

Company Registration Number: 08833418 (England & Wales)

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Kerry Symeonidis (appointed 14 September 2023)
Members	Claerwyn Hamilton-Wilkes
	Ken Henderson
	Alex Holmes
	Claire McDonnell
	Lynne O'Reilly
Governors	Karen Bishop (resigned 10 January 2023)
	Jonathan Cope (resigned 10 July 2023)
	Liz Perkins, Chair of Trustees (appointed 12 October 2023)
	Claerwyn Hamilton-Wilkes
	Ken Henderson, Chair of Resources Committee
	Adrian Kane, Chair of Education Committee
	Stella Kazamia
	Adrian Kingsford
	Rajeev Marwaha (resigned 15 September 2022)
	Claire McDonnell
	America Pardo Gomez (appointed 15 September 2022, resigned 10 July 2023)
	Eti Vyas
	Lynette van der Merwe (appointed 24 November 2022)
	Rob Money (appointed 16 March 2023)
	Alex Arnold (appointed 16 March 2023)
	Zane Carrezedo (appointed 24 November 2022)
Company registered number	08833418
Company name	Hoe Valley School
Principal and registered office	Egley Road Woking Surrey England GU22 0NH
Senior management team	Head Teacher, Mrs J Davies School Business Manager, Mrs S Newman Deputy Head Teacher, Mr K Kelly Deputy Head Teacher, Miss S Austen Assistant Head Teacher, Mr O Woolley Assistant Head teacher/ Head of Sixth Form, Mr T Robinson

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditor	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor 9th Floor The White Building 1-4 Cumberland Place Southampton Hampshire SO15 2NP
Bankers	Lloyds Bank Plc 32 Commercial Way Woking Surrey England United Kingdom GU21 6ER

HOE VALLEY SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

a. 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.

b. 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.

c. 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.

d. 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 who are employees of the Academy Trust shall not exceed one third of the total number of Governors. Note that the Academy's Head Teacher is not a Governor.

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.

When appointing new Governors, the Governing Body will give consideration to the skills and experience mix of existing Governors in order to ensure the Governing Body has the necessary skills to contribute fully to the Academy's development.

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

Structure, governance and management (continued)

e. Policies 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.

f. 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 Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees of the Governing Body and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish working groups to perform specific tasks over a specified timescale.

There are several committees of the Governing Body as follows:

- Resources Committee (which fulfils the role of the Audit Committee)
- Education Committee
- Head Teacher Performance Review Committee
- Pay Review Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

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

The following decisions are reserved to the full Governing Body:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher

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

The Governors have devolved the day-to-day management of the Academy to the Headteacher and the Senior Leadership team ('SLT'). The SLT comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the Business Manager. The SLT implements the policies laid down by the Governors and reports back to them on performance.

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

Structure, governance and management (continued)

g. 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.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
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	£000
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Total cost of facility time	-
Total pay bill	-
Percentage of 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	- %
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

i. Engagement with employees

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

The Senior Leadership Team undertakes an annual employee survey, which is used to encourage the involvement of employees in the Academy's performance and to ensure that the views of employees can be considered in making decisions which are likely to affect their interests..

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.

Objectives and activities

a. Objects and aims

The principal object of Hoe Valley School , as set out in its Articles of Association, are to:

- advance for 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 board and balances curriculum; and
- promote for the benefit of the inhabitants of Woking, Surrey and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy during the period ended 31 August 2023 are summarised below:

- 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 students into good citizens

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the period are contained in the Academy's School Development Plan.

The main priorities of the Academy for the period ended 31 August 2023 were as follows:

- Achieve FFT5 targets in GCSE results for English and Maths
- Ensure a positive Progress 8 score in the school's first published GCSE results
- Retain and recruit excellent staff
- Develop the Work Ready agenda through embedded learning in curriculum including cross-curricular digital projects
- Develop the community agenda to include outreach to local parents as well as fundraising for local and national charities
- Plan an A-level curriculum and market the Sixth Form for the September 2023 opening

c. Public benefit

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in the Woking, Surrey and the surrounding area, offering a broad curriculum.

The Academy also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

Strategic report

The Academy has continued to work on the priorities set out in the School Development Plan approved by the Governing Body. Notable achievements this year were another strong set of GCSE results and the opening of the school's new Sixth Form.

