

Company Registration Number: 08286295 (England & Wales)

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

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HITCHIN BOYS' SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Dr H Corkill (Ex-Officio) Mr A Gilbert Ms S Klernan Mr M Page Mrs J Shale Professor R Slater
Trustees	Mr P Addison Mr N Broughton Dr H Corkill, Chair Mr B Gillingham Mrs C Grainger, Vice Chair (resigned 29 September 2021) Mrs K Harvey Mr D Hutchinson Mr D Ingledew (appointed 29 September 2021, resigned 21 September 2022) Mrs H Jones (appointed 29 September 2021) Mr P Laws Mr S Marlow Mrs J McCall, Trustee (Staff) (resigned 14 November 2022) Mr F Moane, Head Teacher Mrs J Radley Mr C Schanschleff (appointed 11 May 2022) Mr B Singh Mrs E Taplin, Trustee (Staff) (resigned 14 November 2022) Mr M Taylor Cllr R Thake Mr J Turney, Vice Chair Mrs J Weston Ms K White, Trustee (Staff) (resigned 14 November 2022) Mr K Whitmore
Company registered number	08286295
Company name	Hitchin Boys' School
Principal and registered office	Grammar School Walk Hitchin Hertfordshire SG5 1JB
Company secretary	Mrs D Ivory-Webb

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

**Senior management
team**

Mr F Moane, Head Teacher
Mr M Monks, Deputy Head Teacher
Mr P Dawson, Assistant Head Teacher
Mrs E Freeman, Associate Assistant Head Teacher (appointed 1 September 2021,
resigned 31 August 2022)
Ms A Hetherington, Assistant Head Teacher
Mr A McPherson, Assistant Head Teacher
Miss R Oliva, Assistant Head Teacher
Mr J Rayner, Assistant Head Teacher
Mr M Wilson, SENDCo
Mrs D Ivory-Webb, School Business Manager

Independent auditor

Streets Audit LLP
Chartered Accountants and Statutory Auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Bankers

Lloyds Bank PLC
Bancroft
Hitchin
Hertfordshire
SQ5 1JQ

Solicitors

Stone King LLP
Boundary House
30 Station Road
Cambridge
CB1 2RE

HITCHIN BOYS' SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The Academy Trust is an all ability school serving the local population, providing education for boys aged 11-18. It has a pupil capacity of 1,400 and had a roll of 1,284 in the school census on 19 May 2022.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Hitchin Boys' School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Hitchin Boys' School.

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

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. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be found guilty in relation to the Academy Trust. Further details are provided in note 13.

d. Method of recruitment and appointment or election of Trustees

There are three Trustees who are members of staff, two representing the teaching staff and one representing the support staff. The Head Teacher is a Trustee appointed by virtue of their office.

A review of skills needed for the Board takes place before the appointment of new Trustees, and a full audit of skills takes place annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

Induction information is provided in an online folder for all newly appointed Trustees which describes their role as a Trustee and gives some basic information about the Academy, academy governance and the Board of Trustees (organisation structure, finance, personnel).

The Chair and the Clerk to the Trustees manage the induction of Trustees. Trustees are encouraged to identify their training needs, which the Academy endeavours to meet either through mentoring, bespoke training or generic training. The process of training is noted at each Trustees' meeting and a full record kept on the governance portal.

All Trustees receive Child Protection (Safeguarding in Education) training and this is renewed every three years. Trustees are also trained each autumn term on the changes to the 'Keeping Children Safe in Education' document that is updated annually by the Department for Education. The Academy subscribes to both the Hertfordshire Governors' Service through Herts for Learning and the National Governors' Association (NGA), both of which provide training for Trustees. Presentations by staff are made regularly at committee meetings to provide information, training, and support for Trustees.

f. Organisational structure

As specified in the Articles of Association, the business of the Academy Trust is managed by the Trustees who exercise all the powers of the Academy Trust. In exercising their responsibilities, Trustees consider the advice given by the Head Teacher and other members of the Senior Leadership Team. Trustees are responsible for approving policies, monitoring financial reporting, planning and budget approval and making senior staff appointments. The Trustees are also responsible for monitoring the performance of the Head Teacher on a regular basis.

The Board of Trustees normally meets six times per year. The Board establishes an overall framework for the governance of the Academy and agrees membership of committees, statutory and other panels. It receives reports, and in particular policy documents, from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. It also ratifies the terms of reference and procedures for its committees. The Board of Trustees may also, from time to time, establish working groups to perform specific tasks over a limited timescale.

The Senior Leadership Team controls the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Senior Leadership Team is responsible for the authorisation of spending with agreed budgets and the appointment of staff up to senior positions. Some spending control is devolved to Cost Centre Heads. The Trustees and the Academy Trust's Accounting Officer has appointed an independent Internal Scrutineer 2021/22. The Trustees' Resources Committee also act as the internal audit committee.

g. Arrangements for setting pay and remuneration of key management personnel

This is governed by the School Teachers Pay & Conditions annual document and all senior teachers have annual appraisals with performance related pay targets, with reviews completed by an appraisal system verified by the governors. The Head Teacher is subject to a separate appraisal review by a new Pay and Performance Committee that assumed the role from 2022. The Trustees consider sector parameters and benchmarks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

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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I. Related parties and other connected charities and organisations

The Academy is part of the Hitchin Schools' Sixth Form Consortium along with Hitchin Girls' School and The Priory School. The Consortium provides students from all three schools with access to a broad curriculum. The Consortium operates as a soft federation and is overseen by the Consortium Governance Committee comprising the Head Teachers and representatives from all three schools. The Academy is also a delivery partner with the Alban Teaching School Hub and coordinates the Schools Direct link with the University of Hertfordshire for Initial Teacher Training on behalf of North Hertfordshire schools.

Hitchin Boys' School Charitable Trust (Registered Charity Number 801251) is a separate Charitable Trust which exists to support the School by helping to provide facilities for education and encouraging participation from the wider community in sports and recreation through the provision of facilities. The charity is a separate trust independent of the Academy. Mrs D Ivory-Webb is School Business Manager of the Academy and a trustee of the Charitable Trust.

Hitchin Educational Foundation (Registered Charity Number 311024) provides educational grants (including for uniform) for students under the age of 25 years who meet defined criteria in schools in Hitchin and the surrounding villages.

Hitchin Churches Schools' Worker Trust (Registered Charity Number 1154364), also known as Phase, provides help and support in education through methods such as lessons, assemblies, pastoral support, and mentoring. There is one Member Trustee of the Academy (Mr M Taylor) who is also a Member Trustee of the Charity.

HITCHIN BOYS' SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The Academy Trust's object is to:

- (a) advance for the public benefit an education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, and developing a school offering a broad and balanced curriculum; and
- (b) promote for the benefit of the inhabitants of Hitchin and the surrounding area the provision of facilities for recreation or other leisure time occupations of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants

The principal aim of The Academy Trust is to provide high quality learning that helps all students to fulfil their intellectual potential and become well balanced young people who will be able to take their place in society.

Further aims are to:

- Provide students with the knowledge, skills and understanding that they need to make healthy, positive life and lifestyle choices and enabling them to play an active and constructive role in their school, local and global communities;
- Ensure that students make good progress through access to a quality provision, which is innovative, challenging and meets their individual learning needs; and
- To provide equality of opportunity for all.

b. Objectives, strategies and activities

Key influences on the Academy Trust's Development Plan for the period under review were the continued response to the coronavirus pandemic. Schools continued to have obligations around mass testing, vaccination and transmission control, and the academy suffered two significant spikes in staff and student infections, in October 2021 and December 2021 (where the school needed to be closed for 1.5 days at the end of the autumn term due to widespread staff Covid-19 infection).

