

Company Registration No. 08833418 (England and Wales)

HOE VALLEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

HOE VALLEY SCHOOL

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HOE VALLEY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Alex Holmes
Claerwyn Hamilton-Wilkes
Claire McDonnell
Ken Henderson
Lynne O'Reilly
William Forster

Governors

Simon Baker (Chair of Governors)
Tina Clapham
Claerwyn Hamilton-Wilkes
Ken Henderson (Vice Chair, Resources)
Rajeev Marwaha
Claire McDonnell
Lynne O'Reilly (Resigned 13 July 2021)
Karen Bishop
Adrian Kane (Vice Chair, Education) (Appointed 7 December 2020)
Robert O'Keefe (Appointed 7 January 2021)
Stella Kazamia (Appointed 20 May 2021)
Eti Vyas (Appointed 13 July 2021)

Senior management team

- Head Teacher	Mrs J Davies
- School Business Manager	Mrs S Newman
- Deputy Head Teacher	Mr K Kelly
- Assistant Head Teacher	Miss S Austen
- Assistant Head Teacher	Mr O Woolley

Company registration number 08833418 (England and Wales)

Principal and registered office Egley Road
Woking
Surrey
GU22 0NH
United Kingdom

Independent auditor Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Bankers Lloyds Bank PLC
32 Commercial Way
Woking
Surrey
GU21 6ER
United Kingdom

HOE VALLEY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 8833418) and an exempt charity. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors act as the directors of the limited company known as Hoe Valley School and are also the Trustees for the charitable company. The charitable company is also known as Hoe Valley School and was incorporated on 6 January 2014. Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details section of this report.

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.

Governors' indemnities

The Academy Trust has appropriate arrangements in place to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst undertaking Academy Trust business. Governor's Liability is covered under the Risk Protection Arrangement (RPA) scheme provided by the DfE to Academies. The limit for claims is £10,000,000 annually.

Method of recruitment and appointment or election of Governors

The number of Governors shall be not less than 3 but shall not be subject to a maximum. The Academy Trust shall have the following Governors:

- Up to 10 Governors appointed by the Members
- Any number of co-opted Governors. A co-opted Governor is a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed.
- 2 parent Governors

The total number of Governors (including the Head Teacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

Each of the persons entitled to appoint Members above shall have the right, from time to time by written notice delivered to the office, to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be 4 years. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

During the period under review, the Governing Body held 8 Full Governing Body meetings.

Policies and procedures adopted for the induction and training of Governors

All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

The Governors have received appropriate training to ensure that they fully understand their responsibilities and to provide them with the skills to effectively undertake their role in Hoe Valley School. An ongoing programme of Governor training has been established.

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

At Hoe Valley School, the Members have appointed the Governing Body to provide the ongoing governance of the school.

The Governors are responsible for setting the school's strategy, ensuring the school's policies are appropriate, adopting an annual plan and budget, monitoring the school, allocating budgets and making major decisions about the direction of the school, capital expenditure and participation in senior staff appointments.

The Head Teacher, Mrs J. Davies is the Accounting Officer for the School.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for the Academy Trust's Senior Leadership Team is reviewed and approved by the Trust's Pay Review Committee in line with the School's Pay Policy.

All members of the leadership receive an annual appraisal and a written appraisal report including an assessment of their performance. The appraisal report includes an overall performance rating for the purposes of determining pay progression. The performance ratings for pay decisions taken during the period were:

- Exceptional Performance
- Effective Performance
- Developing Performance
- Unsatisfactory Performance

Pay awards take into account the above performance ratings, full details of which are in the school's Pay Policy. The Board of Governors reviews the operation of this scheme on an annual basis.

Hoe Valley School did not make any remuneration payments to any Governors during the accounting period.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Equal opportunities

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The Academy Trust complies fully with the Equality Act 2010 regulations. The Governors have published an Equality Statement which appears on the school's website.

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of Hoe Valley School. There are no sponsors, nor is there a school voluntary fund.

Objectives and activities

Objects and aims

The principal object of the Hoe Valley School is specifically restricted to the following, to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. Full details of the object of Hoe Valley School are set out in the school's governing document.

Objectives, strategies and activities

Hoe Valley School aims to be an outstanding secondary school at the heart of the community.

