

Harpenden Secondary Education Trust
(Katherine Warrington School)
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 August 2022

Harpenden Secondary Education Trust

Trustees' Report (continued)

Reference and Administrative Details

Members 1.9.21 to 31.8.22

Individual member

Chair of Trust Board - Jennifer Howarth

Corporate Members

Sir John Lawes School (Scholars Education Trust)

Roundwood Park School Academy Trust

St George's (Harpenden) Academy Trust

University of Hertfordshire

Rothamsted Education Limited

Trustees 1.9.21 to 31.8.22

Gerry Brady (from 20.6.22)

John Bohun Burt (resigned 29.7.22)

Dani Cook (from 10.5.22)

Ian Grimes (resigned 12.1.22)

Julia Higgins (resigned 12.11.21)

Jennifer Howarth

Simon Laing (from 7.9.21)

Suzy Lawrence (from 7.1.22)

Dimple Mistry (resigned 20.3.22)

Heena Parkar (from 8.12.21; resigned 19.4.22)

Helen Parkinson (resigned 14.11.21)

Tony Smith

Neal Tobin

Sonia Wall (from 1.9.21)

Jamie Washburn (from 10.5.22)

Donna Witter

Alex Vickers

Charlotte Zacharia

Senior Management Team:

- Headteacher - Mr Tony Smith
- Deputy Headteacher - Mr David Martin
- Assistant Headteacher - Mrs Grace Aikman
- Assistant Headteacher - Mrs Zoe Coomber
- Assistant Headteacher - Mr Chris Laing
- Assistant Headteacher - Mr Gareth Livesey-Jones
- School Business Manager - Mr Dean Inns

Company Name

Harpenden Secondary Education Trust

Principal and Registered Office

Katherine Warington School
Harpenden
Herts
AL5 5FH

Company Registration Number

09238779 (England and Wales)

Independent Auditor

Moore Kingston Smith LLP
4 Victoria Square
St Albans,
Herts

Bankers

Barclays PLC
11 Bank Court
Hemel Hempstead
Herts.

Solicitors

Stone King LLP
13 Queen Square
Bath

Harpenden Secondary Education Trust

Trustees' Report (continued)

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in North Hertfordshire. It has a pupil capacity of 1150 although during the 2021/2022 financial year had a roll of 540 Year 7, 8 and 9 Pupils.

The school will grow by 180 students each year. However, due to a shortage of places in the local area we took an additional form of 30 students meaning 210 students joined the school in September 2022 in Year 7. At the time of the school census in October 2021 the roll was 538. The forecasted roll for the 2022/23 academic year is 750 and we currently have 750 students on roll as of the October 2022 Census.

Structure, Governance and Management Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Harpenden Secondary Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Katherine Warrington School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with the Companies Act 2006 S236, the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School and Trust business. The Risk Protection Arrangement provides cover up to £10,000,000 on any one claim.

Recruitment and Appointment of Trustees

Up to 10 trustees are nominated by the Members, 2 are nominated by parents, one by staff, one can be co-opted by trustees and the Headteacher is automatically a trustee. The articles of association require that there are at least 3 trustees, but there is no maximum number. We have appointed 7 trustees this year to replace the 6 who resigned due to the end of their tenure or changes in personal circumstances and to fill a further vacancy. All positions were advertised - all were elected by the Members. We seek to appoint trustees with relevant background or experience to complement the existing trustee qualifications. An annual trustee skills audit helps to identify our recruitment needs.

With the exception of the Head Teacher, trustees are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term in accordance with the articles of association. The time limit does not apply to the Head Teacher.

Policies and Procedures Adopted for the Induction and Training of Trustees

There is a full induction and training programme for new trustees supported by the Governance professional and Office manager. Ongoing training is mandatory for all trustees and those undertaking specific roles undertake further appropriate subject training. All trustees undertake mandatory safeguarding training every year.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Organisational Structure

The trustees are responsible for the overall management and control of the Harpenden Secondary Education Trust and meet six times a year as a full Trust Board. Each trustee is then allocated to either the Education committee or the Resources committee. Some (such as the Chair of trustees and the Headteacher will alternate between committees or attend both where possible). Both the Education and Resources Committees comprise a minimum of 5 trustees. There is also a Remuneration Committee - this committee will comprise at least 3 trustees, the Chair of trustees, a minimum of one trustee representative from the Resources Committee and at least one other trustee. Staff trustees may not join the Remuneration Committee.

The work of reviewing and monitoring most policies is delegated to individual members of the Education and the Resources Committees. Both these committees meet twice per term. The Remuneration Committee meets once per year in the Autumn term. Committee Chairs are elected at the first committee meeting of the academic year. Terms of reference for all committees are approved annually at the first Full Trust Board meeting of the academic year. The Harpenden Secondary Education Trust Governance Professional is responsible for coordinating the work of the trustees and their Committees, preparation of agendas and papers and review of matters arising. The Chief Financial Officer is responsible for the preparation of accounts.

The core functions of the Trust Board fall into three main areas: overseeing the financial performance of the school and making sure its money is well spent; holding the headteacher to account for the educational performance of the school and its pupils, and; ensuring clarity of vision, ethos and strategic direction.

The day-to-day running of the School is delegated to the Headteacher, supported by the Senior Leadership Team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The day-to-day administration is undertaken within the policies and procedures approved by the trustees which provide for only significant expenditure decisions and major capital projects to be referred to the trustees for prior approval.

The Headteacher oversees the recruitment of all school staff. The Headteacher is automatically a trustee/ Principal Accounting Officer and attends all meetings where possible. Members of the Senior Leadership Team are invited to attend meetings as appropriate.

All trustees give their time freely and no remuneration or expenses were paid in the year in respect of their work as a Trustee.

Arrangements for setting pay and remuneration of key management personnel

Teachers pay is set against the nationally negotiated Leadership Scale inclusive of Outer London Fringe. Support staff pay is set against the National Joint Council pay grades.

