new gym equipment with a view to opening facilities to the wider community in the medium to long term.

Funds Held as Custodian Trustee on Behalf of Others

The trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where the funds have not been fully applied in the accounting period then an amount will be included as other creditors.

The Trust hold funds for the Colne Valley Consortium which includes this School and a group of local Primary Schools from the School's Catchment Area. These funds are used to provide CPD and Partnership Work for the Staff in these schools to the benefit of the students. Any funds being held at year end are carried forward into the following year. This year £15,846 (2022: £14,962) was carried forward.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2023 and signed on its behalf by:

Mr M Lee
Chair of trustees

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hedingham School and Sixth Form 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 The Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. The Board met fewer than six times during the year and is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of such sub-committees are noted below.

Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Ms S Ford	3	3
Mr A Harvison, Head Teacher and Accounting Officer	3	3
Mr M Lee, Chair of Trustees	3	3
Mr D Lee	2	3
Mrs N Barton (resigned 26 November 2022)	0	1
Mr D Batch	1	3
Mr J Carlton	2	3
Mr A Illingworth	2	3
Ms R Duffy-Wyatt (resigned 29 March 2023)	0	3
Mr R Gough	2	3
Mr R Hammond	1	3
Mr S Jarvis	2	3
Ms A Wake	3	3

Review of year

There have been some changes to the Board of Governors. Martin Lee was elected as the new Chair of the Governing Board in the Autumn Term. Nicola Barton and Rachel Duffy left the Governing Board. There were no new Governors appointed in the Academic year ended 31 August 2023.

Conflicts of interest

All Governors, Key Management Personnel and Budget Holders complete an annual Declaration of Business interest form which is carefully reviews, held on file and updated annually. All staff are required to declare any Gifts over the value of £20 and this is logged on our Gifts and Hospitality Register. There are no current conflicts of interest (2022: None).

Governance reviews

The Governing Board undertake regular training based against the competency framework.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to deal with the following matters:

- Budget setting and monitoring;
- Oversight of capital projects;
- Annual update of the Academy Finance Regulations;
- Health and Safety;
- Premises

During the year the following changes to the committee took place:

- Sarah Ford was elected Chair of the Finance and Premises Committee and Daniel Lee elected as Vice Chair.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Ford	2	3
Mr A Harvison	3	3
Mr S Jarvis	3	3
Mr D Lee	3	3
Mr M Lee	3	3
Mr A Illingworth	3	3
Ms A Wake	1	3
Mr J Carlton	1	3

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. It is responsible for keeping under review the strategic objectives of the School and to be responsible for advising the Board of Trustees through the Finance & Premises Committee in matters relating to the accounting function. They have in particular, a responsibility for internal and external audit. The Committee received three internal audit reports during the year. There were few management letter points which reflects the high level of financial compliance the School delivers. Trustees were pleased to note all management letter points were swiftly addressed and recommendations fully implemented.

During the year the following issues were dealt with by the committee:

- Regular review of Risk Management Register
- Acceptance and Review of reports from Internal and External auditors

During the year the following changes to the committee took place:

- Mr Daniel Lee was elected as Chair of the Audit and Risk Committee

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Lee	3	3
Mr M Lee	1	3
Ms S Ford	1	3
Mr A Harvison	3	3

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Seeking best value at all times in line with our Finance Regulations
- Securing invaluable CIF funding to make much needed improvement to the Academy's physical environment
- Going out to tender for a new Catering Contractor and a new Grounds Contractor and awarding new contracts.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hedingham School and Sixth Form 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to buy-in an internal audit service from Juniper Education.

This option has been chosen because Juniper Education have a breadth of experience in carrying our Internal Audits. The Governing Body can select different criteria to be evaluated each year. The offer will be presented to the Audit and Risk Committee in the Autumn Term then there will be three separate visits from the Internal Auditor.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

- Governance Framework
- Financial Governance
- Income
- Procurement
- Banking
- Payroll

On a termly basis, the Internal Auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustee's financial responsibilities. On an annual basis the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned and the following issues have arisen from the internal auditor's work:

RAG	Finding	Recommendation
High Priority	All the members of the trust are also trustees.	It was noted that there are members of staff who are members of the trust. Section 1.5 of the Academy trust handbook states that members must not be employees of the trust, nor occupy staff establishment roles on an unpaid voluntary basis. Section 1.6 of the Academy trust handbook states that there should be significant separation between individuals who are members and those who are trustees therefore majority of members should be independent of the board of trustees.