Key activities and targets have included the following:

- Raising attainment and achievement through the provision of a relevant and effective curriculum;
- Preparing students for GCSE and A-Level examinations;
- A range of actions to ensure continuing effective assessment of student progress;
- Catch-up for those whose learning had been disrupted by Covid-19 absence, including tutoring;
- Improved monitoring and follow up of student attendance;
- Improved support for SEND and Pupil Premium students to reduce attainment and progress gaps;
- Preparation of students for the return of (modified) public exams in summer 2022
- Continuing the rollout of digital technologies in the classroom, including the Chromebook programme; and
- Improved professional development of all staff via CPD opportunities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on education.

The Academy Trust provides education to children and young people that is:

- Balanced and broadly based;
- Promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society;
- Provides a 'personal development' and enrichment programme that develops life skills, character, values and also fulfils statutory obligations around relationships, sex and health education;
- Prepares students at the school for the opportunities, responsibilities and experiences of later life; and
- Promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Academy Trust is an all-ability school serving Hitchin and the surrounding area. It is subject to the current statutory arrangements as laid down in the national Admissions Code.

d. Employees and disabled persons

Detailed disclosure of employees and provisions for disabled persons is not required as the Academy currently has under 250 employees. However, we have made provision within our general classroom area to accommodate the needs of hearing-impaired staff members should this be required, and we constantly take professional advice from our Occupation Health advisors on how we can best support the changing needs of our staff.

Strategic report

Achievements and performance

The school website and updated Prospectus gives a more detailed overview of the school and the offer to students, particularly curriculum options and choices that are adjusted each year for those entering GCSE or A level study. The school publishes a regular newsletter and the archive will contain further details on previous events and actions: <https://www.hbs.herts.sch.uk/Information/newsletter/archive>

A significant event in September 2021 was the visit of Ofsted to inspect the school on a two day Section 8 inspection. Ofsted judged that the school continues to be an outstanding school, the full report can be read here: <https://files.ofsted.gov.uk/v1/file/50171788>

Some highlights include:

- "The school's curriculum is highly ambitious for all pupils. It is designed very well and ensures pupils not only learn rich subject knowledge, but also grow in their awareness of the world around them"
- "Pupils enjoy their time at school. They care about each other and get on well with staff and with their peers. Pupils are polite and respectful. They bring to life the Hitchin Boys' School values of respect, teamwork and kindness"

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

- "Leaders accurately identify the needs of pupils with special educational needs and/or disabilities (SEND). Teachers use information from 'pupil passports' to make well considered adjustments to their lessons. This means that pupils with SEND have full access to leaders' outstanding curriculum and achieve very well."
- "In all year groups, pupils access a carefully planned, high-quality 'personal development' curriculum. This supports pupils to become active, respectful citizens"
- "The arrangements for safeguarding are effective. Throughout the school, there is a strong safeguarding culture"
- "Staff have very high expectations and want the best for all pupils. Consequently, pupils behave extremely well and feel safe. No one in the school community tolerates unkind words or acts against others. Bullying is rare. Pupils know that if bullying does happen, staff deal with it effectively and promptly. The school is a calm place for pupils to learn and be themselves."

The global COVID 19 pandemic had some ongoing implications for the school, with several waves of community driven infections during the year, despite infection control procedures and regular testing. The school was required to abide by self-isolation requirements for students and staff, meaning that periods of remote learning and teaching were required. The school had developed robust systems to support this, and the provision of Chromebooks/laptops and use of the Google Workspace learning platform reduced impact upon learning. However, two spikes in October 2021 and December 2021 resulted in significant numbers of staff being unwell or self-isolating, and the school had to curtail the autumn term by 1.5 days due to safety considerations, as not enough staff were available to come to work.

We continued to work with the Department for Education to mass-test students when requested, and worked with the NHS to support on-site vaccination for eligible students that opted-in. Despite anti-vax protests outside the school that required private security support via Herts County Council, uptake of the vaccine was high and this helped to reduce infections in the spring and summer terms. Restrictions eased significantly in March/April 2022 and we were able to support the return to public exams with no further disruption due to Covid-19.

International travel restrictions meant that all trips had to be cancelled or deferred up until April 2022, but we were then able to run some life-changing trips such as the Geography trip to Costa Rica and the month-long summer expedition to Malaysia.

There were significant impacts again upon school finances, as costs for supply and agency teachers escalated and income from the sports centre, lettings and catering was again restricted. Although the sports centre was able to resume some activities, there continued to be restrictions upon numbers as we were required to follow risk assessments and standards set by the sport governing bodies, such as British Gymnastics. The school did receive some support in terms of a catch-up premium from central government, but this was limited in scale since it was tied to numbers of students eligible for pupil premium (around 8% of the school population). We did receive some financial support for Covid testing programmes but were unable to reclaim further costs as staff absence rates did not quite meet the Department for Education thresholds and our level of financial reserve was above the minimum level needed to be eligible for additional support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Despite these challenges, significant progress was made with the school development plan, including highlights such as:

- the completion of the rollout of Chromebook devices to all of years 7-11 and bring your own laptop for the sixth form, leading to a rejuvenated approach to teaching and learning, including a team of 3 who have positions of responsibility to advocate and research on pedagogy;
- a new assessment policy that ensures that feedback is meaningful, manageable and motivating, in line with the DfE Workload Challenge findings;
- a comprehensive response to 'Covid-catch up' from tutoring, initiatives on mental health, to a learning mentor and a variety of counselling and mentoring service available to students in need;
- further development of the site, including the first phases of roofing replacement in the 1930s main block, a heating upgrade in the sixth form centre and a new fitness suite commissioned in the tennis centre;
- further development of the Rewards and Consequences policy, including the introduction of academic colours for outstanding achievement over time and rewards events that parents were invited to;
- A whole 'Green Week' of sustainability activities took place in March, led by Mrs Freeman and the Eco team. We have planted over 100 trees in the school grounds as part of the Queen's Platinum Jubilee Green Canopy project; and
- Appointment of a Race Equality lead to work on developing an anti-racist approach, complementing the work on inclusion by our existing LGBT lead.

The school expansion continued, with an additional planned 45 students joining year 7 as another 210 student intake feeds through and 12 students joining us in the sixth form who came from other schools. The school now has over 1300 students with year groups of 210 in each of years 7-11. This provides additional income that has been balanced against commensurate increase in staffing to support the expanded student numbers. The sixth form is expected to grow further for the subsequent two years as the additional students feed forward and our retention into sixth form is usually above 70%.

Creative Arts

Some aspects of Creative Arts continued to be impacted by Covid-restrictions, but these did ease during the year and most of the rich life in music, art and drama did return.

The full programme of concerts and recitals were able to take place, with the welcome return of live audiences. Autumn, Spring and Summer concerts were very popular and with a wide variety of musical styles on show. The choir and brass orchestra played for Founders' Day in St Mary's Church and the set-piece events were supplemented by musical performances in the atrium on the four House days, and performing in the Market Square in Hitchin for Comic Relief. In Drama, the spring production of Sweeney Todd was embraced by the performers with gusto and over 200 students were involved in acting, and as technicians and support crew. It was a performance that brought great joy to both performers and audience, and we are looking forward to similar expression of talent with Young Frankenstein the production for 2023.