The key aims for the students at the school are:

- To achieve high standards of academic outcomes and for each student to achieve to their full potential
- To develop the required attitudes and skills to be successful in the modern workplace
- To develop good citizens

Our Curriculum:

- follows the National Curriculum
- has a strong emphasis on English and Maths
- encourages strong parental engagement
- involves an extended day to enable students to complete prep work in a supervised environment and ensure the curriculum has breadth and depth
- features personalised progression pathways
- has strong transition programmes, from Primary School and eventually on to Higher Education
- develops student employability skills through incorporating these skills in every lesson and through collaborative learning approaches led by the Communications and Digital Skills Faculty.

The school's objectives, strategies and activities are set out in the School Development Plan.

Specific objectives for 2020-21 included:

- Retain and recruit excellent staff
- Develop the Work Ready agenda through embedded learning in curriculum including cross-curricular digital projects
- Develop advanced digital skills in all subjects beyond Google School to enhance teaching and learning
- Ensure at least 85% of students made expected progress or better in English, Maths and Science
- Design personalised, data driven GCSE pathways which set up all students to succeed and thrive.

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Contextual Information

Hoe Valley School is a mainstream, co-educational secondary school. The school's Published Admissions Number (PAN) is 150 students. The school currently has 720 students in Years 7 to 11 and expects to grow to a cohort of at least 990 students in Years 7 to 13 by 2024 with the opening of a sixth form. As of 31st August 2021 the school had 688 students on roll.

School Cohort

The profile in August 2021 was:

	No. of students	%
Cohort	688	
Boys	332	48.3%
Girls	356	51.7%
Special Educational Needs and Disabilities (SEND)	164	23.8%
Free School Meals (FSM)	127	18.5%
Disadvantaged	178	25.9%
English as an Additional Language (EAL)	137	19.9%

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Members consider how planned activities will contribute to the aims and objectives they have set.

The school intends to accept pupils from South Woking and the surrounding areas. When the school is oversubscribed, after the admission of pupils with an Education, Health and Care Plan (EHCP) naming the school, the following criteria are applied in the order set out below:

1. Looked after and previously looked after children
2. Children of individuals granted founder status
3. Sibling(s) at the school at the time of the child's admission
4. Children of staff at the school
5. Children for whom the school is the nearest to their home address
6. Any other applicant

Following consultation, the Governors have approved changes to the admissions criteria for 2022-23. This change relates to the removal of criterion 5 above regarding nearest school. Under criterion 6 (to become criterion 5 from 2022-23), if the school is oversubscribed, then places are be offered on the basis of nearness to the school measured in a straight line from the address point of the student's house to the school reception, as determined by the Surrey County Council Admission & Transport Team's Geographical Information System Survey.

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

During the reporting period, key achievements included:

- design and delivery of a personalised suite of GCSE pathways for Year 9
- recruitment of all the required staff for the school's sixth year of operation
- developing the next stage of the plan to open the school's 6th form in 2023

Hoe Valley School had a very successful sixth academic year. Following the Ofsted inspection in June 2018, the school was awarded an 'Outstanding' rating with the report highlighting positive aspects including effectiveness of leadership and management, quality of teaching, learning and assessment and outcomes for pupils. The school is oversubscribed for the next academic year following a range of successful open events and is fully staffed.

During the school's closure period related to the Covid pandemic, all learning activities continued remotely via Google Classroom and there was minimal impact on students' learning, despite the challenging conditions. The school regularly monitored online learning activities to ensure students were making the expected progress.

Key performance indicators

The Governing Body's Key Performance Indicators (KPIs) for the period were as follows:

- To secure 150 students onto the roll for the sixth year of operation for the school (150 achieved)
- To have pupil attendance of at least 96% (95% achieved)
- To recruit the necessary staff for the 2020-21 academic year (achieved)
- To operate the school within the approved budget for 2020-21 (achieved)
- GCSE results: In English, 89% of students achieved Grade 4 or above and 71% achieved Grade 5 or above. In Maths, 82% achieved Grade 4 or above and 65% achieved Grade 5 or above. Students overall made almost a grade more progress at HVS than in other schools nationally (although there are no published league tables this year due to Covid-19, the Progress 8 measure calculated on FFT Aspire was +0.9).

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies. There is no impact to the Trust's status as a going concern as a result of Covid-19.