Management Response: As a standalone academy trust the ideal separation of duties is not possible – hard to secure Governors on a voluntary basis.
 Responsibility / Due Date: Sophie Hyde - complete.

RAG	Finding	Recommendation
High Priority	An up-to-date copy of the register of business interests was not provided for review, it was therefore not possible to verify that: <ul style="list-style-type: none"> • The register included all required information as stipulated in the Academy trust handbook. • The academy has a robust process in place to identify related party transactions. 	An up-to-date copy of the register of business interests should be available for inspection. Trustees should review the register of business interests to ensure compliance with sections 5.45 - 5.48 of the Academy trust handbook. Section 5.38 of the Academy trust handbook states 'The board of trustees must ensure requirements for managing related party transactions are applied across the trust.'

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Management Response: This has been rectified – we have a full and complete list of all declarations of business interest available for inspection.

Responsibility / Due Date: Sophie Hyde - complete.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;
- correspondence from ESFA

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. No significant control issues were identified. Any points raised have been addressed.

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on their behalf by:

Mr M Lee
Chair of Trustees

Mr A Harvison
Accounting Officer

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hedingham School and Sixth Form I have considered my responsibility to notify the Governing Body and the Education & 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the 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 Academy 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 Governing Body and ESFA.

Mr A Harvison
Accounting Officer
Date: 12 December 2023

HEDINGHAM SCHOOL AND SIXTH FORM
(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 the Trustees on 12 December 2023 and signed on its behalf by:

Mr M Lee
Chair of Trustees

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HEDINGHAM SCHOOL AND SIXTH FORM**

Opinion

We have audited the financial statements of Hedingham School and Sixth Form (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.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HEDINGHAM SCHOOL AND SIXTH FORM (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company 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.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HEDINGHAM SCHOOL AND SIXTH FORM (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed the Internal Scrutiny Reports.

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

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

Use of our Report

This report is made solely to the Academy'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.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HEDINGHAM SCHOOL AND SIXTH FORM (CONTINUED)**

Suzanne Goldsmith (senior statutory auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

19 December 2023

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 20 September 2023 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 Hedingham School and Sixth Form 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 Hedingham School and Sixth Form and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hedingham School and Sixth Form 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 Hedingham School and Sixth Form and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hedingham School and Sixth Form's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Hedingham School and Sixth Form's funding agreement with the Secretary of State for Education dated 31 December 2012 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 to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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.

Reporting Accountant
Price Bailey LLP
Chartered Accountants

Date: 19 December 2023

HEDINGHAM SCHOOL AND SIXTH FORM
(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	-	179,583	1,254,297	1,433,880	622,393
Other trading activities	5	49,454	18,385	-	67,839	76,630
Investments	6	109	-	-	109	113
Charitable activities	4	13,578	7,016,061	-	7,029,639	6,740,787
Total income		<u>63,141</u>	<u>7,214,029</u>	<u>1,254,297</u>	<u>8,531,467</u>	<u>7,439,923</u>
Expenditure on:						
Charitable activities	7	76,112	7,410,415	365,022	7,851,549	7,448,357
Total expenditure		<u>76,112</u>	<u>7,410,415</u>	<u>365,022</u>	<u>7,851,549</u>	<u>7,448,357</u>
Net movement in funds before other recognised gains/(losses)		(12,971)	(196,386)	889,275	679,918	(8,434)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	24	-	789,000	-	789,000	3,942,000
Net movement in funds		<u>(12,971)</u>	<u>592,614</u>	<u>889,275</u>	<u>1,468,918</u>	<u>3,933,566</u>
Reconciliation of funds:						
Total funds brought forward		57,025	(382,104)	12,224,506	11,899,427	7,965,861
Net movement in funds		(12,971)	592,614	889,275	1,468,918	3,933,566
Total funds carried forward		<u>44,054</u>	<u>210,510</u>	<u>13,113,781</u>	<u>13,368,345</u>	<u>11,899,427</u>

The notes on pages 26 to 52 form part of these financial statements.