Pay grades are determined by the Remuneration Committee who also set the Headteacher remuneration using guidance of the STRB, based on size and success of the Academy as well as additional duties undertaken. Headteacher pay is ratified by the Chair of trustees on behalf of the Trust Board.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering the period starting from 1 April each year and as follows:

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of Time spent on facility time

Percentage of Time	Number of Employees
0%	0
1-50%	0
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£2,504,674
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Related Parties and other Connected Charities and Organisations

The Headteachers of the three existing secondary schools **represent three members of Harpenden Secondary Education Trust** alongside Rothamsted Research and Hertfordshire University.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Objectives and Activities

The objectives of the academy trust were to successfully open and populate a new secondary school in Harpenden, meeting the outstanding educational expectations of the community. The school was established through the educational partnership of Harpenden's three other secondary schools. The aim of the school is to provide an excellent education, comparable with the existing three schools for students in the local community.

All four secondary schools are now oversubscribed. As the first new secondary school in Harpenden for 50 years, we offer traditional academic values with an innovative approach.

Our core purpose is learning. Our plan is designed to focus on learning outcomes for our students and by doing so, enhance the life chances of all of the young people in our community and allow them to achieve economic wellbeing and take their place in society as active, global citizens.

Academic excellence is of prime importance but it is not the measure of a human being's worth. Our school allows students to achieve because they learn in a happy, friendly community where the contributions of all staff and students are valued.

Our vision for KWS enshrines our values: Knowledge, Wellbeing, Success.

Knowledge – built through our robust and diverse curriculum. Students develop a thirst for knowledge through inspirational teaching and, as their school career progresses, they are afforded more and more personalised opportunities to apply knowledge and develop life skills.

Wellbeing – students and staff value the importance of looking after their own and others wellbeing and health. Through participation, collaboration and a focus on kindness and integrity, our school community is ready to face the challenges of a developing world.

Success – students and staff believe nothing is impossible if it will improve learners' life chances. They are supported to fulfil their potential, realise their personal ambitions, and have the confidence and resilience to meet their challenges.

Curriculum- Inspiring, Evidence Informed and Knowledge Based

Within the framework of the national curriculum our school delivers an inclusive and personalised school curriculum that is designed around each student. In Key Stage 3 Year 8 students select up to 10 GCSE subjects to study through Years 9,10 and 11 (Key Stage 4) with an additional option point in Year 9 for final GCSE selection. Our school provides an exciting, dynamic, and inspiring environment that utilises the latest technology and augmented reality to drive teaching and learning. The school environment fosters a collaborative and caring community of learners who are proud of their school and are aware of the pride their school has in them. The principles that underpin our evidence based approach to learning are: Rosenshine's Principles of Instruction, Willingham's Principles of the Mind and Caviglioli summary of Cognitive Load Theory.

Objects and Aims -

Katherine Warrington School is a modern school with traditional core values.

Central to our vision for the school is the shared belief that young people have the right to a transformational educational experience that will enable them to fulfil their potential and realise their ambitions. Our school has begun to establish a culture that fosters and rewards success and engenders a shared belief amongst all members of the school community that nothing is impossible if it will improve learners' life chances. We aim to provide the highest quality teaching and learning to meet the needs and expectations of Harpenden and the surrounding community.

Harpenden Secondary Education Trust

Trustees' Report (continued)

We intend for our students to be fully fledged members and leaders of our democratic society – ready, when they leave us as adults, to make their mark on the world.

The ethos of our school focuses on enabling every student to make outstanding progress whatever their starting point and will be achieved by:

- a relentless focus on improving standards of teaching and learning;
- an innovative and flexible curriculum which enables learners to follow individualised pathways, stretching the most able and also providing more appropriate opportunities (such as work-related learning and college placements) for those who prefer a more vocational route;
- developing a strong student voice so that learners are involved in the transformational process;
- developing the inclusion agenda by providing high quality provision for learners who struggle to access a mainstream curriculum and stretch and challenge the most able;
- a high quality and creative programme of CPD for staff which will improve learner experience and also contribute to staff recruitment and retention;
- creating a staffing structure that allows senior leaders to focus their time on strategic issues;
- drawing on the expertise of the proposers to support the new school as it grows and to broaden the opportunities available to all students in the early years of the school;
- working in partnership with all members of the local community, both educational and wider;
- embed and embody the principles of the Prevent strategy, teaching tolerance, respect for others and responding unequivocally to the ideological challenge of terrorism and addressing any areas of risk of radicalisation.

Objectives, Strategies and Activities

Katherine Warrington School defines success using the standards and targets described below. Key Performance Indicators in governance and finance using the guidance provided by the self-evaluation framework published by the Education Funding Agency (EFA). We will also consider success measures such as:

- High-quality relationships between staff, students and families
- Ability to recruit high-quality staff (as the school grows to full capacity) and replacements for leavers
- High numbers of referrals and staff applications
- Low exclusion and persistent absence rates
- High levels of staff/ student/ parent satisfaction
- The levels and outcomes of investment in the CPD of staff (teaching and support) and Governing Body
- The size and continuing efficacy of our community network and levels of community involvement

Self-evaluation involves collecting, analysing and interpreting a wide range of evidence through such activities as data analysis, sampling of students' work, lesson observations, learning walks, interviews and surveys. This allows the identification of development priorities.