Former Students' Association

The Former Students' Association remained active during the Covid period by moving meetings and the AGM online. Fundraising was inevitably curtailed and the annual dinner postponed due to concerns around Covid in March 2022, but some recruitment and fundraising was possible.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Parents' Society

The Society was significantly impacted during the Covid period, but some fundraising was possible as restrictions eased after Easter 2022. The society was able to raise around £5,000 through support at events such as open evening, concerts and the very successful 'Bring your parent to school' afternoon and BBQ for year 7 and 8. Despite the restrictions, the Parents' Society were still able to support 9 events, and also continue their work around second-hand uniform collection and sales across the summer.

Charitable events

Due to world events, we changed focus during the year to undertake fundraising for the Humanitas charity to support people in Ukraine. This is a Hitchin charity that delivers medical supplies to those on the front line and we raised over £1,700 on our Yellow and Blue day. Comic Relief raised a similar amount, and further amounts were raised on the four House days towards the House festival in July 2022.

House Events

The House competition continued with boys allocated to one of Mattocke, Pierson, Skynner or Radcliffe house. This year, each House had a dedicated day, with musical performances, sporting events, cake sales and a non-uniform day for students in that House. The House competitions continued throughout the year, from Maths and poetry to the traditional inter-house sports competitions and culminating in Sports Day and the House festival. This year, the Times Shield was won by Pierson house.

Sport

In Sport, we were incredibly proud to be U15 National Rugby Vase winners. This is the first time in HBS history that we have won a national rugby competition, beating many better resourced independent schools along the way to an unforgettable final at Twickenham. Thanks to fundraising efforts, we were able to take 20 coach loads of students and parents to the final, with students who remained at school watched the final on a live stream in the hall. We were also national runners up in U18 hockey, with a great run to be regional champions and then finalists in Nottingham. An unlucky 1-0 loss in the final, but some great victories along the way, including beating Eton College 3-0.

Other sporting success continued, with 8 students representing Hertfordshire at the national schools' finals in Manchester and 18 at the regional finals in Oxfordshire. It has also been a memorable first year in competitive football, with all teams getting to the last 64 or 32 in the country in their respective national cup tournaments. Success in trampolining, tennis, cricket, basketball and much more meant an outstanding return to competitive sport after the disruptions of Covid-19. A new partnership with Hitchin Cricket Club has improved the condition of the pitch and should lead to further success in this sport in future.

A fundraising effort with parents and donations from staff meant that we were able to create a new fitness suite in the Tennis Centre, with state-of-the-art equipment. This will support the wellbeing and fitness of all students and staff for years to come and allows the elite teams to have access to strength and conditioning facilities on site. The facility was named after Ravinder Moore, a teacher of maths and PE who was at HBS for over 40 years as a student and teacher.

Trips

As already mentioned, HBS has historically had a rich offering on trips and experiences, many of which had to be cancelled or postponed due to the pandemic and international travel restrictions. However, after restrictions eased in April 2022, we were able to take 45 students in year 9 and 10 on an ecology linked geography trip to Costa Rica with stays in the rainforest, near volcanoes and featuring adventurous activities such as hot springs swimming and ziplining in the Cloud Forest. 54 students in year 11 and the sixth form travelled for a month on the regular summer expedition, this time to Malaysia. From learning to dive, to trekking and island hopping, this was a life changing event for many students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

We were also able to undertake some practical fieldwork for both Biology and Geography on the Norfolk coast and in London, and year 7 were able to undertake their action day at Willen Lakes.

a. Key performance indicators

Following two very challenging years for all schools because of the pandemic, we are delighted with the excellent exam results this year, which saw students return to normal examinations. Particularly encouraging is the progress of students with SEND, whose progress measure at GCSE (+0.61) was above that of their peers. As a consequence of the disruption to exams in 2020 and 2021 the results this year are not comparable to previous years.

Level 2/GCSE Results

	Hitchin Boys'	National
Grade 5+ English and maths	74%	51%
Grade 4+ English and maths	88%	71%
Progress 8 (early estimate)	+0.32	0.0
Attainment 8	5.5	4.9
Percentage of pupils entering for the English Baccalaureate	78%	
Average point score of pupils entered for the English Baccalaureate	5.49	

FULL GCSE RESULTS REPORT

Students staying in education or employment after Key Stage 4

No. of pupils	Education	Apprenticeship/Training	Employment	None of these
168	92%	2%	1%	5%

Level 3/A-Level Results

Average point score	37 (B-)
Students with three A levels	66%
Retention (% of students reaching the end of their main programme of study)	96.4%
Destinations 2022	download report

FULL A-LEVEL RESULTS REPORT

Attendance

Overall attendance was 93.6% attendance versus a target of 96% and a national figure for secondary schools of 89%. This was a very creditable achievement given the large amount of disruption due to Covid-19 in this reporting year. Persistent absence of 16% was much higher than normal, since a number of students had more than one 10-day self isolation period for Covid-19, reaching the threshold of 10% of sessions missed.

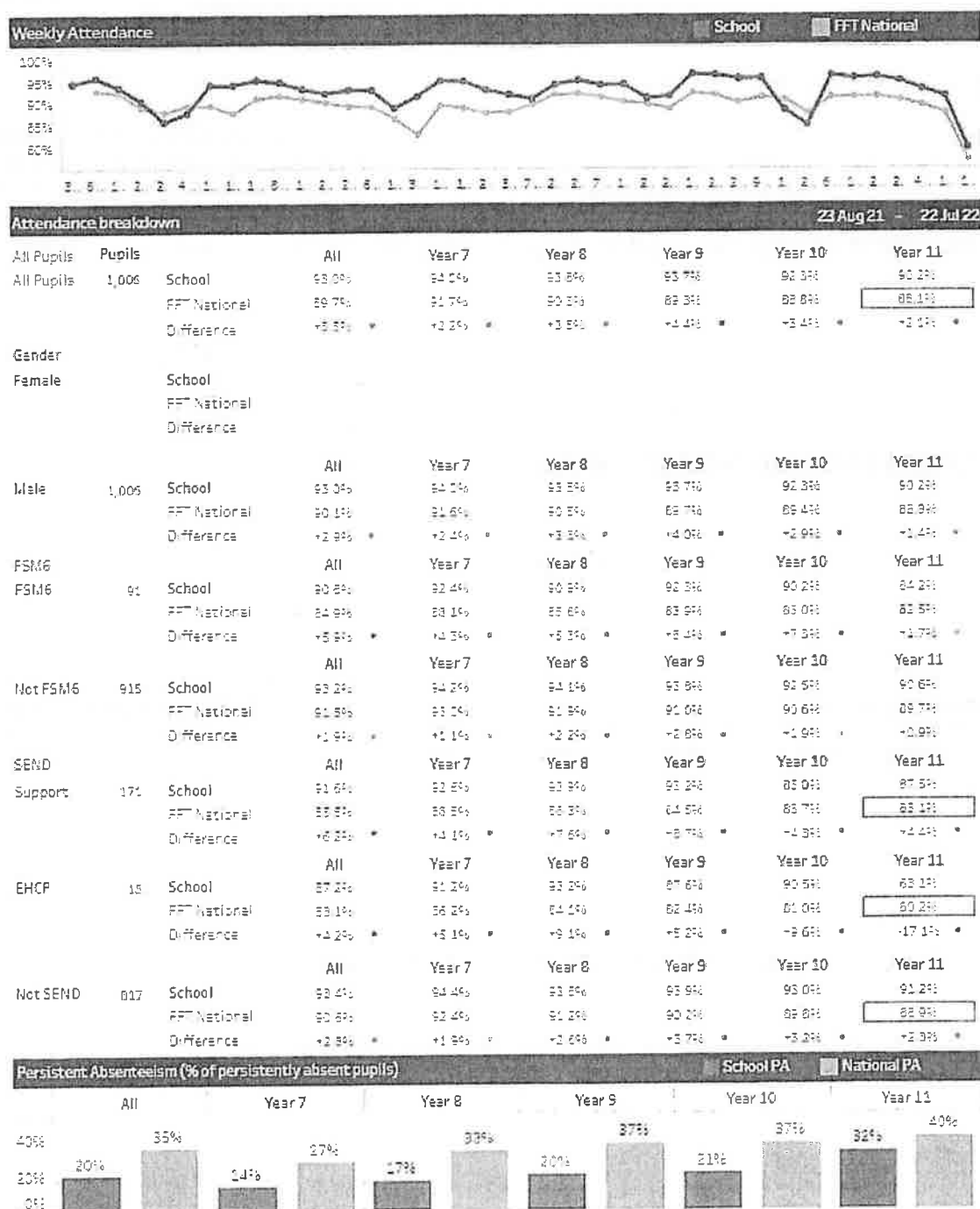
A detailed breakdown from national data provider FFT is below. Note that May figures for Year 11 are inaccurate as we graded study leave for public exams to the majority of these students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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.