HEDINGHAM SCHOOL AND SIXTH FORM

(A company limited by guarantee)

REGISTERED NUMBER: 08330173

**BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	11,909,224	12,155,775
		11,909,224	12,155,775
Current assets			
Debtors	14	1,131,306	260,240
Cash at bank and in hand		761,310	747,864
		1,892,616	1,008,104
Creditors: amounts falling due within one year	15	(395,495)	(494,452)
		1,497,121	513,652
Net current assets			513,652
Total assets less current liabilities		13,406,345	12,669,427
Defined benefit pension scheme liability	24	(38,000)	(770,000)
Total net assets		13,368,345	11,899,427
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	13,113,781	12,224,506
Restricted income funds	16	248,510	387,896
		13,362,291	12,612,402
Restricted funds excluding pension asset	16	13,362,291	12,612,402
Pension reserve	16	(38,000)	(770,000)
		13,324,291	11,842,402
Total restricted funds			11,842,402
Unrestricted income funds		44,054	57,025
Total funds		13,368,345	11,899,427

The financial statements on pages 23 to 52 were approved by the Trustees, and authorised for issue on 12 December 2023 and are signed on their behalf, by:

Mr M Lee
Chair of Trustees

The notes on pages 26 to 52 form part of these financial statements.

HEDINGHAM SCHOOL AND SIXTH FORM
(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	18	309,694	761,916
Cash flows from investing activities	20	109	(712,915)
Cash flows from financing activities	19	(296,357)	(24,501)
Change in cash and cash equivalents in the year		13,446	24,500
Cash and cash equivalents at the beginning of the year		747,864	723,364
Cash and cash equivalents at the end of the year	21, 22	<u>761,310</u>	<u>747,864</u>

The notes on pages 26 to 52 form part of these financial statements

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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.

The Academy derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

1.3 Company status

The Academy is a company limited by guarantee. Those Members who are Trustees are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member.

1.4 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Income (continued)

amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other income**

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

1.5 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

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

1.7 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.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

The estimated useful lives are as follows:

Long-term leasehold property	- 50 - 125 years straight line
Furniture and equipment	- 5 - 20 years straight line
Plant and machinery	- 20 years straight line
Assets under construction	- Not depreciated until in use

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

1. Accounting policies (continued)

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 14. 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 note 15. 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 Pensions

The Academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy to the fund in respect of the year.

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.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 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.

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

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

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

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	179,583	-	179,583	22,233
Capital grants	-	1,254,297	1,254,297	600,160
Total 2023	<u>179,583</u>	<u>1,254,297</u>	<u>1,433,880</u>	<u>622,393</u>
Total 2022	<u>22,233</u>	<u>600,160</u>	<u>622,393</u>	

In 2022, income from donations was £22,233, all of which was restricted.

In 2022, capital grants of £600,160 were all in relation to restricted fixed assets.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,290,299	6,290,299	6,177,693
Other DfE/ESFA grants				
Other DfE / EFA grants	-	374,801	374,801	178,604
Teachers Pension Grant	-	36,654	36,654	37,322
Pupil Premium	-	165,633	165,633	155,308
Teachers Pay Grant	-	10	10	13,209
	-	6,867,397	6,867,397	6,562,136
Other Government grants				
Local Authority Grants	-	148,664	148,664	133,861
	-	148,664	148,664	133,861
Catering Income	13,578	-	13,578	30,148
COVID-19 additional funding (DfE/ESFA)				
Pupil Premium COVID 19 Catch Up	-	-	-	(30)
COVID 19 Mass Testing	-	-	-	14,672
	-	-	-	14,642
	13,578	7,016,061	7,029,639	6,740,787
	13,578	7,016,061	7,029,639	6,740,787
Total 2022	30,148	6,710,639	6,740,787	

In 2022, income from DfE/ESFA grants was £6,576,778 all of which was restricted.