The school listens and responds to the views of its stakeholders. Evaluation focuses strongly on the impact of the school's actions on learners, families, staff and the local community. We also measure contributory factors to achievement including attendance and punctuality as well as other pastoral indicators such as behaviour measures (e.g. detentions and exclusion rates) as intermediate outcomes.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Strategic objectives

- To realise the vision of Katherine Warington School as a new outstanding school for Harpenden and Hertfordshire.
- To provide a highly aspirational learning-led environment from the outset, delivering an outstanding education to all students. With this all-encompassing vision, monitoring identifiable sections of the student community such as higher achieving pupil premium recipients to ensure all are stretched and challenged.
- To promote innovative learning where all staff will also be learners.
- To promote an enviable programme of enrichment opportunities for all students.
- To create an environment of belonging and succeeding for every student, where those with specific learning needs (of all abilities and disabilities) will be fully supported, stretched and challenged in class, through one to one and small group learning, depending upon their individual requirements.
- To embed continuous assessment for learning, at the heart of securing outstanding student progress. To inform this, baseline assessment will guide the starting points but we will also seek to identify previously depressed progress so that targets set may be higher than KS2 starting points if students have underachieved for various reasons to date.
- To use restorative approaches to secure outstanding behaviour for learning, courtesy and integrity amongst the students.
- To participate in a robust and resilient network of excellent critical friends to support KWS learning targets.
- To create a pastoral approach based on a strong year group identity, recognising and celebrating effort and personal development.
- To have a positive impact on the local community, fully using the school's resources for the benefit of the local community.

Public Benefit

Harpenden Secondary Education Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims.

The Academy Trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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

Strategic Report

Achievements and Performance

Our primary goals have been the successful completion of the main school building, occupancy of it with a full body of appropriately skilled staff and a full body of students. This has been achieved. We are now in our third year of occupying our main building (fourth year of the school) with four year groups, totalling 750 students.

Key Performance Indicators

We met all expectations regarding education standards and safeguarding, opening the school in the University of Hertfordshire Law Court Building for a two week induction period before moving the school to the Sports Centre on the allocated site. The Sports Centre had been repurposed with classrooms. The school ran effectively and efficiently until March 2020 when lockdown occurred.

Harpenden Secondary Education Trust Trustees' Report (continued)

The school received an exemplary report from the Education Advisor inspection carried out post opening. Subsequent visits by our School Effectiveness Advisor in our second, third and fourth years have resulted in further complimentary reports.

Other performance indicators include:

- High quality relationships between staff, students and families
- Ability to recruit high quality staff (as the school grows to full capacity) and replacements for leavers
- High numbers of referrals and staff applications
- Low exclusion and persistent absence rates
- High levels of staff/student/parent satisfaction
- The levels and outcomes of investment in the CPD of staff (teaching and support) and Governing Body
- The size and continuing efficacy of our community network and levels of community involvement

Evidence to support the achievement of these goals has been presented to trustees.

In line with our vision for the school, the Trust's initial proposed key outcomes are as follows:

- the school ranks amongst the highest performing schools in Hertfordshire and nationally in terms of attainment, progress and attendance;
- create a culture of praise, recognition and reward using student and staff voice in line with our ethos and values;
- no students are permanently excluded from school;
- establish a system of KS3 assessment to measure and ensure good progress is made in KS3 and set up and deliver quality education at KS4.
- all students develop a sense of physical, social, spiritual, cultural and emotional well-being;
- all students leave the school ready to move to the next stage of education, employment or training;
- the school is fully subscribed and on timeline regarding building and opening of the completed school;
- parents demonstrate a high degree of satisfaction with the school as judged by parental feedback and formal surveys;
- the school has a positive impact on the community as monitored by feedback and surveys;
- the school is judged outstanding by Ofsted and other external review;
- the school has a sustainable budget and is providing good value for money.

In addition, student and staff attendance is monitored as is rewards and sanctions, staff performance management and its impact, SEND progress and impact, use of Pupil Premium, CLA, destination post-16, quality of teaching assessments, departmental and whole school budget management.

The Headteacher is responsible for overseeing school improvement and performance, with the support of the leadership team and Trust. The Headteacher, in conjunction with the Trust, completed the School Evaluation Form and has created a robust School Development Plan. The Trust reviews and provides formal input before it is agreed. The trustees then provide challenge at a detailed level during their monitoring visits, where they focus on key areas from the School Development Plan to find evidence to back up what is being reported by the school and report back to the Trust on its impact.

The responsibility for safeguarding sits with the Trust. However, the work is delegated to the Headteacher. This does not remove the responsibility of the trustees. The Trust Board appoints a link trustee with the specific responsibility for safeguarding. They will work with the school to ensure the safeguarding responsibilities are fulfilled. This includes ensuring the appropriate training is taking

Harpenden Secondary Education Trust

Trustees' Report (continued)

place for all staff, trustees, visitors and volunteers e.g. safeguarding training (appropriate level for role), Prevent, safer recruitment.

The trustees will also be responsible for ensuring the Single Central Register is up to date. The work will be done in school, but will be closely monitored by the link trustee.

For example this could include, but may not be limited to, Ofsted inspection outcomes, examination / key stage results, pupil attendance data and pupil recruitment data, in addition to financial and investment performance. It could be presented as both achievements against objectives for the current accounting period, and as trends over time.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the next 12 months. In reaching this decision, we are aware of budgetary pressures in the form of rising energy costs and unfunded staff pay increases. 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 vast majority of the Trust's incoming resources is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants restricted to specific educational purposes. The Trust continues to receive set up resource funding and diseconomies funding as a new school. Katherine Warrington serves a catchment area where 18% of pupils are in receipt of Pupil Premium funding and this funding has enabled greater resources to be spent on educational support staff and materials, to support pupil interventions.

We continue to be a Google School with every student having access to a Chromebook for in-school and home learning (these helped enormously during Covid Lockdowns). We also continue to invest in staff training to support the use of Chromebooks within the classroom.

Lettings income was significantly above budget, due to several new hirers joining during the year and no further covid lockdowns impacting lettings. The school is not dependent on lettings income to support day-to-day running costs.

We received additional income from Herts County Council for taking an additional 30 students and this has been spent over the summer on improving the school facilities including canopies to create an external eating area, a new pastoral area and improvements to the building by adding white rock cladding to the walls to prevent the need for annual redecoration. The surplus has been carried forward towards the proposed new 3G all weather pitch.

A successful CIF bid generated £81K of income to be used to fence the top field perimeter.

The school has maintained robust cost controls whilst maintaining a high staff to student ratio. As such the Trust made an in year surplus of £241,223.