Hoe Valley School had a successful academic year with strong GCSE results. The school is oversubscribed for the next academic year following a range of successful open events and is fully staffed.

Environmental factors have continued to be further enhanced by staff and pupil awareness

The School faces a number of principle risks as set out in the 'Principle Risks and Uncertainties' section.

The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

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

a. Achievements and performance

During the reporting period, key achievements included:

- Achieved a strong set of GCSE results
- Recruitment of all the required staff for the school's next year of operation
- Opened a new school Sixth Form in September 2023
- Delivered to the school's budget, slightly improving on the planned budget out turn

The Academy is in its ninth period of operation since opening in September 2015.

The total number of pupils in the period ended 31 August 2023 was 743 and this has increased to 800 at the October 2023 census date due to both continued demand for places at the Academy and the opening of the Sixth Form in September 2023.

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

b. Going concern

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

The school continues to monitor student performance and wellbeing following the impacts of the Covid-19 pandemic and ensure that appropriate measures are in place.

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

(continued)

c. Key performance indicators

- To secure 180 students onto the roll for the ninth year of operation for the school (180 achieved)
- To have pupil attendance of at least 95% (91.3% achieved, 3.1% above national average)
- To recruit the necessary staff for the 2023-24 academic year (achieved)
- To operate the school within the approved budget for 2022-23 (achieved)
- To deliver strong GCSE results:
 - English pass rate 9-4; 82%, 9-5 70%, 9-7 24%
 - Maths pass rate 9-4; 76%, 9-5 51%, 9-7 28%
- To achieve a positive Progress 8 measure:
 - Provisional overall Progress 8 score +0.1 (Surrey +0.17; national -0.03)
 - English +0.12 (Surrey +0.13; national -0.04)
 - Maths +0.1 (Surrey +0.17; national -0.02)

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2023, the balance of the GAG Restricted Fund was £605,000, which is after a transfer of £215,000 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 780 (excluding Sixth Form) which is an increase of c.6% from the previous census.

As a result, the ratio of GAG funding per pupil was £5,914 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 95.5%, while the percentage of staff costs to total costs was 69.3%.

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

(continued)

d. Financial review

The majority of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, all of which is restricted to a particular purpose. The grants received from the DfE during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2023, total expenditure of £6,357,000 (2022: £5,982,000) was met by funding from the ESFA.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

At 31 August 2023, the Academy Trust held fund balances totalling £24,890,000 (2022: £24,938,000). Of this amount, £24,285,000 (2022: £24,067,000) represented the tangible fixed assets owned by the Academy Trust.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

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 received by the school in previous period and used 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

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

Reserves

a. Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves in typical years of operation should be approximately 10% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In the early years of the establishment of the school, the reserve level has been higher to support opening the school's Sixth Form in 2023 and to mitigate against government funding uncertainties (for example around the teachers' pay grant) or to support other urgent costs (for example emergency maintenance).

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 £605,000 (2022: £1,059,000).

The Academy Trust's restricted pension reserve was £nil (2022: £188,000) in deficit as at 31 August 2022. 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.

The current level of reserves is above our target level of free cash reserves for typical years of operation. Once costs associated with establishing the school's new Sixth Form are incurred the reserve level is expected to return close to the target level. Final expenditure designation is still in progress, but is expected to be allocated to additional premises conversion costs and to cover a shortfall in Sixth Form student numbers in the early years of the new Sixth Form offering.

b. 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. Where cash flow allows, cash is invested on deposit for extended periods with the Academy's principal bankers or other reputable financial institutions. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis by the Resources Committee.

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

c. 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 Resources 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:

Financial

The Academy has considerable reliance on continued Government funding through the ESFA. In the period, approximately 69% of the Academy's incoming resources was ultimately Government funded 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.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

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 child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

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

d. Risk management

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

e. Financial and risk management objectives and policies

The Academy maintains a Risk Register which is regularly discussed by the Governors and includes the financial risks to the Academy. The Risk Register is constantly reviewed in light of any new information and formally reviewed at least annually.

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

Whilst the Academy is currently over-subscribed, risks to revenue funding from a falling roll are small. However, the current strains on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets may be increasingly tight in coming years.