In 2022, income from other Government grants was £133,861 of which was restricted.

In 2022, income from catering was £30,148 all of which was unrestricted.

Covid-19 funding received during the year amounted to £Nil (2022: £14,642). The amount of COVID-19 unspent funds carried forwards at the year end was £Nil (2022: £Nil).

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	-	18,385	18,385	24,527
Rental income	79	-	79	515
Staff Training Refund	150	-	150	4,140
Supply Reimbursements	3,120	-	3,120	2,641
Private Fund Income	34,669	-	34,669	32,963
Other Sales Income	6,906	-	6,906	7,624
Exam fee Income	314	-	314	931
Reprographic Income	4,216	-	4,216	3,289
Total 2023	<u>49,454</u>	<u>18,385</u>	<u>67,839</u>	<u>76,630</u>
Total 2022	<u>52,103</u>	<u>24,527</u>	<u>76,630</u>	

In 2022, income from the hire of facilities was £24,527 all of which was restricted.

In 2022, rental income was £515, all of which was unrestricted.

In 2022, other income was £51,588 all of which was unrestricted.

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank Interest	109	109	113
Total 2022	<u>113</u>	<u>113</u>	

In 2022, all investment income was in relation to unrestricted funds.

HEDINGHAM SCHOOL AND SIXTH FORM
(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 £
Direct costs	4,749,852	3,586	547,245	5,300,683	4,938,331
Support costs	1,491,593	456,646	602,627	2,550,866	2,510,026
Total 2023	<u>6,241,445</u>	<u>460,232</u>	<u>1,149,872</u>	<u>7,851,549</u>	<u>7,448,357</u>
Total 2022	<u>6,024,296</u>	<u>545,157</u>	<u>878,904</u>	<u>7,448,357</u>	

In 2022, of total expenditure, £71,347 related to unrestricted funds, £7,037,789 related to restricted funds and £339,221 related to restricted fixed asset funds.

8. Charitable Activities

	2023 £	2022 £
Analysis of support costs		
Support staff costs	1,491,593	1,503,702
Depreciation	246,551	242,334
Technology costs	22,756	25,242
Premesis costs	244,385	298,312
Other support costs	455,887	375,100
Governance costs	18,030	11,805
Legal costs	71,664	53,531
	<u>2,550,866</u>	<u>2,510,026</u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	246,551	242,334
Auditors' remuneration - audit	9,520	7,725
Auditors' remuneration - non-audit	5,700	4,950
Operating lease rentals	33,458	32,045
	33,458	32,045

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	4,645,284	4,246,377
Social security costs	454,399	416,235
Pension costs	1,097,156	1,299,835
	6,196,839	5,962,447
Supply teachers costs	22,276	18,814
Agency Supply Teachers	22,330	43,035
	6,241,445	6,024,296

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	2,465	-
	2,465	-

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

10. Staff (continued)

b. Severance payments

The Academy paid 1 severance payments in the year (2022 - -), disclosed in the following bands:

	2023 £	2022 £
£0 - £25,000	1	-

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £2,465 (2022: £Nil).

d. Staff numbers

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

	2023 No.	2022 No.
Teachers	76	74
Administration and Support	99	95
Management	5	5
	<u>180</u>	<u>174</u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

10. Staff (continued)

e. Higher paid staff

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

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

f. 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 £944,948 (2022: £686,472).

Included in the above are employer pension contributions of £166,092 (2022: £120,150) and employers national insurance contributions of £83,372 (2022: £60,961).

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2023	2022
	£	£
Mr A Harvison, Head Teacher and Accounting Officer	110,000 -	100,000 -
	115,000	105,000
	25,000 -	20,000 -
	30,000	25,000
Mr S Jarvis	35,000 -	30,000 -
	40,000	35,000
	5,000 -	5,000 -
	10,000	10,000
Mr D Batch	50,000 -	50,000 -
	55,000	55,000
	10,000 -	10,000 -
	15,000	15,000
Mr A Illingworth	45,000 -	40,000 -
	50,000	45,000
	10,000 -	10,000 -
	15,000	15,000

During the year ended 31 August 2023, no expenses were reimbursed or paid to any Trustees (2022 - £Nil).