We continue to remain incredibly grateful to KWAFF for their fundraising events and continued support via donations to the school.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Reserves Policy

The school will always try to spend funding allocated for the education of students within the same financial year. The trustees consider free reserves to be unrestricted funds excluding fixed assets and general restricted funds arising from carried forward GAG funds.

The total restricted income reserves held by the Trust at 31st August 2022 are £23,322,442 and total unrestricted reserves are £402,709. The surplus is largely restricted and can only be spent on specific items.

In line with the Reserves Policy of the school we aim to have reserves to cover 3 months operating expenditure. Reserves may also be used for Capital Projects such as the 3G pitch which the school is currently in the process of applying for planning permission for.

It should be noted that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years.

Investment Policy

At the present time the Trust does not have sufficient surplus to warrant an investment policy. Any surplus cash is held overnight in a Barclays savings account with minimal interest earned. When the Trust has surplus cash requirements in excess of 2 months operating costs a deposit account will be set up on a rolling three month basis.

Funds will be invested with banking institutions that are regulated by the FCA and with a rating of at least A-. The Trust will only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

Principal Risks and Uncertainties

To monitor and manage the strategic, operational, compliance and financial risks of the school, a comprehensive risk register has been developed which is reviewed regularly by trustees.

The principal financial risk that may affect the School is: Government funding, and the principal operational risk is Cyber security.

The School has considerable reliance on continued government funding through the ESFA. For the future there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- maintaining the positive relationships with the ESFA and DfE that developed successfully during the pre opening phase;
- by ensuring the School is rigorous in delivering good value for money high quality education and training;
- identifying potential sources of funding through grant funding, donations and lettings income to supplement core ESFA funding. The school is however not reliant on lettings income for day-to-day running costs.
- The school has undertaken the Cyber Essentials certification and all staff are required to complete the NCSC Cyber Security training for school staff.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Katherine Warrington Association of Friends (KWAFF) have raised £10,000 in the Academic Year to support the setup of a School Wellbeing Gym, this was supplemented by a £15,000 grant from Harpenden Trust. We hope to open the School Wellbeing Gym in December 2022.

Some of the events that KWAFF have run during the 2021/22 academic year are a Spring Fair, a Comedy night, a Christmas raffle and a series of Wreath Workshops. We have continued to promote our Founder's Wall. In the 2022/23 academic year we ran our first KWS Fireworks Night to further support the fundraising target of £15,000 for the Science, Performing Arts and Art departments.

The KWS Performing Arts department have also carried out some fundraising during the academic year as part of their Winter Showcases, Music Concerts and also the Whole School Production of Bugsy Malone. These funds have been re-invested in developing the Hall/Theatre facilities at KWS.

Plans for Future Periods

The trustees intend to continue their current strategies of maintaining the school's position in a competitive market by providing outstanding education for all students. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole person.

The Headteacher and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our students' development.

Our future plans are financed from income direct from the DfE, related to student numbers and other lump-sum factors. Trustees will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students. Future budget constraints due to rising energy costs and unfunded staff pay increases may mean capital projects are put on hold.

Maintaining and, where necessary, developing the fabric of the facilities of the school are central to our strategy. Opportunities to develop our facilities to enhance students' learning are key.

We have a planned programme of maintenance and seek to invest when funding is available. We are also in the process of gaining planning permission for a 3G Pitch supported by a grant application to the Football Foundation to support this project.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held by the School on behalf of others

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- Moore Kingston Smith are to be reappointed as external auditors of Katherine Warrington School.
- Herts for Learning are to be reappointed as the internal auditors of Katherine Warrington School.

Harpenden Secondary Education Trust Trustees' Report (continued)

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7th December 2022 and signed on the board's behalf by:

Jennifer Howarth
Chair of Trustees

7th December 2022

Current Trustees		Meetings attended out of a possible *
Brady	Gerry	0 out of 2
Cook	Dani	4 out of 4
Howarth	Jennifer	13 out of 13
Laing	Simon	11 out of 11
Lawrence	Suzy	8 out of 8
Smith	Tony	13 out of 13
Tobin	Neal	9 out of 11
Vickers	Alex	12 out of 12
Wall	Sonia	11 out of 11
Washburn	Jamie	3 out of 4
Witter	Donna	11 out of 11
Zacharia	Charlotte	11 out of 12

Trustees who left during the year		
Burt	John	9 out of 11
Grimes	Ian	0 out of 5
Higgins	Julia	0 out of 2

Harpenden Secondary Education Trust Trustees' Report (continued)

Trustees who left during the year		
Mistry	Dimple	5 out of 7
Parkar	Heena	3 out of 5
Parkinson	Helen	0 out of 2

Governance Statement

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in the DfE's Governance Handbook, The Academy Trust Handbook and the 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 Harpenden Secondary Education 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 Full Trust Board met formally 6 times; the Resources committee (incorporating Audit) which operates to monitor finance, HR, Health & Safety and Premises met formally 3 times and the Education committee met 3 times. The remuneration committee, a sub-committee, meets once a year (first meeting November 2020) to check the robustness of the appraisal cycle and consider and approve any pay awards for staff.

Attendance during the year 1.9.21 to 31.8.22 for all applicable meetings was as follows:

* The number of possible meetings is defined by start dates for trustees, resignation dates and also the number of committees the trustee represents. Those trustees on the remuneration committee who have been a trustee for the whole year will have the highest number of possible meetings.

An AGM was not held this year - this is the only meeting the Members are required to attend.

Harpenden Secondary Education Trust

Trustees' Report (continued)

Governance reviews

The Trust Board carries out a skills audit every year and all prospective trustees complete the same audit as part of their application process in order to ensure any skills gaps are carefully considered and filled wherever possible. The most recent audit was completed in June 2022 with results shared at the Trust Board meeting July 2022. Alongside the template audit, trustees are asked 4 key review questions in a survey around:

1. Individual contribution over the past year
2. Relevant courses, training or other development undertaken
3. Any areas or responsibilities they would like to take on in the future
4. Any additional training and/or support they feel would help them to carry out their role more effectively?