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2021, total expenditure of £5,641,000 (2020: £5,755,000) was met by funding from the ESFA. The excess of operational income over expenditure for the period was £271,000 (2020: £147,000).

At 31 August 2021, the Academy Trust held fund balances totalling £24,600,000 (2020: £25,857,000). Of this amount, £24,566,000 represented the tangible fixed assets owned by the Academy Trust and capital grants received but not yet spent (2020: £25,462,000), £1,059,000 represented surplus carried forward from previous periods (2020: £924,000) and a deficit of £1,025,000 (2020: £529,000) represented the Academy Trust's Local Government Pension Scheme liability.

The Covid-19 pandemic has not adversely impacted the Trust's financial position and there was no impact on reserve levels or changes in reserve policy. Additional Covid funding has been used by the school for:

- supporting Covid-19 operational changes and procedures
- to recruit additional teaching capacity to support transition from primary school
- to allow additional teaching of selected groups of students requiring support

As detailed in note 4, the Covid Catch-up Premium funding allocated to the Academy Trust will be used in the 2021-22 financial year.

Reserves policy

The Academy Trust plans to spend as much of its funds as possible on supporting the education of the students of Hoe Valley School and does not plan to hold significant reserves over the long term. It is expected that during typical operation, up to 10% of annual revenue income will be held as a reserve and carried forward to future years. In the early years of the establishment of the school, the reserve level may be higher to mitigate unexpected costs associated with establishing the school's permanent site, to support opening the school's Sixth Form in 2023 and to mitigate against government funding uncertainties, for example around the teachers' pay grant.

At the year end, the Academy Trust held no free reserves. However, its general restricted reserve, which includes all central and local government funding provided to the Academy Trust had a balance of £1,059,000 (2020: £924,000), which comfortably exceeded the target set.

The Academy Trust's restricted pension reserve was £1,025,000 (2020: £529,000) in deficit as at 31 August 2021. This deficit is not an immediate liability of the Academy Trust. Instead, the deficit will be met through increased pension contributions on behalf of staff in the future.

Investment policy

Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The current investment policy is to hold operating cash and any surplus funds in an appropriate banking account. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy Trust is exposed. The Governors have implemented a number of systems to assess such risks and have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. The Academy Trust also has a Risk Management Policy that sets out its approach to managing risk.

The Governors regularly examine the financial health of the Academy Trust, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Committee meetings. The School Business Manager also regularly monitors cash flow and ensures sufficient funds are held to cover all known and anticipated commitments.

The financial risks to which Hoe Valley School is exposed to relate primarily to:

- Government funding – the Academy Trust has reliance on continued government funding and whilst this level is expected to continue, there is 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. Proposed changes to the National Funding Formula for schools could impact the school.
- Fraud or mismanagement of funds – the Academy Trust has appointed an independent auditor to act as Internal Auditor to carry out checks on financial records as required by the Academy Financial Handbook.

The principal risks to which the Academy Trust is exposed include:

- Governance or management failures - the risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with relevant regulations and legislation. The Governing Body continuously reviews this risk to ensure that appropriate measures are in place to mitigate it.
- Safeguarding and child protection – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of safeguarding policies procedures, health and safety and discipline.
- Staffing – the success of the school is reliant on the quality of its staff and the Governing Board monitors and reviews the continued development and training of staff.
- Impact of school closure on pupils' progress associated with the Covid-19 pandemic – the Governors have reviewed the school's contingency plans, and detailed plans are in place to support online learning where necessary.

Fundraising

Hoe Valley School does not currently undertake significant fundraising activities and does not make use of any commercial or professional fundraising services. The school intends that all fundraising activities are carried out in line with recognised fundraising standards.

From time to time, the school's Parent Teacher Association (PTA) raises funds that are then donated to the school. The Governing Body has delegated responsibility for monitoring any fundraising activities undertaken by the PTA to the Head Teacher who provides updates to the Governors as and when necessary. Fundraising complaints are handled by the Head Teacher in the first instance who would then involve the Governing Body if needed.