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 for the year ended 31 August 2023 was included in the total insurance cost.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

13. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Total £
Cost or valuation					
At 1 September 2022	13,351,346	633,837	505,985	266,589	14,757,757
Transfers between classes	633,837	(633,837)	-	-	-
At 31 August 2023	<u>13,985,183</u>	<u>-</u>	<u>505,985</u>	<u>266,589</u>	<u>14,757,757</u>
Depreciation					
At 1 September 2022	2,045,254	-	396,715	160,013	2,601,982
Charge for the year	212,261	-	20,019	14,271	246,551
At 31 August 2023	<u>2,257,515</u>	<u>-</u>	<u>416,734</u>	<u>174,284</u>	<u>2,848,533</u>
Net book value					
At 31 August 2023	<u><u>11,727,668</u></u>	<u><u>-</u></u>	<u><u>89,251</u></u>	<u><u>92,305</u></u>	<u><u>11,909,224</u></u>
At 31 August 2022	<u><u>11,306,092</u></u>	<u><u>633,837</u></u>	<u><u>109,270</u></u>	<u><u>106,576</u></u>	<u><u>12,155,775</u></u>

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	17,133	16,302
VAT recoverable	7,425	71,711
Prepayments and accrued income	1,106,748	172,227
	<u>1,131,306</u>	<u>260,240</u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,362	154,368
Other taxation and social security	104,070	65,782
Other creditors	130,953	123,553
Accruals and deferred income	159,110	150,749
	395,495	494,452
	395,495	494,452
	2023 £	2022 £
Deferred income		
Deferred income at 1 September 2022	108,869	1,350
Resources deferred during the year	66,893	108,869
Amounts released from previous periods	(108,869)	(1,350)
	66,893	108,869
	66,893	108,869

Resources deferred at the period end relate to contributions from parents for future educational trips.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

16. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
General Funds - all funds	57,025	63,141	(76,112)	-	44,054
Restricted general funds					
General Annual Grant (GAG)	181,862	6,290,299	(6,439,069)	-	33,092
Other Government grants	-	22,191	(22,191)	-	-
Restricted ATP sink fund	141,054	18,385	(3,930)	-	155,509
Restricted donations	-	179,583	(179,583)	-	-
Other DfE/ESFA grants	-	374,801	(374,801)	-	-
Homes for Ukraine Grant	-	24,076	(1,470)	-	22,606
Teachers' Pay Grant	-	10	(10)	-	-
Pupil Premium ESFA	46,175	165,633	(174,505)	-	37,303
Teachers' Pension Grant	-	36,654	(36,654)	-	-
SEND Funding via Local Authority	18,805	102,397	(121,202)	-	-
Pension reserve	(770,000)	-	(57,000)	789,000	(38,000)
	<u>(382,104)</u>	<u>7,214,029</u>	<u>(7,410,415)</u>	<u>789,000</u>	<u>210,510</u>
Restricted fixed asset funds					
Restricted fixed asset fund	12,155,775	-	(246,551)	-	11,909,224
Devolved Formula Capital	24,500	70,990	(18,005)	-	77,485
Condition Improvement Funding	28,498	1,127,072	(28,498)	-	1,127,072
Other Capital Grants	15,733	56,235	(71,968)	-	-
	<u>12,224,506</u>	<u>1,254,297</u>	<u>(365,022)</u>	<u>-</u>	<u>13,113,781</u>
Total Restricted funds	<u>11,842,402</u>	<u>8,468,326</u>	<u>(7,775,437)</u>	<u>789,000</u>	<u>13,324,291</u>
Total funds	<u><u>11,899,427</u></u>	<u><u>8,531,467</u></u>	<u><u>(7,851,549)</u></u>	<u><u>789,000</u></u>	<u><u>13,368,345</u></u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

16. Statement of funds (continued)

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

Unrestricted funds

This represents income received which may be used towards meeting any of the charitable objects of the Academy.