Responses are used to help determine roles and responsibilities moving forwards as well as succession planning. In most cases, we were able to advertise, recruit and fill vacant positions in good time allowing a handover between the outgoing and incoming trustees to provide a better induction for the new person resulting in a smooth transition for the school staff member who they usually meet with.

At the end of the year, we had 2 vacancies on the Education committee.

The survey was completed in the Summer term and discussed at Trust Board level. Outcomes feed into the Trust Board priorities for the following year. The survey also helps trustees reflect on the year and identify areas for improvement in the next year. Trustees are asked about a range of topics including their understanding of how they fit into the Board's structure, strategic direction, pupil premium spend and the financial accounting cycle.

Reviewing Controls and Managing Risk

We continually monitor processes with the intention of achieving greater efficiencies that also lead to cost reductions. Trustees have agreed on a risk register which details all potential financial and business risks, weights their impact based on significance and likelihood, and details mitigating measures to reduce risk exposure.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harpenden Secondary Education Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Harpenden Secondary Education Trust

Trustees' Report (continued)

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Internal audits are carried out twice a financial year by the Herts for Learning audit department. Categories to be tested are decided upon by the Resources committee and all findings reported to the EFA at year end together with external audit findings. Internally our Chief Financial Officer is a qualified accountant and attends the trust board meetings as required.

Review of Effectiveness

As accounting officer, Headteacher Tony Smith 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 and external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

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

7 \ December \2022 and signed on



J Howarth
Chair of board of Trustees



T Smith
Accounting Officer

Harpenden Secondary Education Trust

Trustees' Report (continued)

STATEMENT ON REGULARITY, PROPRIETY & COMPLIANCE

As accounting officer of Harpenden Secondary Education Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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



T Smith

Accounting officer

Date: 7\ December \2022

Harpenden Secondary Education Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 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 in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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 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 the EFA 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Trust Board on 7th December 2022 and signed on its behalf by:

Signed



7th December 2022

J Howarth

Chair of Board of Trustees

Independent Auditor's Report on the Financial Statements to the Members of Harpenden Secondary Education Trust (Katherine Warington School)

Opinion

We have audited the financial statements of Harpenden Secondary Education Trust (Katherine Warington School) ('the academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report on the Financial Statements to the Members of Harpenden Secondary Education Trust (Katherine Warrington School) (continued)

Opinion on other matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where 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 or trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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

Independent Auditor's Report on the Financial Statements to the Members of Harpenden Secondary Education Trust (Katherine Warington School) (continued)

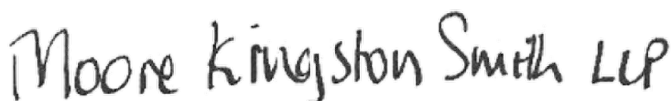
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit any significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Use of this report

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



Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Date: 15 December 2022

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF

Independent Reporting Accountant's Assurance Report on Regularity to Harpenden Secondary Education Trust (Katherine Warrington School) and the

In accordance with the terms of our engagement letter dated 10th June 2020 and further to the requirements of the Education Funding and Skills Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harpenden Secondary Education Trust (Katherine Warrington School) during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Harpenden Secondary Education Trust (Katherine Warrington School) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harpenden Secondary Education Trust (Katherine Warrington School) and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harpenden Secondary Education Trust (Katherine Warrington School) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Harpenden Secondary Education Trust (Katherine Warrington School)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Harpenden Secondary Education Trust (Katherine Warrington School)'s funding agreement with the Secretary of State for Education dated 26th February 2019 and the Academies Financial 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Independent Reporting Accountant's Assurance Report on Regularity to Harpenden Secondary Education Trust (Katherine Warington School) and the

The work undertaken to draw to our conclusion includes:

- Review of financial records for unusual transactions
- sample testing expenditure transactions were reasonable, appropriate and appropriately authorised in accordance with the trust's procurement policy
- Review the minutes of the Board meetings
- review the processes and controls to identify related party transactions and potential conflicts
- obtaining formal representations from the Board and the accounting officer
- reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

Conclusion

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

Moore Kingston Smith LLP

Date: 15 December 2022

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF

Harpenden Secondary Education Trust (Katherine Warington School)
Statement of Financial Activities for the year ended 31 August 2022
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	7,500	-	526,392	533,892	15,757
Transfer from Local Authority on conversion	34	-	-	-	-	-
Charitable activities:						
Funding for the academy trust's educational operations	4	-	3,515,065	-	3,515,065	2,342,051
Provision of boarding activities	37	-	-	-	-	-
Teaching schools	4, 38	-	-	-	-	-
Other trading activities	5	303,859	-	-	303,859	100,777
Investments	6	90	-	-	90	44
Total		311,449	3,515,065	526,392	4,352,906	2,458,629
Expenditure on:						
Raising funds	7	-	-	-	-	-
Grants	8	-	-	-	-	-
Charitable activities:						
Academy trust educational operations	7, 8	18,134	3,688,857	582,692	4,289,683	2,915,389
Provision of boarding activities	37	-	-	-	-	-
Teaching schools	38	-	-	-	-	-
Total		18,134	3,688,857	582,692	4,289,683	2,915,389
Net income/(expenditure)		293,315	(173,792)	(56,300)	63,223	(456,760)
Transfers between funds	20	-	-	-	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	20, 30	-	449,000	-	449,000	(63,000)
Net movement in funds		293,315	275,208	(56,300)	512,223	(519,760)
Reconciliation of funds						
Total funds brought forward		109,394	93,729	23,280,805	23,483,928	24,003,688
Total funds carried forward		402,709	368,937	23,224,505	23,996,151	23,483,928

All of the academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The detailed comparative information for the Statement of Financial Activities is included on note 40.