Financial review

Most of the Academy Trust's income is obtained from the Department of Education via the Education Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities and are detailed in the financial statements. During the year ended 31 August 2022, total expenditure of £9,120,333 was covered by recurrent grant funding from the Department for Education together with other income resources of £8,487,280. The excess of expenditure over income for the year (excluding restricted fixed asset funds and before transfers) was £224,984. Excluding the pension cost of £487,000, the academy made a surplus of £262,016.

At 31 August 2022 the net book value of fixed assets was £21,983,625 and movements in tangible fixed assets are shown on note 14 in the financial statements. The assets were used for providing education and the associated support services to the pupils of the Academy Trust.

a. Reserves policy

The Academy's policy is to hold a minimum reserve of 4% of the trust's general annual grant (GAG) excluding 16-19 allocation, pupil premium, etc. which is reviewed regularly by Trustees.

At the end of the financial year August 2022 Hitchin Boys' School held reserves of £518,118 (excluding pension and fixed assets) comprising £275,026 of restricted general funds and £243,092 of unrestricted funds. The purposes of the reserves includes the following:

(a) The deficit on the pension reserve relates to the non-teaching staff pension scheme (Local Government Pension Scheme) where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 27. The deficit can be met in the longer term from any combination of increased employer or employee contributions increased government funding or changes to scheme benefits.

At 31 August 2022 the total funds comprised:

Unrestricted Funds	£243,092
Restricted Funds:	
Fixed asset funds	£22,124,754
Pension reserve	(£409,000)
Other	£275,026
	=====
	£22,233,872
	=====

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

b. Investment policy

In the current ongoing period of low interest rates, the Trust's policy is to continue to ensure that funds which the Academy does not immediately need to cover anticipated activities are invested in such a way as to maximise the Academy's income but without risk.

c. Principal risks and uncertainties

The Academy Trust continues to operate in a period of uncertainty with regards to public funds. Financial planning and maintaining the breadth and quality of future work is being undertaken in the context of diminishing budgets. Funding is also directly linked to the number of students attending the school and the Trustees continue to monitor student numbers, in particular with regards to the Sixth Form. Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failure.

Risk due to global Coronavirus pandemic

Operations of the school from March 2020 were severely curtailed by government controls imposed to reduce the spread of Coronavirus which continued into 2021. This created significant income loss due to restrictions on sports centre activities, lettings business and loss of income from the sale of food to students in the school canteen.

The existing school budget bore the majority of the additional costs for safety supplies and supply cover for self-isolating or ill teachers, associated with the coronavirus in 2021.

Risk of failures in governance and management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks

Reputational risk

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievements and success of students.

Trustees continue to give due consideration to other aspects of the school activities where there could be a reputational risk including discipline, safeguarding and Health and Safety.

Risk from significant changes in staff

Trustees acknowledge the importance of having a clear succession planning policy and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risks resulting from major changes in key staff.

d. Risk Management

The Academy Trust's activities expose it primarily to cash flow risk. The Board of Trustees continually monitors cash flow to ensure the Academy Trust has sufficient funds available to meet debts as they fall due. The Board of Trustees maintains significant cash reserves at all times. A reserve is stipulated by the Reserves policy and the cash position of the Academy is monitored by the Audit, Risk and Resources Committee, scrutinising the monthly management accounts. A Risk Register is maintained and regularly reviewed by the full Board of Trustees.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

This is not our main source of income but on occasions a necessary addition to the Academy's income. The Senior Leadership Team work closely with the Chair of the Parents' Society and monitor the fundraising activities of its Parents' Society by attending meetings and functions and scrutinising its accounts. The Academy is extremely mindful to ensure that it does not put undue pressure on stakeholders and their need to donate to fundraising activities and continually reviews its marketing and promotion of such activities. The Academy Trust does not use any external fundraisers. The Chair of the Parents' Society provides minutes from their AGM to the Chair of Trustees and is invited to give updates to the Board of Trustees on their activities.

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Energy consumption used to calculate emissions (kWh)	1,522,326	1,968,954
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	208	303
Owned transport	2	2
Total scope 1	<u>210</u>	<u>305</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>59</u>	<u>62</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>269</u>	<u>367</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.2</u>	<u>0.3</u>

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

HITCHIN BOYS' SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

As the larger year groups (210 students in each year 7-11) move through the school, there are further demands upon the space and facilities. Additional accommodation will be required for expanding numbers in our sixth form space and SEND provision. These areas of the school are being monitored continually and funding opportunities constantly scrutinised to help accommodate this issue. We were successful in gaining a £10k grant from charity Edufund this year to improve the facilities in the SEND base. A bid to the T-level capital fund to provide an additional four classrooms for sixth form teaching was made this year, but was unsuccessful. We continue to explore opportunities for grant capital funding and through the annual rounds of Condition Improvement Funding operated by the Department for Education.

Funds held as custodian on behalf of others

No funds are held by the Academy as a custodian trustee on behalf of others.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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


.....
Dr H Corkill
Chair of Trustees

Date: 13 December 2022

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hitchin Boys' 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 Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the 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 Hitchin Boys' School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Due to Covid, one meeting was cancelled with Trustees sub committees maintaining effective oversight of funds. Subcommittee minutes are available through Governor Hub at all times.