Restricted donations

This fund largely represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

Other Government grants

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the School. These grants are generally restrictive in nature.

Other DfE/ESFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Restricted ATP sink fund

This represents the value of a sinking fund that the Academy has an obligation to build up under the agreement for funding in preparation for replacing the all weather pitch.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred on conversion from a state controlled school.

Restricted fixed asset fund

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

Devolved Formula Capital grant

This represents funding received from the ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

Conditional Improvement funding

This represents funding for specific projects applied for under the ESFA Condition Improvement Fund.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Teachers Pay

The teachers' pay grant (TPG) provides funding for schools to support teachers' pay awards.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

16. Statement of funds (continued)

Teachers Pension

Funding for schools to support the increase in the employer contribution to the Teachers' Pension Scheme that came into effect on 1 September 2019.

Pupil Premium

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

SEND

Local authority funds to help meet the costs of additional support for the school's pupils with special educational needs

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.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

16. 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						
Unrestricted funds	199,109	82,364	(71,347)	(153,101)	-	57,025
Restricted funds						
General Annual Grant (GAG)	39,155	6,177,693	(6,034,986)	-	-	181,862
Restricted ATP sink fund	119,742	24,527	(3,215)	-	-	141,054
Restricted donations	-	22,233	(22,233)	-	-	-
Other DfE/ESFA grants	22,180	193,276	(215,456)	-	-	-
Teachers' Pay Grant	-	13,209	(13,209)	-	-	-
Pupil Premium ESFA	-	155,308	(109,133)	-	-	46,175
Teachers' Pension Grant	-	37,322	(37,322)	-	-	-
Pupil Premium COVID 19 Catch up	75,209	(30)	(75,179)	-	-	-
Other Government Grants	-	6,475	(6,475)	-	-	-
SEND Funding via Local Authority	-	127,386	(108,581)	-	-	18,805
Pension reserve	(4,300,000)	-	(412,000)	-	3,942,000	(770,000)
	<u>(4,043,714)</u>	<u>6,757,399</u>	<u>(7,037,789)</u>	<u>-</u>	<u>3,942,000</u>	<u>(382,104)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	11,685,081	-	(242,334)	713,028	-	12,155,775

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

16. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Devolved Formula Capital	-	24,500	-	-	-	24,500
Condition Improvement Funding	125,385	-	(96,887)	-	-	28,498
Other Capital Grants	-	575,660	-	(559,927)	-	15,733
	<u>11,810,466</u>	<u>600,160</u>	<u>(339,221)</u>	<u>153,101</u>	<u>-</u>	<u>12,224,506</u>
Total Restricted funds	<u>7,766,752</u>	<u>7,357,559</u>	<u>(7,377,010)</u>	<u>153,101</u>	<u>3,942,000</u>	<u>11,842,402</u>
Total funds	<u><u>7,965,861</u></u>	<u><u>7,439,923</u></u>	<u><u>(7,448,357)</u></u>	<u><u>-</u></u>	<u><u>3,942,000</u></u>	<u><u>11,899,427</u></u>

17. 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 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	11,909,224	-	11,909,224
Current assets	44,054	629,005	1,219,557	-	1,892,616
Creditors due within one year	-	(380,495)	(15,000)	-	(395,495)
Provisions for liabilities and charges	-	(38,000)	-	-	(38,000)
Total	<u><u>44,054</u></u>	<u><u>210,510</u></u>	<u><u>13,113,781</u></u>	<u><u>-</u></u>	<u><u>13,368,345</u></u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

17. 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	-	-	12,155,775	12,155,775
Current assets	57,025	871,320	79,759	1,008,104
Creditors due within one year	-	(483,424)	(11,028)	(494,452)
Provisions for liabilities and charges	-	(770,000)	-	(770,000)
Total	<u>57,025</u>	<u>(382,104)</u>	<u>12,224,506</u>	<u>11,899,427</u>