Harpenden Secondary Education Trust (Katherine Warington School)
Balance Sheet as at 31 August 2022

Company number: 09238779

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	22,905,681		23,319,820	
Investments	15	25		25	
		<u>22,905,706</u>		<u>23,319,845</u>	
Current assets					
Stock	17	-	-	-	-
Debtors	18	255,219		210,249	
Cash at bank and in hand		1,325,332		533,751	
Short term investments	19	-	-	-	-
		<u>1,580,551</u>		<u>744,000</u>	
Liabilities					
Creditors : Amounts falling due within one year	19	(433,106)		(308,917)	
Net current assets/(liabilities)			<u>1,147,445</u>	<u>435,083</u>	
Total assets less current liabilities			24,053,151	23,754,928	
Creditors: Amounts falling due after more than one year	20	-	-	-	-
Net assets excluding pension liability			<u>24,053,151</u>	<u>23,754,928</u>	
Defined benefit pension scheme liability	30	(57,000)		(271,000)	
Total net assets			<u>23,996,151</u>	<u>23,483,928</u>	
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	21	23,224,505		23,280,805	
Restricted income fund	21	(202,063)		364,729	
Pension reserve	21	571,000		(271,000)	
Total restricted funds			23,593,442	23,374,534	
Unrestricted income funds	21		402,709	109,394	
Total funds			<u>23,996,151</u>	<u>23,483,928</u>	

The financial statements on pages 23 to 44 were approved by the trustees, and authorised for issue on 7 December 2022 and are signed on their behalf by:



Jennifer Howarth

Director

Company Registration Number: 09238779 (England and Wales)

Harpenden Secondary Education Trust (Katherine Warington School)
Statement of Cash Flow for the year ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	25	433,653	294,600
Cash flows from financing activities	26	-	-
Cash flows from investing activities	27	357,928	(38,971)
Change in cash and cash equivalents in the reporting period		<u>791,581</u>	<u>255,629</u>
Cash and cash equivalents at 1 September 2021		533,751	278,122
Cash and cash equivalents at 31 August 2022		<u>1,325,332</u>	<u>533,751</u>

1 Statement of 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.

Company information

Harpenden Secondary Education Trust (Katherine Warington School) is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Katherine Warington School, Lower Luton Road, Harpenden, Hertfordshire, AL5 5FH.

Basis of Preparation

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

Harpenden Secondary Education Trust (Katherine Warington School) meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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

Income

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

• Grants

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

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

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

• Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• Donations

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

• Other Income

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

• Donated goods, facilities and services

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

1 Statement of Accounting Policies (continued)

• Donated fixed assets

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

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 a 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 the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• Expenditure on Raising Funds

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

• Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

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

Long leasehold buildings	50 years straight line balance
Motor vehicles	5 years straight line balance
Computer hardware	3 years straight line balance

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

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

Liabilities

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

Provisions

Provisions can be recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle an 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 last 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.

1 Statement of Accounting Policies (continued)

Leased Assets

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

Financial Instruments

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

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions Benefits

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

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

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

3 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £
Other donations	7,500	-	526,392	533,892
2021/22 Total	7,500	-	526,392	533,892
2020/21 Total	-	-	15,757	15,757

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	2,808,035	2,808,035	1,761,034
Start Up Grants	-	152,500	152,500	183,500
Pupil Premium	-	83,833	83,833	41,656
Teachers Pay grant	-	-	-	25,347
Teachers Pension grant	-	-	-	71,626
Others	-	103,217	103,217	61,160
	-	3,147,585	3,147,585	2,144,323
Other Government grants				
Local authority grants	-	141,358	141,358	37,168
	-	141,358	141,358	37,168
COVID-19 Additional Funding (DfE/ESFA)				
Catch-up Premium	-	-	-	28,440
Other DfE/ESFA COVID-19 funding	-	16,245	16,245	27,190
	-	16,245	16,245	55,630
Other Income from the academy trust's educational operations	-	209,877	209,877	104,930
2021/22 Total	-	3,515,065	3,515,065	2,342,051
2020/21 Total	-	2,342,051		2,342,051

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding"

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

5 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Hire of facilities	103,612	-	103,612	35,132
Trip income	95,965	-	95,965	3,397
Other income	104,282	-	104,282	62,248
2021/22 Total	303,859	-	303,859	100,777
2020/21 Total	100,777	-		100,777

6 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Short term deposits	90	-	90	44
2021/22 Total	90	-	90	44
2020/21 Total	44	-		44

7 Expenditure

	Staff Costs £	Non Pay Expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	2,339,683	-	486,441	2,826,124	1,666,617
Allocated support costs	399,991	876,906	186,662	1,463,559	1,248,772
2021/22 Total	2,739,674	876,906	673,103	4,289,683	2,915,389
2020/21 Total	1,770,184	768,497	376,708		2,915,389

Net income/(expenditure) for the period includes:

	2022 £	2021 £
Depreciation	582,693	572,099
Fees payable to auditor for:		
Audit	11,000	19,110
Other services	1,590	2,200

8 Charitable Activities

	Total 2022 £	Total 2021 £
Direct costs - educational operations	2,826,124	1,666,617
Support costs - educational operations	1,463,559	1,248,772
2021/22 Total	4,289,683	2,915,389
2020/21 Total		2,915,389

Analysis of support costs

	Educational operations £	Total 2022 £	Total 2021 £
Support staff costs	399,991	399,991	333,447
Depreciation	582,692	582,692	572,099
Technology costs	47,046	47,046	46,533
Premises costs	294,214	294,214	196,398
Other support costs	122,649	122,649	73,813
Legal costs	2,264	2,264	2,843
Governance costs	14,703	14,703	23,639
Total support costs	1,463,559	1,463,559	1,248,772

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	2022 £	2021 £
Wages and salaries	1,884,756	1,226,917
Social security costs	182,709	111,049
Operating costs of defined benefit pension scheme	657,796	427,341
	2,725,261	1,765,307
Supply staff costs	14,413	4,877
	2,739,674	1,770,184

d. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2022 No.	2021 No.
Teachers	25	16
Administration and support	26	24
Management	6	7
	57	47

The full time equivalent number of persons employed by the trust during the period was as follows:

	2022 No.	2021 No.
Teachers	17	14
Administration and support	26	16
Management	6	6
	49	36

e. Higher paid staff

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

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

f. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £474,833 (2021: £464,395).