The Governors examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Resources Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Governors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

Hoe Valley School does not currently undertake significant fundraising activities and does not make use of any external 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.

Streamlined energy and carbon reporting

As the academy trust does not qualify as a large company under the definitions set out in the Companies Act 2006, it is not required to disclose energy use.

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

Plans for future periods

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- 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, SATs and CATs scores as well as teacher assessments
- ensure the long-term strategic vision for the school is on track to be delivered effectively and in a financially stable manner
- continue to build the school's Sixth Form that opened in September 2023, including the building of new premises by building an extension.

Funds held as custodian on behalf of others

The Academy and its Governors do not act as Custodian Trustees of any other charity.

Auditors

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 Governors' Report was approved by order of the Board of Governors, as the company directors, on 23rd November 2023 and signed on its behalf by:



Liz Perkins
Chair of Governors

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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Hoe Valley School 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 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 Board of Governors has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
Karen Bishop	2	2
Adrian Kane	4	4
Adrian Kingsford	4	4
Ken Henderson, Chair of Resources Committee	4	4
Claerwyn Hamilton-Wilkes	3	4
Jonathan Cope	4	4
America Pardo Gomez	1	3
Claire McDonnell	4	4
Eti Vyas	3	4
Stella Kazamia(maternity leave)	0	0
Zane Carrezedo	2	2
Lynette van der Merwe	2	2
Rob Money	2	2
Alex Arnold	2	2
Liz Perkins, Chair of Trustees	0	0
Rajeev Marwaha	0	0

The Resources Committee is a sub-Committee of the Governing Body. Its purpose is to provide guidance and assistance to the Governing Body on all matters related to finance, resources, premises and Health & Safety of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at the Resources Committee meetings was as follows:

Governor	Meetings attended	Out of a possible
K Bishop	1	1
K Henderson	3	3
Z Carrazedo	1	2
A Kane	3	3
J Cope	2	3
A Kingsford	3	3
R Money	1	1
L van der Merwe	1	2

Conflict of interest

The Trust has appropriate processes in place to manage conflicts of interest, which includes maintaining an up-to-date and complete register of interests. All Governors are required to complete and review their register of interest which is reviewed annually as a minimum.

Governance Review

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.

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.

The Governing Body last completed an external assessment of its own effectiveness in November 2021. The key outputs and recommendations are as follows, along with the status of actions taken:

- The Trust board and SLT Should plan to help and hold a facilitated visioning, planning and team building session to consider plans to achieve vision for the school in 2030 (planned)
- A session for Members and Governors should be held to help clarify the role of the Members and how they will carry this out effectively without straying into the remit of the Board (completed)
- Improve Governor's preparations for meetings and develop a more focussed approach to the SLT supplying a high-level summary of the key points and issues within the information they provide (completed)
- Develop a plan to improve the effectiveness of Governor school visits (in progress)
- The makeup of the Trust Board should be reviewed and a plan to recruit to at least one Governor with strong educational experience (on going)
- A training programme should be constructed to address the areas identified by Governors for development (in progress)
- Consideration should be given to developing skills within the Board for succession planning (in progress)
- To avoid duplication between committees and full Board Meetings, the chair and vice-chairs should consider taking the opportunity to meet termly to review the focus of each meeting they are chairing for the term ahead (actioned)

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Head Teacher has responsibility for ensuring that the Academy 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, 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.

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'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 Governors;
- regular reviews by the Finance, Audit and Operations 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 Governors has decided to buy-in an internal assurance service from Kreston Reeves. The Academy ensures that internal and external audit services are not conducted by the same audit firm, in line with the FRC Ethical Standard for auditors.

The internal assurance reviewer's role includes giving advice on financial matters and performing a range of

HOE VALLEY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

checks on the Academy's financial and other systems. In particular, the checks carried out in the current period included:

- Payroll: review of employment contracts, salary forms/letters, DBS checking, additional payments/deductions
- Expenditure: Purchase requisitions, POs, delivery notes, invoices
- Contracts: signed services, contracts, quotes, tender evaluation and approval

On an annual basis, the internal assurance reviewer reports to the Board of Governors through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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 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 Resources 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 Governors on 23RD NOVEMBER 2023 and signed on their behalf by:



Liz Perkins
Chair of Governors



Jane Davies
Accounting Officer


HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hoe Valley School I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education.