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

Trustee	Meetings attended	Out of a possible
Mr P Addison	5	6
Mr N Broughton	5	6
Dr H Corkill, Chair	6	6
Mr B Gillingham	5	6
Mrs K Harvey	3	6
Mr D Hutchinson	3	6
Mr D Ingledew (A: 29 Sep 2021, R: 21 Sep 2022)	2	6
Mrs H Jones (A: 29 Sep 2021)	5	5
Mr P Laws	6	6
Mr S Marlow	6	6
Mrs J McCall, Trustee (Staff)	3	6
Mr F Moane, Head Teacher	6	6
Mrs J Radley	6	6
Mr C Schanschleff	6	6
Mr B Singh	5	6
Mrs E Taplin, Trustee (Staff)	6	6
Mr M Taylor	6	6
Cllr R Thake	6	6
Mr J Turney, Vice Chair	6	6
Mrs J Weston	5	6
Ms K White, Trustee (Staff)	6	6
Mr C Schanschleff (A: 11 May 2022)	0	1

HITCHIN BOYS' SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit, Risk & Resources Committee is a sub committee of the main Board of Trustees. This committee, previously held as two separate committees (the Resources Committee and the Audit & Risk Committee), its purpose is to cover all aspects of finance and human resources, policy and actions and to ensure the risks of the school, financial and otherwise, are effectively reviewed and to ensure that the annual financial statements give a true and fair view of the activities of the school.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Singh, Chair	4	4
Mrs J Radley, Vice Chair	4	4
Mr F Moane, Head Teacher	4	4
Mr P Addison	3	4
Mr B Gillingham	4	4
Mr D Hutchinson	3	4
Mrs H Jones (A: 29 Sep 2021)	4	4
Mr S Marlow	2	4
Cllr R Thake	3	4
Mr J Turney	4	4
Mrs J Weston	3	4

The Health, Safety & Premises Committee is also a sub-committee of the main Board of Trustees. Its purpose is to cover all aspects of the School's infrastructure including health and safety policy and actions.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Turney, Chair	3	3
Mr F Moane, Head Teacher	3	3
Mrs K Harvey	3	3
Mr P Laws	3	3
Mr S Marlow	3	3
Mrs E Taplin	3	3
Cllr R Thake	3	3

HITCHIN BOYS' SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Pastoral Committee is also a sub-committee of the main Board of Trustees. Its purpose is to consider all aspects of student conduct and welfare, including safeguarding. It also forms appeal committees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Addison, Chair	3	3
Mr M Taylor, Vice Chair	3	3
Mr F Moane, Head Teacher	2	3
Mr N Broughton	3	3
Mr D Hutchinson	2	2
Mr P Laws	3	3
Mrs J McCall	1	3
Mrs J Radley	3	3
Ms K White	0	3
Mr C Schanschleff (A: 11 May 2022)	1	1
Mr B Singh	2	3
Mrs E Taplin	3	3
Mrs J Weston	3	3
Mr K Whitmore	3	3

The Teaching & Learning Committee is also a sub-committee of the main Board of Trustees. Its purpose is to evaluate teaching and learning targets, progress and attainment data and reviews. It also reviews policies relating to attainment and the curriculum.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Broughton, Chair	3	3
Mr P Laws, Vice Chair	3	3
Dr H Corkill	3	3
Mr B Gillingham	3	3
Mrs K Harvey	3	3
Mr D Ingledew	2	3
Mrs J McCall	3	3
Mr F Moane, Head Teacher	3	3
Ms K White	3	3
Mr C Schanschleff	0	1
Mr B Singh	2	3
Mr M Taylor	2	3

HITCHIN BOYS' SCHOOL
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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's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

Improving Educational Outcomes:

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, in order to meet the School Development Plan (SDP) priorities, including for instance:

- Continued professional development for Senior and Middle leaders to develop leadership skills, including the NPQ programme from the Department for Education that is currently fully funded;
- Developing the assessment, tracking and monitoring processes to ensure data are used to inform planning, target interventions and support differentiation;
- Further development of staff Performance Review and Appraisal processes for effective monitoring of performance, including the provision of internal and external coaches for staff; and
- Shaping the offer of student pastoral support, wellbeing and counselling to meet the evolving needs of students.

For the most disadvantaged, where necessary and appropriate, we have also used resources for:

- Counselling to overcome barriers to success;
- Developing cultural capital;
- Funding music fees and school trips;
- One to one maths and English intervention;
- Purchasing school uniform; and
- Purchasing Revision Guides for Key Stage 3 and 4.

The effect of this expenditure on the educational attainment of our disadvantaged pupils has been very positive.

Financial Governance and Oversight:

Our governance arrangements include regular monitoring by the Board of Trustees and its committees, including the Audit, Risk & Resources and Health and Safety Committee. They receive regular financial reports and ask relevant questions as evidenced in the minutes. There are accountants and a finance specialist on the Board of Trustees. We also benefit from the advice of our auditors and accountants Streets Accountants.

Better Purchasing:

Examples of steps taken to ensure value for money when purchasing include:

- Exploring alternative purchasing options both on line and direct through suppliers to find the best value;
- Working with other local schools in partnership to identify products and services that can be procured across a number of schools in order to drive down cost and/or negotiate favourable rates e.g. assessment data systems, maintenance and H&S contracts;
- Collective purchase arrangements where combined buying power will encourage vendors to lower prices e.g. energy buying scheme;

HITCHIN BOYS' SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Continuing to work with the local authority and Herts for Learning where tenders that they have operated can deliver best value for Hertfordshire schools e.g. on management information systems, payroll etc.;
- Implementing a tender process for significant purchases and/or contracts, for example a major building projects and classroom refurbishment provision; and
- A minimum of three price comparisons for any significant purchases where there is price advantage.

The Business Manager continues to drive down costs through better procurement and negotiation including catering, property management, school insurances, photocopiers, cleaning.

All contracts are reviewed on a regular basis to ensure they are fit for purpose and best value.

Better Income Generation:

Examples of steps to maximise income include:

- The school's banking arrangements and BACS payments systems are now in place.
- The school employs a manager responsible solely for income generation from our three main specialist facilities (Astroturf, Tennis Centre, and Sports Centre) and also for income generation from lettings of the main non specialist areas. Although there have been challenges related to loss of lettings during the Covid-19 period, the overall financial picture for these facilities is healthy, and with savings built up in a sink fund to allow the replacement of the AstroTurf surface every 10 years.

Reviewing Controls and Managing Risks:

The Trustees' Resources Committee, the Business Manager and the Head Teacher (also the Academy accounting officer) review budget reports every half term including future recommendations. This has ensured that spending is within budget and forward plans are agreed and implemented when there has been any variance. All Trustees continue to be involved in annual Risk Register reviews.

Future Objectives:

We recognise the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.

We are currently leading locally in the School Direct Consortium and have 8 other schools in the area which will lead to increased income and reduction in administration costs through synergy. We are better able to attract candidates for Initial Teacher Training by operating as a consortium, offering training in a wider set of subjects and sharing the administrative costs across the schools.

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 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 Hitchin Boys' School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

HITCHIN BOYS' SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Trustees;
- regular reviews by the Audit, Risk & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines; and
- identification and management of risks.

The Board of Trustees has engaged Mr Hankin as Internal auditor, the Director of Finance and Resources of Hitchin Girls' School, to perform the internal scrutiny and peer review for the year 2021-22.

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

- testing of recruitment processes
- testing of payroll/HR processes
- testing of business continuity processes
- testing of control account / bank reconciliations

On a termly basis, the internal scrutineer reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short 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.

The Trustees can confirm that the schedule of internal scrutiny work has been delivered as planned. There were found to be no material control issues arising from the reports and any areas of recommendation were discussed, addressed and minute.

HITCHIN BOYS' SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal scrutineer;
- 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 work of the external auditor;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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


.....
Dr H Corkill
Chair of Trustees


.....
Mr F Moane
Accounting Officer

Date: 13 December 2022

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hitchin Boys' School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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


.....
Mr F. Moate
Accounting Officer

Date: 13 December 2022

HITCHIN BOYS' SCHOOL
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

.....*H M Corkill*.....

Dr H Corkill
Chair of Trustees

Date: 13 December 2022

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN BOYS' SCHOOL

Opinion

We have audited the financial statements of Hitchin Boys' School (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

HITCHIN BOYS' SCHOOL
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN BOYS' SCHOOL (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

HITCHIN BOYS' SCHOOL
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN BOYS' SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy through discussions with management, and from our knowledge and experience of the sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

HITCHIN BOYS' SCHOOL
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN BOYS' SCHOOL (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditor's report.