HOE VALLEY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Academy Trust's plans for the forthcoming period are to:

- ensure that at least 85% of students achieve or exceed their GCSE target grade in Years 7-9 in all subjects
- ensure 65% of students are on or above target in every subject in Year 10 (assessed against GCSE grading system)
- aspire to 100% of students to be on or above target in every subject in Year 11 using FFT5 targets, CATs scores and teacher assessments
- ensure the long-term strategic vision for the school is on track to be delivered effectively and in a financially stable manner
- progress plans to open the school's sixth form in September 2023

The school has made some operational changes due to the Covid pandemic, in conjunction with the relevant authorities (for example to manage student year group bubbles) and has completed the relevant risk assessments and contingency plans. The school's online learning plans are being continually developed to support any unexpected interruptions due to the Covid-19 situation.

Auditor

In so far as the Governors are aware:

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

The Members plan to undertake a selection process to appoint an auditor for the charitable company for the next period.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 21.12.21 and signed on its behalf by:



Simon Baker

Chair of Governors

HOE VALLEY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Hoe Valley School has an effective and appropriate system of controls, 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 Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 Hoe Valley School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 8 times during the year (including Extraordinary Meetings).

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

Governors	Meetings attended	Out of possible
Simon Baker (Chair of Governors)	8	8
Tina Clapham	6	8
Claerwyn Hamilton-Wilkes	8	8
Ken Henderson (Vice Chair, Resources)	8	8
Rajeev Marwaha	6	8
Claire McDonnell	8	8
Lynne O'Reilly (Resigned 13 July 2021)	7	8
Karen Bishop	6	8
Adrian Kane (Vice Chair, Education) (Appointed 7 December 2020)	5	5
Robert O'Keefe (Appointed 7 January 2021)	2	4
Stella Kazamia (Appointed 20 May 2021)	2	2
Eti Vyas (Appointed 13 July 2021)	1	1

HOE VALLEY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

There were no significant changes to the composition of the Governing Body during the period. Some changes to the committee structure were implemented in September 2020, replacing the Governors' Committee with two separate committees; one focussed on Resources (including Finance) and the other on Education and performance. The Board's work during the year included: review and approval of the school development plan, supporting with planning for the opening of the school's sixth form in 2023, regular review of educational progress and targets and review of the school's financial performance.

Attendance at Resources Committee meetings were as follows:

Governor	Meetings Attended/Out of Possible
Simon Baker	3 / 3
Ken Henderson	3 / 3
Raj Mahawa	3 / 3
Lynne O'Reilly	3 / 3
Karen Bishop	2 / 3
Adrian Kane	2 / 2

The Governing Body completed a skills review which highlighted a good balance of skills across the required areas. One gap around specific education sector knowledge was identified and is now being considered as part of new Governor recruitment.

The Governing Body last completed an assessment of its own effectiveness in June 2020. This highlighted the strong engagement that Governors had during the period outside of formal meetings, e.g. monitoring visits and learning walks, attendance at school events (opening evenings, performances etc), attendance at reviews and audits, Exclusion Panels, parental complaints meetings and School Business Manager interviews. To further enhance the Governing Body's effectiveness, an external review is currently underway and is expected to complete during the Autumn Term 2021. The Governors will consider the outcome of this review in Spring 2022 and agree the necessary next steps.

Information and data presented by the School's Senior Management Team to the Governors is of good quality and refinements on how this data is presented are regularly discussed at Governor meetings. The Governors validate information received about the performance of the school during their regular visits.

Review of value for money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Academy Trust's use of its resources have provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available.

Examples of how the Accounting Officer for the Academy Trust has delivered improved value for money include:

- Building strategic relationships with local community groups to allow free or discounted use of their services, therefore minimising costs for a number of school activities
- Strengthening the school's Finance Policy to ensure robust challenge of key spending decisions
- Raising additional funds by letting the school's premises to local community groups.

There was no change to the school's approach to paying suppliers during the Covid-19 pandemic in line with PPN 04/20.

HOE VALLEY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The purpose of the system of internal control

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

Capacity to handle risk

The Governing Body 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 Governing Body 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 reporting period and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- 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 Governing Body appointed an external company, James Cowper Kreston, to fulfil its programme of Internal Scrutiny. The auditor completed their schedule of work as expected and presented their findings to the school's Resources Committee. The effectiveness review of the school's control systems focussed on budgeting, governance and regularity, credit card processes and expenditure control. No significant (red) matters were identified by the review. Two minor (amber) issues were identified and plans and remedial action has been taken.