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

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



.....
Jane Davies
Accounting Officer

Date: 27TH NOVEMBER 2023

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

In preparing these financial statements, the Governors are required to:

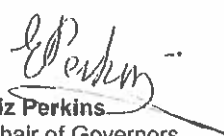
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 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 financial statements may differ from legislation in other jurisdictions.

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


Liz Perkins
Chair of Governors

Date: 27th November 2023

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOE VALLEY SCHOOL

Opinion

We have audited the financial statements of Hoe Valley School (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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'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.

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOE VALLEY SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 trustees

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOE VALLEY SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

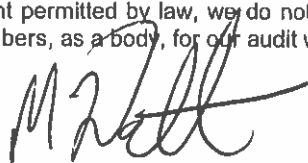
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOE VALLEY SCHOOL (CONTINUED)

Use of our report

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



Michael Bath BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

9th Floor

The White Building

1-4 Cumberland Place

Southampton

Hampshire

SO15 2NP

Date:

29 November 2023

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 11 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hoe Valley School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 29th May 2019 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor

9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 29 November 2023

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

		Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
	Note					
Income from:						
Donations and capital grants	3	-	17	146	163	41
Other trading activities		169	-	-	169	107
Charitable activities		198	5,507	-	5,705	4,874
Total income		367	5,524	146	6,037	5,022
Expenditure on:						
Charitable activities		-	5,848	509	6,357	5,982
Total expenditure		-	5,848	509	6,357	5,982
Net income/(expenditure)		367	(324)	(363)	(320)	(960)
Transfers between funds	15	(367)	(215)	582	-	-
Total transfers		(367)	(215)	582	-	-
Net movement in funds before other recognised gains		-	(539)	219	(320)	(960)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	21	-	273	-	273	1,298
Net movement in funds		-	(266)	219	(47)	338
Reconciliation of funds:						
Total funds brought forward		-	871	24,067	24,938	24,600
Net movement in funds		-	(266)	219	(47)	338
Total funds carried forward		-	605	24,286	24,891	24,938

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

The notes on pages 30 to 51 form part of these financial statements.

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08833418

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	12	24,285	24,067
Current assets			
Debtors	13	303	286
Cash at bank and in hand		516	924
		<u>819</u>	<u>1,210</u>
Creditors: amounts falling due within one year	14	(214)	(151)
Net current assets		<u>605</u>	<u>1,059</u>
Total assets less current liabilities		<u>24,890</u>	<u>25,126</u>
Net assets excluding pension asset / liability		<u>24,890</u>	<u>25,126</u>
Defined benefit pension scheme asset / (liability)	21	-	(188)
Total net assets		<u><u>24,890</u></u>	<u><u>24,938</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	15	24,285	24,067
Restricted income funds	15	605	1,059
		<u>24,890</u>	<u>25,126</u>
Restricted funds excluding pension asset	15	24,890	25,126
Pension reserve	15	-	(188)
Total restricted funds	15	<u>24,890</u>	<u>24,938</u>
Unrestricted income funds	15	<u>-</u>	<u>-</u>
Total funds		<u><u>24,890</u></u>	<u><u>24,938</u></u>

The financial statements on pages 27 to 51 were approved and authorised for issue by the Governors and are signed on their behalf, by:

.....
Liz Perkins
 Chair of Trustees

Date: 27TH NOVEMBER 2023

The notes on pages 30 to 51 form part of these financial statements.

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	175	33
Cash flows from investing activities	18	(583)	(118)
Change in cash and cash equivalents in the year		(408)	(85)
Cash and cash equivalents at the beginning of the year		924	1,009
Cash and cash equivalents at the end of the year	19, 20	<u>516</u>	<u>924</u>

The notes on pages 30 to 51 form part of these financial statements

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 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 i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy'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 allocated on the portion of the asset's use.

- **Charitable activities**

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

1.5 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Land and buildings	- 10 - 50 years
Fixtures, fittings & equipment	- 4 years
Computer equipment	- 3 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.

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 as detailed in note 14. 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.