Use of our report

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



Alan Endersby (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants and Statutory Auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 15/12/2022

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HITCHIN
BOYS' SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

This report is made solely to Hitchin Boys' School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hitchin Boys' 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 Hitchin Boys' School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hitchin Boys' School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hitchin Boys' School's funding agreement with the Secretary of State for Education dated 1 January 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focusing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HITCHIN
BOYS' 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alan Endersby
Streets Audit LLP
Chartered Accountants and Statutory Auditor

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 15/12/2022

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Income from:						
Donations and capital grants	3	13,286	219,084	272,566	504,936	302,032
Other trading activities	5	618,173	80,754	-	698,927	459,052
Investments	6	158	-	-	158	136
Charitable activities	4	-	7,283,259	-	7,283,259	6,548,857
Total income		631,617	7,583,097	272,566	8,487,280	7,310,077
Expenditure on:						
Charitable activities	9	-	7,809,565	680,635	8,490,200	7,520,691
Other expenditure	8	628,234	1,899	-	630,133	524,652
Total expenditure		628,234	7,811,464	680,635	9,120,333	8,045,343
Net income/(expenditure)		3,383	(228,367)	(408,069)	(633,053)	(735,266)
Transfers between funds	20	-	(4,037)	4,037	-	-
Net movement in funds before other recognised gains/(losses)		3,383	(232,404)	(404,032)	(633,053)	(735,266)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	2,805,000	-	2,805,000	(643,000)
Net movement in funds		3,383	2,572,596	(404,032)	2,171,947	(1,378,266)

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	239,709	(2,706,570)	22,528,786	20,061,925	21,440,191
Net movement in funds	3,383	2,572,596	(404,032)	2,171,947	(1,378,266)
Total funds carried forward	<u>243,092</u>	<u>(133,974)</u>	<u>22,124,754</u>	<u>22,233,872</u>	<u>20,061,925</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 62 form part of these financial statements.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08286295

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	14		21,983,625		22,544,291
			<u>21,983,625</u>		<u>22,544,291</u>
Current assets					
Debtors	15	657,372		377,621	
Cash at bank and in hand		1,287,248		1,135,956	
		<u>1,944,620</u>		<u>1,513,577</u>	
Creditors: amounts falling due within one year	16	(1,069,629)		(1,112,914)	
Net current assets			874,991		400,663
Total assets less current liabilities			<u>22,858,616</u>		<u>22,944,954</u>
Creditors: amounts falling due after more than one year	18		(215,744)		(156,029)
Net assets excluding pension liability			<u>22,642,872</u>		<u>22,788,925</u>
Defined benefit pension scheme liability	27		(409,000)		(2,727,000)
Total net assets			<u><u>22,233,872</u></u>		<u><u>20,061,925</u></u>

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08286295

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Funds of the Academy					
Restricted funds:					
Fixed asset funds	20	22,124,754		22,528,786	
Restricted income funds	20	275,026		20,430	
Restricted funds excluding pension asset	20	22,399,780		22,549,216	
Pension reserve	20	(409,000)		(2,727,000)	
Total restricted funds	20		21,990,780		19,822,216
Unrestricted income funds	20		243,092		239,709
Total funds			22,233,872		20,061,925

The financial statements on pages 32 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

..... *H M Corkill*

Dr H Corkill
Chair of Trustees

Date: *13 December 2022*

The notes on pages 37 to 62 form part of these financial statements.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(67,575)	267,243
Cash flows from investing activities	24	159,152	(103,344)
Cash flows from financing activities	23	59,715	132,037
Change in cash and cash equivalents in the year		151,292	295,936
Cash and cash equivalents at the beginning of the year		1,135,956	840,020
Cash and cash equivalents at the end of the year	25, 26	<u>1,287,248</u>	<u>1,135,956</u>

The notes on pages 37 to 62 form part of these financial statements

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

Hitchin Boys' School is a private company limited by guarantee, incorporated in England. Its registered number and address of registered office are detailed on page 1. The nature of the academy trust's operations and principal activity are detailed in the Trustees' Report.

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.

The financial statements are prepared in £ sterling, rounded to the nearest £1.

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hitchin Boys' School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

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.

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.

All resources expended are inclusive of irrecoverable VAT.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £2,000 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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful life.

Depreciation is provided on the following bases:

Long-term leasehold property	- Not depreciated, see note 14
Improvements to property	- 15 years
Plant and machinery	- Over 3 to 5 years
Furniture and equipment	- 10 years

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

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

1.7 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.

1.8 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.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

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

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, as well as any balances still held, are disclosed in note 19.

The Academy Trust acts as a hub in distributing payments received from the National College for Teaching and Leadership (NCTL) to other schools. The income is excluded from the Statement of Financial Activities. The Academy Trust does not have control over the charitable applications of these funds. The funds received and paid, as well as any balances still held, are disclosed in note 19.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgments that have had a significant effect on amounts recognised in the Financial Statements are those concerning the choice of depreciation policies and asset lives.

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	13,286	219,084	-	232,370	107,803
Capital Grants	-	-	272,566	272,566	194,229
	<u>13,286</u>	<u>219,084</u>	<u>272,566</u>	<u>504,936</u>	<u>302,032</u>
<i>Total 2021</i>	<u>18,296</u>	<u>89,507</u>	<u>194,229</u>	<u>302,032</u>	

4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,413,640	6,413,640	5,695,682
Other DfE/ESFA grants			
Pupil Premium	107,014	107,014	101,200
Teachers Pay and Pension Grants	72,163	72,163	310,982
Others	321,765	321,765	176,598
	<u>6,914,582</u>	<u>6,914,582</u>	<u>6,284,462</u>
Other Government grants			
Local Authority Grants	346,647	346,647	241,970
	<u>346,647</u>	<u>346,647</u>	<u>241,970</u>
Other income from the academy trust's educational operations			
	22,030	22,030	22,425
	<u>7,283,259</u>	<u>7,283,259</u>	<u>6,548,857</u>
<i>Total 2021</i>	<u>6,548,857</u>	<u>6,548,857</u>	

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy's charitable activities (continued)

In the prior year, the academy received £77,040 of funding for catch-up premium of which £33,012 was deferred to 2021/22. Costs incurred in the prior year year in respect of this funding totalled £44,303. The remaining £32,737 was spent in full during 2021/22.

The academy furloughed some of its Sports Centre staff under the government's CJRS in the prior year. The funding received of £40,327 related to staff costs in respect of 23 staff which are included within note 11 below as appropriate. No such funding has been received during the year ended 31 August 2022.