10 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Grace Aikman (Trustee)

Remuneration £60,000 - £70,000 (2021: £50,000 - £60,000)

Employer's pension contributions £5,000 - £10,000 (2021: £0 - £5,000)

Anthony Smith (Trustee)

Remuneration £120,000 - £130,000 (2021: £90,000 - £100,000)

Employer's pension contributions £20,000 - £30,000 (2021: £20,000 - £25,000)

Sonia Wall (staff trustee):

Remuneration £30,000 - £40,000 (2021: £nil)

Employer's pension contributions £5,000 - £10,000 (2021: £nil)

No governors received reimbursements for expenses during the year ended 31 August 2022 (2021: none).

11 Trustees and officers insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

14 Tangible fixed assets

	Freehold Land and Buildings £	Furniture and Equipment £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 September 2021	23,185,000	39,573	36,559	732,041	23,993,173
Transfer on conversion	-	-	-	-	-
Additions	137,864	30,690	-	-	168,554
Disposals	-	-	-	-	-
At 31 August 2022	23,322,864	70,263	36,559	732,041	24,161,727
Depreciation					
At 1 September 2021	319,100	4,621	11,780	337,852	673,353
Charged in year	319,214	12,152	7,312	244,015	582,693
Disposals	-	-	-	-	-
At 31 August 2022	638,314	16,773	19,092	581,867	1,256,046
Net book values					
At 31 August 2022	22,684,550	53,490	17,467	150,174	22,905,681
At 31 August 2021	22,865,900	34,952	24,779	394,189	23,319,820

15 Fixed asset investments

	Total £
Cost	
At 1 September 2021	25
At 31 August 2022	25
Carrying amount	
At 31 August 2022	25
At 31 August 2021	25

The investment is recorded at cost and represents unlisted shareholding.

16 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	255,219	308,917
	255,219	308,917
Carrying amount of financial liabilities		
Measured at amortised cost	433,106	308,917

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

18 Debtors

	2022	2021
	£	£
Trade debtors	19,625	14,738
VAT recoverable	72,113	57,568
Other debtors	4,762	44,438
Prepayments and accrued income	158,719	93,505
	255,219	210,249

19 Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	113,000	97,411
Other taxation and social security	107,567	31,022
ESFA creditor: abatement of GAG	-	17,852
ESFA Creditor (short term creditor)	-	-
Other creditors	2,517	39,305
Accruals and deferred income	210,022	123,327
	433,106	308,917

Deferred income

	2022	2021
	£	£
Deferred income as at 1 September 2021	94,548	43,704
Resources deferred in the year	151,663	94,548
Amounts released from previous years	(94,548)	(43,704)
Deferred income as at 31 August 2022	151,663	94,548

At the balance sheet date the academy trust was holding funds received in advance for Chrome books and trips.

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

21 Funds

	Balance at 1 September 2021 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	309,099	2,808,035	(3,374,827)	-	(257,693)
Start Up Grant	-	152,500	(152,500)	-	-
Pupil Premium	-	83,833	(83,833)	-	-
Other grants	-	103,217	(103,217)	-	-
Catch-up premium	28,440	-	-	-	28,440
Other DfE/ESFA COVID-19 funding	27,190	16,245	(16,245)	-	27,190
Local Authority Grant	-	141,358	(141,358)	-	-
Pension reserve	(271,000)	-	393,000	449,000	571,000
Other Income	-	209,877	(209,877)	-	-
	<u>93,729</u>	<u>3,515,065</u>	<u>(3,688,857)</u>	<u>449,000</u>	<u>368,937</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	797,124	-	-	-	797,124
Other funding	(556,342)	526,392	(582,692)	-	(612,642)
Donated land and buildings	<u>23,040,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,040,023</u>
	<u>23,280,805</u>	<u>526,392</u>	<u>(582,692)</u>	<u>-</u>	<u>23,224,505</u>
Total restricted funds	<u>23,374,534</u>	<u>4,041,457</u>	<u>(4,271,549)</u>	<u>449,000</u>	<u>23,593,442</u>
Total unrestricted funds	<u>109,394</u>	<u>311,449</u>	<u>(18,134)</u>	<u>-</u>	<u>402,709</u>
Total funds	<u>23,483,928</u>	<u>4,352,906</u>	<u>(4,289,683)</u>	<u>449,000</u>	<u>23,996,151</u>

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

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the free school at the discretion of the trustees.

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

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

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

21 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	207,620	1,761,034	(1,659,555)	-	309,099
Start Up Grant	-	183,500	(183,500)	-	-
Other grants	-	61,160	(61,160)	-	-
Catch-up premium	-	28,440	-	-	28,440
Other DfE/ESFA COVID-19 funding	-	27,190	-	-	27,190
Local Authority Grant	-	37,168	(37,168)	-	-
Pension reserve	(56,000)	-	(152,000)	(63,000)	(271,000)
Other Income	-	104,930	(104,930)	-	-
	<u>151,620</u>	<u>2,203,422</u>	<u>(2,198,313)</u>	<u>(63,000)</u>	<u>93,729</u>
Restricted fixed asset funds					
Transfer on conversion	-	-	-	-	-
DfE/ESFA capital grants	797,124	-	-	-	797,124
Other funding	-	15,757	(572,099)	-	(556,342)
Donated land and buildings	23,040,023	-	-	-	23,040,023
	<u>23,837,147</u>	<u>15,757</u>	<u>(572,099)</u>	<u>-</u>	<u>23,280,805</u>
Total restricted funds	<u>23,988,767</u>	<u>2,219,179</u>	<u>(2,770,412)</u>	<u>(63,000)</u>	<u>23,374,534</u>
Total unrestricted funds	<u>14,921</u>	<u>100,821</u>	<u>(6,348)</u>	<u>-</u>	<u>109,394</u>
Total funds	<u>24,003,688</u>	<u>2,320,000</u>	<u>(2,776,760)</u>	<u>(63,000)</u>	<u>23,483,928</u>