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Taxation

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

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

1.11 Pensions benefits

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

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

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

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

Where an actuarial valuation of the LGPS at the balance sheet date shows that the pension scheme is in a net asset position, the Trustees make an assessment of whether it is likely that the Academy will be able to recover its share of the net assets in the scheme whether by reductions in confirmed future contribution levels or by refunds of assets from the plan. Where it is considered virtually certain that the Academy will be able to realise its share of the net assets in the scheme, the Academy's share of those net assets is recognised as an asset on the balance sheet. Where the ability of the Academy to recover its share of any plan asset will only be confirmed by one or more future events this is regarded as a Contingent asset: in these circumstances no asset is recognised and the LGPS is included in the Balance sheet at £zero, with any corresponding reduction in the calculated value of the asset passing through 'Actuarial gains/(losses) on defined benefit pension schemes' within the Statement of Financial Activities. The existence and amount of a contingent pension asset is included within the Notes to the accounts.

HOE VALLEY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 21, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Where an actuarial valuation of the LGPS at the balance sheet date shows that the pension scheme is in a net asset position, the Trustees make an assessment of whether it is likely that the Academy will be able to recover its share of the net assets in the scheme whether by reductions in confirmed future contribution levels or by refunds of assets from the plan. Where it is considered virtually certain that the Academy will be able to realise its share of the net assets in the scheme, the Academy's share of those net assets is recognised as an asset on the balance sheet. Where the ability of the Academy to recover its share of any plan asset will only be confirmed by one or more future events this is regarded as a Contingent asset: in these circumstances no asset is recognised and the LGPS is included in the Balance sheet at £zero, with any corresponding reduction in the calculated value of the asset passing through 'Actuarial gains/(losses) on defined benefit pension schemes' within the Statement of Financial Activities. The existence and amount of a contingent pension asset is included within the Notes to the accounts.

Critical areas of judgment:

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

HOE VALLEY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Capital Grants	-	146	146	16
Other donations	17	-	17	25
	<u>17</u>	<u>146</u>	<u>163</u>	<u>41</u>
Total 2022	<u>25</u>	<u>16</u>	<u>41</u>	

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

4. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
DfE/ESFA grants				
General annual grant (GAG)	-	4,613	4,613	4,142
Other DfE/ESFA grants				
Pupil premium	-	183	183	211
Teachers pension grants	-	2	2	-
Teachers pay grants	-	1	1	-
Other grants	-	277	277	70
Other income resources	198	-	198	61
	198	5,076	5,274	4,484
Other Government grants				
Local authority grants	-	431	431	371
	-	431	431	371
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	-	-	19
	-	-	-	19
Total Direct costs - 2022	198	5,507	5,705	4,874
	198	5,507	5,705	4,874
Total 2022	61	4,813	4,874	

5. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Lettings, Fundraising and Catering income	169	169	107
Total 2022	107	107	

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

6. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Direct costs	2,984	176	971	4,131	3,541
Allocated support costs	1,470	524	232	2,226	2,441
	<u>4,454</u>	<u>700</u>	<u>1,203</u>	<u>6,357</u>	<u>5,982</u>
Total 2022	<u>4,445</u>	<u>1,269</u>	<u>268</u>	<u>5,982</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Direct costs	<u>4,131</u>	<u>2,226</u>	<u>6,357</u>	<u>5,982</u>
Total 2022	<u>3,541</u>	<u>2,441</u>	<u>5,982</u>	

HOE VALLEY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Support staff costs	1,470	1,470	1,738
Depreciation	169	169	252
Technology Costs	113	113	99
Premises costs	355	355	231
Other support costs	25	25	23
Legal costs	68	68	76
Governance costs	26	26	22
Total 2023	2,226	2,226	2,441
Total 2022	2,441	2,441	

8. Net (Income)/expenditure

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	10	14
Depreciation of tangible fixed assets	512	448
Fees paid to auditors for:		
- audit	16	14
- other services	2	3

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

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	3,346	3,040
Social security costs	323	278
Pension costs	739	1,034
	<hr/> 4,408	<hr/> 4,352
Agency staff costs	46	45
Staff development and other staff costs	-	48
	<hr/> <hr/> -	<hr/> <hr/> -

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	49	47
Administration and support	24	18
Management	6	5
Teaching and student support	25	27
	<hr/> 104	<hr/> 97
	<hr/> <hr/> -	<hr/> <hr/> -

HOE VALLEY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff (continued)

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £316,942 (2022 - £223,366).

10. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Governor expenses have been incurred (2022 - £NIL).

Other related party transactions involving the Trustees are set out within the related parties note.

11. Governors' and Officers' insurance

The Academy 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 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 membership.

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

12. Tangible fixed assets

	Long-term leasehold property £000	Computer equipment £000	Assets under construction £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2022	26,261	840	32	1,026	52	28,211
Additions	84	214	261	169	-	728
Transfers between classes	32	-	(32)	-	-	-
At 31 August 2023	<u>26,377</u>	<u>1,054</u>	<u>261</u>	<u>1,195</u>	<u>52</u>	<u>28,939</u>
Depreciation						
At 1 September 2022	2,428	734	-	930	52	4,144
Charge for the year	346	101	-	63	-	510
At 31 August 2023	<u>2,774</u>	<u>835</u>	<u>-</u>	<u>993</u>	<u>52</u>	<u>4,654</u>
Net book value						
At 31 August 2023	<u>23,603</u>	<u>219</u>	<u>261</u>	<u>202</u>	<u>-</u>	<u>24,285</u>
At 31 August 2022	<u>23,833</u>	<u>106</u>	<u>32</u>	<u>96</u>	<u>-</u>	<u>24,067</u>

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 £23,603k includes non-depreciated land valued at £8,860k

13. Debtors

	2023 £000	2022 £000
Due within one year		
VAT recoverable	139	57
Prepayments and accrued income	164	229
	<u>303</u>	<u>286</u>

HOE VALLEY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	87	31
Other taxation and social security	80	74
Other creditors	7	6
Accruals and deferred income	40	40
	<u>214</u>	<u>151</u>
	<u><u>214</u></u>	<u><u>151</u></u>
	2023	2022
	£000	£000
Deferred income at 1 September 2021	18	18
Resources deferred during the year	23	18
Amounts released from previous periods	(18)	(18)
	<u>23</u>	<u>18</u>
	<u><u>23</u></u>	<u><u>18</u></u>

As at 31 August 2023, the Academy Trust held £23,000 (2022: £18,000) of funds received in advance from parents and from the ESFA relating to the 2023-24 academic year.

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

15. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	-	367	-	(367)	-	-
Restricted general funds						
General Annual Grant (GAG)	1,059	4,613	(4,852)	(215)	-	605
Pupil premium	-	182	(182)	-	-	-
Other DfE / ESFA grants	-	729	(729)	-	-	-
Pension reserve	(188)	-	(85)	-	273	-
	<u>871</u>	<u>5,524</u>	<u>(5,848)</u>	<u>(215)</u>	<u>273</u>	<u>605</u>
Restricted fixed asset funds						
DfE group capital grants	10,650	146	(510)	582	-	10,868
Capital expenditure from GAG	199	-	-	-	-	199
building & laptops	13,218	-	-	-	-	13,218
	<u>24,067</u>	<u>146</u>	<u>(510)</u>	<u>582</u>	<u>-</u>	<u>24,285</u>
Total Restricted funds	<u>24,938</u>	<u>5,670</u>	<u>(6,358)</u>	<u>367</u>	<u>273</u>	<u>24,890</u>
	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Total funds	<u>24,938</u>	<u>6,037</u>	<u>(6,358)</u>	<u>-</u>	<u>273</u>	<u>24,890</u>

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

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

15. Statement of funds (continued)

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other DFE/ESFA grants: This includes the ESFA grants for free meals, Maths premium and teachers pay and pension grant

Other government grants: This includes money received from local authorities.

Other restricted funds: This includes grants received from non government agencies.

DFE/ESFA capital grants: This includes the Devolved Formula Capital grants as well as other ESFA capital grants.

Other capital grants: This includes non government capital grants.

Transfer of funds relate to the purchase of capital items using funds agreed and expected by the academy, but to which it was not entitled at the year end.