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Stationery and other sales income	21,291	-	21,291	5,661
Hire of facilities	274,861	4,800	279,661	142,911
Catering Income	265,109	-	265,109	181,581
Trlp Income	56,912	-	56,912	64,238
Muslc lesson income	-	75,954	75,954	64,661
	<u>618,173</u>	<u>80,754</u>	<u>698,927</u>	<u>459,062</u>
<i>Total 2021</i>	<u>389,591</u>	<u>69,461</u>	<u>459,052</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	158	158	136
	<u>136</u>	<u>136</u>	
<i>Total 2021</i>	<u>136</u>	<u>136</u>	

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on educational operations:					
Direct costs	5,419,338	-	398,037	5,817,375	5,197,042
Allocated support costs	772,355	1,262,887	637,583	2,672,825	2,323,649
Other expenditure	296,476	-	333,657	630,133	524,652
	<u>6,488,169</u>	<u>1,262,887</u>	<u>1,369,277</u>	<u>9,120,333</u>	<u>8,045,343</u>
<i>Total 2021</i>	<u>5,902,732</u>	<u>1,141,791</u>	<u>1,000,820</u>	<u>8,045,343</u>	

8. Other expenditure

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Catering costs	298,058	1,899	299,957	210,795
Trip costs	32,850	-	32,850	58,680
Music lesson costs	850	-	850	-
Sports centre - wages and salaries	231,428	-	231,428	201,565
Sports centre - NI	12,744	-	12,744	10,351
Sports centre - pension costs	52,304	-	52,304	43,261
	<u>628,234</u>	<u>1,899</u>	<u>630,133</u>	<u>524,652</u>
<i>Total 2021</i>	<u>520,521</u>	<u>4,131</u>	<u>524,652</u>	

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	5,817,375	2,672,825	8,490,200	7,520,691
<i>Total 2021</i>	<i>5,197,042</i>	<i>2,323,649</i>	<i>7,520,691</i>	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Pension cost	49,000	33,000
Staff costs	772,355	729,752
Depreciation	674,238	658,624
Maintenance of equipment	161,314	121,081
Maintenance of premises and equipment	393,112	297,015
Rent and rates	79,273	82,559
Light and heat	116,356	103,593
Staff development	10,275	18,264
Other support costs	346,759	225,119
Insurance	23,275	13,464
Capital expenditure	6,397	-
Governance costs	40,471	41,178
	2,672,825	2,323,649

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	57,988	10,384
Depreciation of tangible fixed assets	674,146	658,624
Fees paid to auditor for:		
- audit	10,550	9,250
- other services	1,825	5,522
	<u>1,243,509</u>	<u>683,880</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	4,532,113	4,216,405
Social security costs	456,822	399,852
Pension costs	1,437,885	1,178,321
	<u>6,426,820</u>	<u>5,794,578</u>
Agency staff costs	61,349	108,154
	<u>6,488,169</u>	<u>5,902,732</u>

HITCHIN BOYS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	81	80
Administration and support	61	57
Management	8	8
	150	145

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	76	73
Administration and support	41	40
Management	8	8
	125	121

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £100,000	1	1
	7	6

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2022, pension contributions for these staff members amounted to £92,943 (2021: £84,705).

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £758,609 (2021 - £767,370).

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FOR THE YEAR ENDED 31 AUGUST 2022**

12. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Ms K White, Trustee (Staff)	Remuneration	40,000 -	40,000 -
		45,000	45,000
	Pension contributions paid	5,000 -	10,000 -
		10,000	15,000
Mrs E Taplin, Trustee (Staff)	Remuneration	15,000 -	10,000 -
		20,000	15,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs J McCall, Trustee (Staff)	Remuneration	40,000 -	30,000 -
		45,000	35,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mr F Moane, Head Teacher	Remuneration	90,000 -	90,000 -
		95,000	95,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2022, expenses totalling £9,634 were reimbursed or paid directly to 4 Trustees (2021 - £155). The expenses reimbursed were in respect of the purchase of art resources, school supplies, eye tests, travel costs and a one off school trip supplier payment.

13. Trustees' and Officers' insurance

During the year the Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects 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.

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14. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Furniture and equipment £	Total £
Cost or valuation				
At 1 September 2021	23,976,712	396,903	133,840	24,507,455
Additions	82,259	16,017	15,296	113,572
At 31 August 2022	24,058,971	412,920	149,136	24,621,027
Depreciation				
At 1 September 2021	1,570,789	286,487	105,888	1,963,164
Charge for the year	620,678	40,386	13,174	674,238
At 31 August 2022	2,191,467	326,873	119,062	2,637,402
Net book value				
At 31 August 2022	21,867,504	86,047	30,074	21,983,625
At 31 August 2021	22,405,923	110,416	27,952	22,544,291

Included in leasehold property is the value of leasehold improvements since the date of conversion to an Academy. Additions to leasehold property during the year ended 31 August 2022 amount to £82,259 relate to CIF funding received for window replacement works and plumbing and heating replacement works.

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	26,929	13,870
Other debtors	72,826	61,356
Prepayments and accrued income	557,617	302,395
	657,372	377,621

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16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	23,785	23,785
Trade creditors	79,675	210,421
Other taxation and social security	117,476	102,570
Other creditors	155,348	115,302
Accruals and deferred income	693,345	660,836
	<u>1,069,629</u>	<u>1,112,914</u>

Other loans of £23,785 (2021: £23,785) relate to the short term element of two Salix and three CIF loans. Further details of these loans can be seen in note 18.

17. Accruals and deferred income

	2022 £	2021 £
Deferred income at 1 September 2021	607,474	416,934
Resources deferred during the year	580,111	607,474
Amounts released from previous periods	(607,474)	(416,934)
Deferred income at 31 August 2022	<u>580,111</u>	<u>607,474</u>

At the balance sheet date the Academy was holding funds received in advance for the following purposes: Trip Income £305,190 (2021: £363,565), phone mast annual income £4,248 (2021: £4,248), additional pupil/growth funding £166,930 (2021: £161,812), music income £29,416 (2021: £22,662), Covid catchup funding £nil (2021: £33,012), Hertfordshire Educational Foundation funding £nil (2021: £15,000), Chromebook income £45,590 (2021: £nil), rates relief income £27,136 (2021: £nil) and other smaller amounts totalling £1,601 (2021: £7,175).

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18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>215,744</u>	<u>156,029</u>

Other loans of £215,744 (2021: £156,029) relate to the long term element of two Salix and four CIF loans.

The Salix loans were originally for £13,048 and £61,633 and given as part of the CIF funding for 2016/17 and 2017/18. The first loan of £13,048 is interest free and repayable in 16 twice yearly instalments of £816 and will be fully repaid on 1 March 2025. A total balance of £4,897 (2021: £6,528) is outstanding as at 31 August 2022. The second loan is also interest free and is repayable in 14 twice yearly instalments of £4,402 and will be fully repaid on 1 September 2024. A balance of £22,009 (2021: £30,813) is outstanding at 31 August 2022.

The CIF loans were provided as part of CIF funding in both 2019/20 and 2020/21. The first loan of £106,972 is interest free and repayable in 16 twice yearly instalments of £6,675 and will be fully repaid on 1 March 2028. A total balance of £80,274 (2021: £93,623) is outstanding as at 31 August 2022.

The other three loans total £17,850, £31,000 and £83,500 respectively. Repayments have not yet commenced for these loan amounts however they are expected to be repaid over 8 years.

Included within the above are amounts falling due as follows:

Between one and two years

Between two and five years

Other loans	<u>141,017</u>	<u>107,010</u>
Over five years		
Other loans	<u>74,727</u>	<u>49,019</u>

19. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2022, the Trust received £7,124 and distributed £6,338 from the fund. A balance of £785 (2021: £35) has been carried forward within bursary funds carried forward.