22 Analysis of net assets between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	25	-	25
Tangible fixed assets	-	-	22,905,681	22,905,681
Current assets	402,709	1,177,842	-	1,580,551
Current liabilities	-	(433,106)	-	(433,106)
Pension scheme liability	-	(57,000)	-	(57,000)
Total net assets	<u>402,709</u>	<u>687,761</u>	<u>22,905,681</u>	<u>23,996,151</u>

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	25	-	25
Tangible fixed assets	-	-	23,837,147	23,837,147
Current assets	14,921	339,502	-	354,423
Current liabilities	-	(131,907)	-	(131,907)
Pension scheme liability	-	(56,000)	-	(56,000)
Total net assets	14,921	151,620	23,837,147	24,003,688

24 Commitments under operating leases

a) Operating Leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	32,285	38,545
Amounts due between two and five years	18,556	7,547
	50,841	46,092

25 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period	63,223	(456,760)
<i>Adjusted for:</i>		
Depreciation	582,693	572,099
Capital grants from DfE/ESFA and other capital income	(526,392)	(15,757)
Interest receivable	(90)	(44)
Defined benefit pension scheme cost less contributions payable	235,000	152,000
(Increase)/decrease in debtors	(44,970)	(133,948)
Increase/(decrease) in creditors	124,189	177,010
Net Cash provided by / (used in) Operating Activities	433,653	294,600

26 Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

27 Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	90	44
Purchase of tangible fixed assets	(168,554)	(54,772)
Capital grants from DfE Group	526,392	15,757
Net Cash provided by / (used in) investing Activities	<u>357,928</u>	<u>(38,971)</u>

28 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	1,325,332	533,751
Total cash and cash equivalents	<u>1,325,332</u>	<u>533,751</u>

29 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

30 Pension and Similar Obligations

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

Contributions amounting to £55,006 were payable to the schemes at 31 August 2022 (2021: £35,344) and are included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £281,933 (2021: £190,588).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

30 Pension and Similar Obligations (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 2022 was £178,117 (2021: £108,504), of which employer's contributions totalled £140,936 (2021: £85,452) and employees' contributions totalled £37,181 (2021: £23,052).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.

Principal Actuarial Assumptions

	2022	2021
Rate of increase in salaries	3.45%	3.30%
Rate of increase for pensions in payment/inflation	4.25%	1.65%
Inflation assumption (CPI)	3.05%	2.90%

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

	2022	2021
<i>Retiring today</i>		
Males	21.90	22.10
Females	24.40	24.50
<i>Retiring in 20 years</i>		
Males	22.90	23.20
Females	26.00	26.20

Sensitivity analysis

	2022	2021
	£	£
Discount rate +0.1%	-	12,000
Discount rate -0.1%	12,000	-
Mortality assumption - 1 year increase	16,000	16,000
Mortality assumption - 1 year decrease	-	-
CPI rate +0.1%	12,000	12,000

30 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities:

	2022 £	2021 £
Current service cost	367,000	180,000
Interest income	5,000	2,000
Interest cost	(10,000)	(4,000)
Total amount recognised in the SOFA	<u>362,000</u>	<u>178,000</u>

30 Pension and Similar Obligations (continued)

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

	2022 £	2021 £
At 1 September	(408,000)	(124,000)
Current service cost	(367,000)	(180,000)
Interest cost	10,000	(4,000)
Employee contributions	(36,000)	(23,000)
Actuarial (gain)/loss	416,000	(77,000)
At 31 August	<u>(385,000)</u>	<u>(408,000)</u>

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

	2022 £	2021 £
At 1 September	(21,000)	-
Interest income	5,000	2,000
Employee contributions	(36,000)	(23,000)
At 31 August	<u>(52,000)</u>	<u>(21,000)</u>

31 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The following related party transaction took place in the period of account:

During the year £5,602 (2021: £5,602) was charged by Roundwood Park School in respect of staff costs and £19 (2021: £19) in respect of other educational costs. A Henshall is a director of Roundwood Park School. At the year end £nil (2021: £nil) was payable to Roundwood Park School.

During the year £80 (2021: £80) was charged by Alban Teaching School Alliance Limited in respect of staff training. C Robins is a director of Alban Teaching School Alliance Limited. At the year end £nil was payable to Alban Teaching School Alliance Limited.

At the year end £246 (2021: £182) was owed to Tony Smith.

Harpenden Secondary Education Trust (Katherine Warington School)
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

40 Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £
Income and endowments from:				
Donations and capital grants	-	-	15,757	15,757
Transfer from Local Authority on conversion	-	-	-	-
Charitable activities:				
Funding for the academy trust's educational operations	-	2,342,051	-	2,342,051
Provision of boarding activities	-	-	-	-
Teaching schools	-	-	-	-
Other trading activities	100,777	-	-	100,777
Investments	44	-	-	44
Total	100,821	2,342,051	15,757	2,458,629
Expenditure on:				
Raising funds	-	-	-	-
Charitable activities:				
Academy trust educational operations	6,348	2,336,942	572,099	2,915,389
Provision of boarding activities	-	-	-	-
Teaching schools	-	-	-	-
Other	-	-	-	-
Total	6,348	2,336,942	572,099	2,915,389
Net income / (expenditure)	94,473	5,109	(556,342)	(456,760)
Transfers between funds	-	-	-	-
Other recognised gains/(losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(63,000)	-	(63,000)
Net movement in funds	94,473	(57,891)	(556,342)	(519,760)
Reconciliation of funds				
Total funds brought forward	14,921	151,620	23,837,147	24,003,688
Total funds carried forward	109,394	93,729	23,280,805	23,483,928