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

15. Statement of funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	-	168	-	(168)	-	-
Restricted general funds						
General Annual Grant (GAG)	1,004	4,143	(4,137)	49	-	1,059
Pupil premium	-	211	(211)	-	-	-
Other DfE / ESFA grants	-	88	(88)	-	-	-
Other government grants	-	353	(353)	-	-	-
Covid-19 Catch-up premium	55	-	(55)	-	-	-
Other DFE/ESFA Covid-19 funding	-	18	(18)	-	-	-
Other restricted funds	-	25	(25)	-	-	-
Pension reserve	(1,025)	-	(461)	-	1,298	(188)
	<u>34</u>	<u>4,838</u>	<u>(5,348)</u>	<u>49</u>	<u>1,298</u>	<u>871</u>
Restricted fixed asset funds						
DfE group capital grants	10,385	16	228	21	-	10,650
Capital expenditure from GAG	185	-	(84)	98	-	199

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

15. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Donated assets - School building & laptops	13,996	-	(778)	-	-	13,218
	<u>24,566</u>	<u>16</u>	<u>(634)</u>	<u>119</u>	<u>-</u>	<u>24,067</u>
Total Restricted funds	<u>24,600</u>	<u>4,854</u>	<u>(5,982)</u>	<u>168</u>	<u>1,298</u>	<u>24,938</u>
Total funds	<u>24,600</u>	<u>5,022</u>	<u>(5,982)</u>	<u>-</u>	<u>1,298</u>	<u>24,938</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	24,285	-	24,285
Current assets	819	-	-	819
Creditors due within one year	(214)	-	-	(214)
Total	<u>605</u>	<u>24,285</u>	<u>-</u>	<u>24,890</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	24,067	24,067
Current assets	39	1,171	-	1,210
Creditors due within one year	(39)	(112)	-	(151)
Provisions for liabilities and charges	-	(188)	-	(188)
Total	-	871	24,067	24,938

17. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(320)	(960)
Adjustments for:		
Depreciation	510	634
Capital grants from DfE and other capital income	(146)	(16)
Defined benefit pension scheme cost less contributions payable	75	426
Defined benefit pension scheme finance cost	10	35
Increase in debtors	(16)	(127)
Increase in creditors	62	41
Net cash provided by operating activities	175	33

18. Cash flows from investing activities

	2023 £000	2022 £000
Purchase of tangible fixed assets	(729)	(134)
Capital grants from DfE Group	146	16
Net cash used in investing activities	(583)	(118)

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	516	924
Total cash and cash equivalents	516	924

20. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	924	(408)	516
	924	(408)	516

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2023.

Contributions amounting to £Nil were payable to the schemes at 31 August 2023 (2022 - £nil) and are included within creditors.

Teachers' Pension Scheme

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

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

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

21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation are:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £465,145 (2022 - £420,249)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £230k (2022 - £231k), of which employer's contributions totalled £170k (2022 - £168k) and employees' contributions totalled £60k (2022 - £60k). The agreed contribution rates for future years are 17.7% per cent for employers and 5.5% - 12.5% per cent for employees.

A contingent asset in respect of the LGPS of £173,000 (2022: £nil) has not been recognised as its recovery is not regarded as virtually certain.

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.

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

21. Pension commitments (continued)

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.95	3.95
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023 Years	2022 Years
Retiring today		
Males	22.2	22.1
Females	24.5	24.5
Retiring in 20 years		
Males	21.7	23.1
Females	26.0	26.2

Share of scheme assets

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	1,080	702
Bonds	170	129
Cash	114	18
Property	57	75
Total market value of assets	1,421	924

The actual return on scheme assets was £35,000 (2022 - £109,000).

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

	2023 £000	2022 £000
Current service cost	245	608
Interest income	(44)	(14)
Interest cost	54	35
Total amount recognised in the Statement of Financial Activities	255	629

HOE VALLEY SCHOOL
(A Company Limited by Guarantee)

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

21. Pension commitments (continued)

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

	2023 £000	2022 £000
At 1 September 2022	1,112	1,763
Interest cost	54	35
Employee contributions	60	60
Current service cost	-	608
Actuarial gains	(273)	(1,354)
Benefits paid	(2)	-
At 31 August 2023	951	1,112

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

	2023 £000	2022 £000
At 1 September 2022	924	738
Interest income	44	14
Actuarial gains/(losses)	-	(56)
Employer contributions	170	168
Benefits paid	(2)	-
Employee contributions	60	60
At 31 August 2023	1,196	924

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.

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

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