Review of effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- 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.

HOE VALLEY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Approved by order of the Governing Body on 21/2/21, and signed on its behalf by:



Simon Baker
Chair of Governors



Jane Davies
Accounting Officer

HOE VALLEY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As Accounting Officer of Hoe Valley School, I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2020.

I confirm that I and the Academy Trust's 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 2020.

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



Jane Davies
Accounting Officer

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HOE VALLEY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who act as trustees for Hoe Valley School and are also the directors of Hoe Valley School for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Governors are required to:

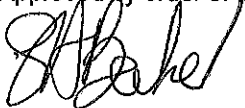
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 21/12/21 and signed on its behalf by:



Simon Baker

Chair of Governors

HOE VALLEY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOE VALLEY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Hoe Valley School for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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 the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

HOE VALLEY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOE VALLEY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 Governors' report, including the incorporated strategic report.

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors 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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

HOE VALLEY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOE VALLEY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk 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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOE VALLEY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOE VALLEY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Walmsley (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

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Chartered Accountants
Statutory Auditor

Gladstone House
77-79 High Street
Egham
Surrey
United Kingdom
TW20 9HY

HOE VALLEY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 30 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hoe Valley School during the period 1 September 2020 to 31 August 2021 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 Hoe Valley School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hoe Valley 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 Hoe Valley School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hoe Valley School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hoe Valley School's funding agreement with the Secretary of State for Education dated 2 May 2015 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

HOE VALLEY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Dated:

HOE VALLEY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	3	-	17	34	51	19
Charitable activities:						
- Funding for educational operations	4	26	4,556	-	4,582	4,591
Other trading activities	5	13	-	-	13	17
Investments	6	-	-	-	-	4
Total		<u>39</u>	<u>4,573</u>	<u>34</u>	<u>4,646</u>	<u>4,631</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	39	4,536	1,066	5,641	5,755
Total	7	<u>39</u>	<u>4,536</u>	<u>1,066</u>	<u>5,641</u>	<u>5,755</u>
Net income/(expenditure)		-	37	(1,032)	(995)	(1,124)
Transfers between funds	16	-	(136)	136	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	18	-	(262)	-	(262)	(13)
Net movement in funds		-	(361)	(896)	(1,257)	(1,137)
Reconciliation of funds						
Total funds brought forward		-	395	25,462	25,857	26,994
Total funds carried forward		-	34	24,566	24,600	25,857

HOE VALLEY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £'000	Restricted funds: General	Fixed asset £'000	Total 2020 £'000
Income and endowments from:					
Donations and capital grants	3	-	6	13	19
Charitable activities:					
- Funding for educational operations	4	585	4,006	-	4,591
Other trading activities	5	17	-	-	17
Investments	6	4	-	-	4
Total		<u>606</u>	<u>4,012</u>	<u>13</u>	<u>4,631</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	606	4,087	1,062	5,755
Total	7	<u>606</u>	<u>4,087</u>	<u>1,062</u>	<u>5,755</u>
Net expenditure		-	(75)	(1,049)	(1,124)
Transfers between funds	16	-	(62)	62	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(13)	-	(13)
Net movement in funds		-	(150)	(987)	(1,137)
Reconciliation of funds					
Total funds brought forward		-	545	26,449	26,994
Total funds carried forward		-	395	25,462	25,857

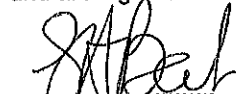
HOE VALLEY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	24,566	25,449
Current assets			
Debtors	13	160	239
Cash at bank and in hand		1,009	911
		<u>1,169</u>	<u>1,150</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(110)	(213)
Net current assets		<u>1,059</u>	<u>937</u>
Net assets excluding pension liability		<u>25,625</u>	<u>26,386</u>
Defined benefit pension scheme liability	18	(1,025)	(529)
Total net assets		<u><u>24,600</u></u>	<u><u>25,857</u></u>
Funds of the Academy Trust:			
Restricted funds	16		
- Fixed asset funds		24,566	25,462
- Restricted income funds		1,059	924
- Pension reserve		(1,025)	(529)
Total restricted funds		<u>24,600</u>	<u>25,857</u>
Unrestricted income funds	16	-	-
Total funds		<u><u>24,600</u></u>	<u><u>25,857</u></u>