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per statement of financial activities)	679,918	(8,434)
Adjustments for:		
Depreciation charges	246,551	242,334
Capital grants from DfE and other capital income	296,357	24,500
Interest	(109)	(113)
(Increase) in debtors	(871,066)	(17,763)
(Decrease)/Increase in creditors	(98,957)	109,392
Pension adjustments	57,000	412,000
Net cash provided by operating activities	<u>309,694</u>	<u>761,916</u>

19. Cash flows from financing activities

	2023 £	2022 £
Capital grants received from DfE	(296,357)	(24,501)
Net cash used in financing activities	<u>(296,357)</u>	<u>(24,501)</u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

20. Cash flows from investing activities

	2023 £	2022 £
Interest received	109	113
Purchase of tangible assets	-	(713,028)
Net cash provided by/(used in) investing activities	109	(712,915)

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	761,310	747,864
Total cash and cash equivalents	761,310	747,864

22. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	747,864	13,446	761,310
	747,864	13,446	761,310

23. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Site security and safeguarding	29,945	-
	29,945	-

24. 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 Essex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

24. Pension commitments (continued)

Contributions amounting to £115,107 were payable to the schemes at 31 August 2023 (2022 - £108,591) and are included within creditors.

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £750,586 (2022 - £691,845).

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

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

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £382,000 (2022 - £334,000), of which employer's contributions totalled £308,000 (2022 - £269,000) and employees' contributions totalled £ 74,000 (2022 - £65,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

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	20.7	21.0
Females	23.2	23.5
Retiring in 20 years		
Males	22.0	22.3
Females	24.6	24.9

As at 31 August 2023 the Academy had a pension liability of £38,000 (2022: £770,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

24. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(88)	(116)
Discount rate -0.1%	90	118
Mortality assumption - 1 year increase	155	160
Mortality assumption - 1 year decrease	(150)	(155)
CPI rate +0.1%	86	108
CPI rate -0.1%	(84)	(106)
	<u> </u>	<u> </u>

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	2,959,000	2,539,000
Gilts	65,000	87,000
Corporate bonds	-	200,000
Property	398,000	427,000
Cash and other liquid assets	149,000	135,000
Alternative assets	805,000	676,000
Other managed funds	709,000	449,000
	<u> </u>	<u> </u>
Total market value of assets	<u>5,085,000</u>	<u>4,513,000</u>

The actual return on scheme assets was £99,000 (2022 - £62,000).

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

	2023 £	2022 £
Current service cost	336,000	611,000
Interest income	198,000	72,000
Interest cost	(224,000)	(140,000)
Administrative expenses	(3,000)	(2,000)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	<u>307,000</u>	<u>541,000</u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

24. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	5,283,000	8,471,000
Interest cost	224,000	140,000
Employee contributions	74,000	65,000
Actuarial gains	(690,000)	(4,004,000)
Benefits paid	(104,000)	-
Current service cost	336,000	611,000
At 31 August	<u>5,123,000</u>	<u>5,283,000</u>

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

	2023 £	2022 £
At 1 September	4,513,000	4,171,000
Interest income	198,000	72,000
Actuarial gains/(losses)	99,000	(62,000)
Employer contributions	308,000	269,000
Employee contributions	74,000	65,000
Benefits paid	(104,000)	-
Administrative expenditure	(3,000)	(2,000)
At 31 August	<u>5,085,000</u>	<u>4,513,000</u>

25. 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 £
Within 1 year	53,080	39,509
Between 1 and 5 years	112,821	30,222
	<u>165,901</u>	<u>69,731</u>

HEDINGHAM SCHOOL AND SIXTH FORM
(A company limited by guarantee)

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

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustee 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 11 (2022: None).

28. Agency arrangements

The Academy holds funds as an agent for the Colne Valley Consortium. In the accounting period ending 31 August 2023, the Academy received £3,000 (2022: £2,750) and disbursed £2,116 (2022: £1,950) from the fund. An amount of £15,846 (2022: £14,962) is included in other creditors relating to undistributed funds repayable to the Colne Valley Consortium.

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the Academy trust received £18,512 and disbursed £18,512 from the fund. An amount of £Nil (2022: £Nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.