The Academy Trust also acts as a hub in distributing Schools Direct funding. This funding is received from the ESFA and distributed to schools with regards to trainee teachers who meet the required criteria. During the year, no monies were received from Schools Direct however £1,300 was received from three schools in respect of membership and placement fees. The University of Hertfordshire provided funding of £13,250 as a contribution towards new teachers training. Of this £10,890 was distributed to other schools and £3,660 was used by the Academy to cover its teacher training costs. All transactions were reflected through the Statement of Financial Activities.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	239,709	631,617	(628,234)	-	-	243,092
Restricted general funds						
General Annual Grant (GAG)	20,430	6,413,640	(6,155,792)	(4,037)	-	274,241
Other restricted funds	-	1,169,457	(1,168,672)	-	-	785
Pension reserve	(2,727,000)	-	(487,000)	-	2,805,000	(409,000)
	<u>(2,706,570)</u>	<u>7,583,097</u>	<u>(7,811,464)</u>	<u>(4,037)</u>	<u>2,805,000</u>	<u>(133,974)</u>
Restricted fixed asset funds						
Fixed asset fund	22,528,786	26,097	(674,238)	56,445	-	21,937,090
CIF - Roof replacement	-	194,061	(6,397)	-	-	187,664
CIF - Replumbing works	-	52,408	-	(52,408)	-	-
	<u>22,528,786</u>	<u>272,566</u>	<u>(680,635)</u>	<u>4,037</u>	<u>-</u>	<u>22,124,754</u>
Total Restricted funds	<u>19,822,216</u>	<u>7,855,663</u>	<u>(8,492,099)</u>	<u>-</u>	<u>2,805,000</u>	<u>21,990,780</u>
Total funds	<u>20,061,925</u>	<u>8,487,280</u>	<u>(9,120,333)</u>	<u>-</u>	<u>2,805,000</u>	<u>22,233,872</u>

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

The General Annual Grant (GAG) must be used for 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 that it could carry forward at 31 August 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This predominantly includes pupil premium and other Local Authority funding for which income received is used to cover costs associated with these activities. Unrestricted funds are used towards meeting the charitable objectives of the Academy at the discretion of the Trustees.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit but given the nature of the liability this is not payable immediately. Contributions paid by the Academy to the LGPS pension scheme are set by the Fund Actuary at each triennial actuarial valuation. Plans are in place to meet the deficit such that it is not a constraint on funds going forward.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the local authority. Depreciation of tangible fixed assets is allocated to this fund.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	352,207	408,023	(520,521)	-	-	239,709
Restricted general funds						
General Annual Grant (GAG)	-	5,695,682	(5,822,327)	147,075	-	20,430
Other restricted funds	-	1,012,143	(760,871)	(251,272)	-	-
Pension reserve	(1,801,000)	-	(283,000)	-	(643,000)	(2,727,000)
	<u>(1,801,000)</u>	<u>6,707,825</u>	<u>(6,866,198)</u>	<u>(104,197)</u>	<u>(643,000)</u>	<u>(2,706,570)</u>
Restricted fixed asset funds						
Fixed asset fund	22,888,984	194,229	(658,624)	104,197	-	22,528,786
Total Restricted funds	<u>21,087,984</u>	<u>6,902,054</u>	<u>(7,524,822)</u>	<u>-</u>	<u>(643,000)</u>	<u>19,822,216</u>
Total funds	<u>21,440,191</u>	<u>7,310,077</u>	<u>(8,045,343)</u>	<u>-</u>	<u>(643,000)</u>	<u>20,061,925</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	21,983,625	21,983,625
Current assets	243,092	1,560,399	141,129	1,944,620
Creditors due within one year	-	(1,069,629)	-	(1,069,629)
Creditors due in more than one year	-	(215,744)	-	(215,744)
Provisions for liabilities and charges	-	(409,000)	-	(409,000)
Total	243,092	(133,974)	22,124,754	22,233,872

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	22,544,291	22,544,291
Current assets	239,709	1,289,373	(15,505)	1,513,577
Creditors due within one year	-	(1,112,914)	-	(1,112,914)
Creditors due in more than one year	-	(156,029)	-	(156,029)
Provisions for liabilities and charges	-	(2,727,000)	-	(2,727,000)
Total	239,709	(2,706,570)	22,528,786	20,061,925

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(633,053)	(735,266)
Adjustments for:		
Depreciation	674,238	658,624
Capital grants from DfE and other capital income	(272,566)	(194,229)
Interest receivable	(158)	(136)
Defined benefit pension scheme cost less contributions payable	438,000	250,000
Defined benefit pension scheme finance cost	49,000	33,000
Increase in debtors	(279,751)	(96,458)
(Decrease)/increase in creditors	(43,285)	351,708
Net cash (used in)/provided by operating activities	(67,575)	267,243

23. Cash flows from financing activities

	2022 £	2021 £
Cash inflows from new borrowing	83,500	155,822
Repayments of borrowing	(23,785)	(23,785)
Net cash provided by financing activities	59,715	132,037

24. Cash flows from Investing activities

	2022 £	2021 £
Interest receivable	158	136
Purchase of tangible fixed assets	(113,572)	(297,709)
Capital grants from DfE Group	272,566	194,229
Net cash provided by/(used in) investing activities	159,152	(103,344)

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

	2022 £	2021 £
Cash In hand and at bank	1,287,248	1,135,956
Total cash and cash equivalents	1,287,248	1,135,956

26. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,135,956	151,292	1,287,248
Debt due within 1 year	(23,785)	-	(23,785)
Debt due after 1 year	(156,029)	(59,715)	(215,744)
	956,142	91,577	1,047,719

27. 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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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
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27. 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £731,591 (2021 - £682,898).

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 2022 was £336,000 (2021 - £306,000), of which employer's contributions totalled £264,000 (2021 - £241,000) and employees' contributions totalled £72,000 (2021 - £65,000). The agreed contribution rates for future years are 22.65 per cent for employers and varying per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.45	3.30
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.4	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26.0	26.2

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(91)	(145)
Discount rate -0.1%	91	145
Mortality assumption - 1 year increase	155	245
Mortality assumption - 1 year decrease	(155)	(245)
CPI rate +0.1%	87	135
CPI rate -0.1%	(87)	(135)

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27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,731,000	1,804,000
Corporate bonds	796,000	987,000
Property	519,000	375,000
Cash and other liquid assets	416,000	238,000
Total market value of assets	3,462,000	3,404,000

The actual return on scheme assets was £342,000 (2021 - £381,000).

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

	2022 £	2021 £
Current service cost	(702,000)	(491,000)
Interest income	58,000	49,000
Interest cost	(107,000)	(82,000)
Total amount recognised in the Statement of financial activities	(751,000)	(524,000)

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

	2022 £	2021 £
At 1 September	6,131,000	4,568,000
Current service cost	702,000	491,000
Interest cost	107,000	82,000
Employee contributions	72,000	65,000
Actuarial losses/(gains)	(3,089,000)	975,000
Benefits paid	(52,000)	(50,000)
At 31 August	3,871,000	6,131,000

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27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	3,404,000	2,767,000
Interest income	58,000	49,000
Actuarial (losses)/gains	(284,000)	332,000
Employer contributions	264,000	241,000
Employee contributions	72,000	65,000
Benefits paid	(52,000)	(50,000)
At 31 August	3,462,000	3,404,000

28. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	29,113	10,348
Later than 1 year and not later than 5 years	8,989	-
	38,102	10,348

29. Members' liability

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

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30. Related party transactions

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

The following related party transactions took place in the financial period:

Income from related party transactions

During the year, the Academy received donations of £40,256 (2021: £9,474) from Hitchin Boys' School Charitable Trust, a separate Charitable Trust which is not controlled by the Academy. Mrs D Ivory-Webb is School Business Manager of the Academy and a trustee of the Charitable Trust. There were amounts totalling £12,986 outstanding from the Charitable Trust as at 31 August 2022 (2021: £nil).

No further related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.