The accounts on pages 22 to 45 were approved by the Governors and authorised for issue on 21/12/21 and are signed on their behalf by:



 Simon Baker
 Chair of Governors

Company Number 08833418

HOE VALLEY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	19		247		13
Cash flows from investing activities					
Dividends, interest and rents from investments		-		4	
Capital grants from DfE Group		15		13	
Capital funding received from sponsors and others		19		-	
Purchase of tangible fixed assets		(183)		(84)	
Net cash used in investing activities			(149)		(67)
Net increase/(decrease) in cash and cash equivalents in the reporting period			98		(54)
Cash and cash equivalents at beginning of the year			911		965
Cash and cash equivalents at end of the year			1,009		911

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Hoe Valley School is a charitable company limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. 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 on a straight-line basis over its expected useful life, as follows:

Land and buildings	10 - 25 years
Computer equipment	3 years
Fixtures, fittings & equipment	4 years
Motor vehicles	4 years

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.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leased assets

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

1.8 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.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 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 and the assets are held separately from those of the Academy Trust.

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

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure 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.

1.11 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 Governors.

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 Group.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

No judgements have been made in arriving at the results disclosed in the financial statements.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Donated fixed assets	-	19	19	-
Capital grants	-	15	15	13
Other donations	-	17	17	6
	<u>-</u>	<u>51</u>	<u>51</u>	<u>19</u>

The academy trust received donated laptops from the DfE and has capitalised these assets in line with its own depreciation policy. These laptops have been capitalised at the market value of £19,247.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	3,877	3,877	3,545
Other DfE / ESFA grants:				
Pupil premium	-	147	147	152
Teachers pension grants	-	137	137	137
Teachers pay grants	-	48	48	49
Others	-	12	12	18
	<u>-</u>	<u>4,221</u>	<u>4,221</u>	<u>3,901</u>
Other government grants				
Local authority grants	-	205	205	92
	<u>-</u>	<u>205</u>	<u>205</u>	<u>92</u>
COVID-19 additional funding				
Catch-up premium	-	55	55	-
Other DfE/ESFA COVID-19 funding	-	41	41	-
	<u>-</u>	<u>96</u>	<u>96</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ ESFA)				
Other Coronavirus funding	-	34	34	-
	<u>-</u>	<u>34</u>	<u>34</u>	<u>-</u>
Other incoming resources	26	-	26	598
	<u>26</u>	<u>-</u>	<u>26</u>	<u>598</u>
Total funding	<u>26</u>	<u>4,556</u>	<u>4,582</u>	<u>4,591</u>

The academy trust received £55k of Covid Catch-up Premium funding and costs incurred in respect of this funding totalled £Nil, with the remaining £55k to be spent in 2021/22.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Lettings income	12	-	12	7
Parental contributions	1	-	1	10
	<u>13</u>	<u>-</u>	<u>13</u>	<u>17</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Short term deposits	-	-	-	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Academy's educational operations					
- Direct costs	2,456	961	403	3,820	3,615
- Allocated support costs	1,273	327	221	1,821	2,140
	<u>3,729</u>	<u>1,288</u>	<u>624</u>	<u>5,641</u>	<u>5,755</u>

Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Fees payable to auditor for:		
- Audit	6	7
- Other services	6	7
Operating lease rentals	3	119
Depreciation of tangible fixed assets	1,066	1,062
Net interest on defined benefit pension liability	11	8
	<u>1,091</u>	<u>1,203</u>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs				
Educational operations	38	3,782	3,820	3,615
Support costs				
Educational operations	1	1,820	1,821	2,140
	<u>39</u>	<u>5,602</u>	<u>5,641</u>	<u>5,755</u>
			2021 £'000	2020 £'000
Analysis of support costs				
Support staff costs			1,285	1,115
Depreciation			105	74
Technology costs			107	84
Premises costs			222	752
Legal costs			48	39
Other support costs			40	60
Governance costs			14	16
			<u>1,821</u>	<u>2,140</u>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000 Restated
Wages and salaries	2,695	2,396
Social security costs	252	229
Pension costs	771	689
	<hr/>	<hr/>
Staff costs - employees	3,718	3,314
Agency staff costs	11	46
Staff restructuring costs	-	34
	<hr/>	<hr/>
	3,729	3,394
Staff development and other staff costs	30	21
	<hr/>	<hr/>
Total staff expenditure	3,759	3,415
	<hr/>	<hr/>
Staff restructuring costs comprise:		
Severance payments	-	34
	<hr/>	<hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: one payment of £11,500).

Staff numbers

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

	2021 Number	2020 Number
Teachers	45	40
Administration and support	16	13
Management	4	4
Teaching and student support	29	23
	<hr/>	<hr/>
	94	80
	<hr/>	<hr/>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number Restated
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy Trust comprise the Governors, the Head Teacher, the Deputy Head Teacher and the School Business Manager as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £418,924 (2020: £384,513, as restated).

10 Governors' remuneration and expenses

Governors did not receive any payments from the Academy Trust in respect of their role as Governors.

No expenses have been paid to Governors during the year (2020: £Nil) .

11 Governors' and officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme for the year ended 31 August 2021.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2020	26,261	665	915	52	27,893
Additions	-	134	49	-	183
At 31 August 2021	26,261	799	964	52	28,076
Depreciation					
At 1 September 2020	1,391	545	482	26	2,444
Charge for the year	699	129	225	13	1,066
At 31 August 2021	2,090	674	707	39	3,510
Net book value					
At 31 August 2021	24,171	125	257	13	24,566
At 31 August 2020	24,870	120	433	26	25,449

The Academy Trust was granted a licence to occupy a newly constructed permanent site. It is anticipated that a 125 year lease will be granted on the site and so the asset is recognised in the financial statements.

The land and buildings carrying value of £24,171k includes non-depreciated land valued at £8,860k.

13 Debtors

	2021 £'000	2020 £'000
VAT recoverable	45	60
Prepayments and accrued income	115	179
	<u>160</u>	<u>239</u>

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	-	93
Other taxation and social security	67	75
Accruals and deferred income	43	45
	<u>110</u>	<u>213</u>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Deferred income

	2021 £'000	2020 £'000
Deferred income is included within:		
Creditors due within one year	18	18
	<u>18</u>	<u>18</u>
Deferred income at 1 September 2020	18	20
Released from previous years	(18)	(20)
Resources deferred in the year	18	18
	<u>18</u>	<u>18</u>
Deferred income at 31 August 2021	18	18

As at 31 August 2021, the Academy Trust held £18,000 (2020: £18,000) of funds received in advance from parents and from the ESFA relating to the 2021-22 academic year.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	924	3,877	(3,661)	(136)	1,004
Pupil premium	-	147	(147)	-	-
Teachers pension grants	-	137	(137)	-	-
Teachers pay grants	-	48	(48)	-	-
Other DfE / ESFA grants	-	12	(12)	-	-
Other government grants	-	205	(205)	-	-
Covid-19 Catch-up premium	-	55	-	-	55
Other DFE/ESFA Covid-19 funding	-	41	(41)	-	-
Other non DFE/ESFA Covid-19 funding	-	34	(34)	-	-
Other restricted funds	-	17	(17)	-	-
Pension reserve	(529)	-	(234)	(262)	(1,025)
	<u>395</u>	<u>4,573</u>	<u>(4,536)</u>	<u>(398)</u>	<u>34</u>
Restricted fixed asset funds					
DfE group capital grants	10,571	15	(201)	-	10,385
Capital expenditure from GAG	140	-	(91)	136	185
Donated assets - School building & laptops	14,751	19	(774)	-	13,996
	<u>25,462</u>	<u>34</u>	<u>(1,066)</u>	<u>136</u>	<u>24,566</u>
Total restricted funds	<u>25,857</u>	<u>4,607</u>	<u>(5,602)</u>	<u>(262)</u>	<u>24,600</u>
Unrestricted funds					
General funds	-	39	(39)	-	-
Total funds	<u>25,857</u>	<u>4,646</u>	<u>(5,641)</u>	<u>(262)</u>	<u>24,600</u>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DFE/EFA grants: This includes all funding streams not separately disclosed, received from the ESFA and DFE, excluding capital grants.

Other government grants - comprises SEN and Pupil Premium funding from Surrey County Council.

Restricted fixed assets fund - comprise capital funding received for the purchase of fixed assets, against which depreciation is charged annually.

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	839	3,545	(3,398)	(62)	924
Pupil premium	-	152	(152)	-	-
Teachers pension grants	-	137	(137)	-	-
Teachers pay grants	-	48	(48)	-	-
Other DfE / ESFA grants	-	19	(19)	-	-
Other government grants	-	92	(92)	-	-
Other restricted funds	-	19	(19)	-	-
Pension reserve	(294)	-	(222)	(13)	(529)
	<u>545</u>	<u>4,012</u>	<u>(4,087)</u>	<u>(75)</u>	<u>395</u>
Restricted fixed asset funds					
DfE group capital grants	10,787	13	(229)	-	10,571
Capital expenditure from GAG	140	-	(62)	62	140
Donated assets - School building & laptops	15,522	-	(771)	-	14,751
	<u>26,449</u>	<u>13</u>	<u>(1,062)</u>	<u>62</u>	<u>25,462</u>
Total restricted funds	<u>26,994</u>	<u>4,025</u>	<u>(5,149)</u>	<u>(13)</u>	<u>25,857</u>
Unrestricted funds					
General funds	-	606	(606)	-	-
Total funds	<u>26,994</u>	<u>4,631</u>	<u>(5,755)</u>	<u>(13)</u>	<u>25,857</u>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	24,566	24,566
Current assets	66	1,103	-	1,169
Creditors falling due within one year	(66)	(44)	-	(110)
Defined benefit pension liability	-	(1,025)	-	(1,025)
Total net assets	-	34	24,566	24,600

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	25,449	25,449
Current assets	213	924	13	1,150
Creditors falling due within one year	(213)	-	-	(213)
Defined benefit pension liability	-	(529)	-	(529)
Total net assets	-	395	25,462	25,857

18 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 Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £Nil were payable to the schemes at 31 August 2021 (2020: £Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £375,464 (2020: £330,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.7% for employers and 5.5%-12.5% for employees.

The estimated value of employer contributions for the coming year is £132,000 (2020: £109,000).

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

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	136	94
Employees' contributions	47	38
Total contributions	<u>183</u>	<u>132</u>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.8	3.1
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	22.3	22.1
- Females	24.7	24.3
Retiring in 20 years		
- Males	23.4	22.9
- Females	26.4	25.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate +0.1% (2020: +0.5%)	57	168
Salary rate + 0.1% (2020: +0.5%)	-	1
Pension rate + 0.1% (2020: +0.5%)	56	166

Defined benefit pension scheme net liability

	2021 £'000	2020 £'000
Scheme assets	738	437
Scheme obligations	(1,763)	(966)
Net liability	(1,025)	(529)

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

	2021 Fair value £'000	2020 Fair value £'000
Equities	553	315
Bonds	118	74
Cash	15	13
Property	52	35
Total market value of assets	738	437

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

The actual return on scheme assets was £118,000 (2020: £2,000).

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	359	308
Interest income	(9)	(7)
Interest cost	20	15
	<hr/>	<hr/>
Total operating charge	370	316
	<hr/>	<hr/>
Changes in the present value of defined benefit obligations	2021 £'000	2020 £'000
At 1 September 2020	966	597
Current service cost	359	308
Interest cost	20	15
Employee contributions	47	38
Actuarial loss	371	8
	<hr/>	<hr/>
At 31 August 2021	1,763	966
	<hr/>	<hr/>
Changes in the fair value of the Academy Trust's share of scheme assets	2021 £'000	2020 £'000
At 1 September 2020	437	303
Interest income	9	7
Actuarial (gain)/loss	109	(5)
Employer contributions	136	94
Employee contributions	47	38
	<hr/>	<hr/>
At 31 August 2021	738	437
	<hr/>	<hr/>

HOE VALLEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(995)	(1,124)
Adjusted for:		
Capital grants from DfE and other capital income	(34)	(13)
Investment income receivable	-	(4)
Defined benefit pension costs less contributions payable	223	214
Defined benefit pension scheme finance cost	11	8
Depreciation of tangible fixed assets	1,066	1,062
Decrease in debtors	79	-
(Decrease) in creditors	(103)	(130)
Net cash provided by operating activities	247	13

20 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	911	98	1,009

21 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	9	-

22 Related party transactions

No related party transactions took place in the period of account other than certain Governors' remuneration and expenses already disclosed in note 10.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

