

Company Registration Number: 08224216 (England & Wales)

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | Ms P Kendall Mr M Sanders (resigned 1 October 2020) Diocese of St Albans Corporate Parochial Church Council of the Ecclesiastical Parish of Cranfield Corporate Parochial Church Council of the Ecclesiastical Parish of Wootton Corporate |
| Trustees | Mrs S Abood Mr A Aldridge Mrs R Bacon (resigned 5 March 2020) Mr K Bains (resigned 3 February 2020) Mrs E Butterwick (resigned 30 September 2019) Mrs L Collins (resigned 30 September 2020) Mrs F Frossell (appointed 17 September 2019) Mr S Hubbard (appointed 21 October 2020) Ms S Jenkins Ms P Kendall, Chair Mr M Sanders Mr M G Simpson, Head Teacher and Accounting Officer Ms S Stephenson (appointed 1 October 2020) Mrs I Turner Mr J Ulph, Staff Governor |
| Company registered number | 08224216 |
| Company name | Holywell Church of England Academy |
| Principal and registered office | Red Lion Close Cranfield Bedford Bedfordshire MK43 0JA |
| Senior management team | Mr MG Simpson Miss A Stewart Mr S Van Der Merwe Mrs H Donnellan Mrs C Dinner Mrs S Law Mrs J Davies |

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

| | |
|-----------------------------|--|
| Independent auditors | Duncan & Toplis Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ |
| Bankers | Lloyds Bank Ltd 25 Gresham Street London EC2V 7HN |
| Solicitors | Stone King LLP Boundary House 91 Charterhouse St Clerkenwell London EC1M 6HR |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2020.

The trust operates an academy for pupils aged 9 to 13 serving a catchment area in Bedfordshire. It has a pupil capacity of 630 and had a roll of 691 in the Autumn School Census 2019 (02-20-2019).

Structure, governance and management

a. Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of Holywell Church of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Holywell Church of England Academy.

Details of the governors who served throughout 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

A full insurance indemnity is taken out with the Zurich insurance company. Each member has cover of £1,000,000 against financial loss arising from negligent act, accidental error or omission in the course of official duties. This is reviewed annually against potential risk.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Articles outline the different types of Governor, each category has slightly differing election processes, as outlined below:

The Members may appoint no less than 11 Governors with no maximum, but the total number of Governors who are appointed by the two parishes must be in the majority.

- The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal or any post which is held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.
- Members appoint foundation Trustees to any foundation governor's vacancies.
- Up to 3 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The term of office of a parent governor can continue for the remaining elected term after they cease to be the parent of a registered pupil but such a governor would not be eligible to stand for re-election
- Up to 3 Staff Governors shall be appointed by the members. If a Staff Governor ceases to work at the Academy then they shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy.
- The Governors may appoint up to 2 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

Governors are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors are given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The structure of the Academy consists of two senior levels: the Board of Directors (Governing Body) and the Head Teacher leading the Senior Leadership Team which includes 2 Deputy Head Teachers, an Assistant Head teacher, a finance director, a SEND co-ordinator and the School Business Manager.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the School nurtures the talents of its entire staff to support continual improvement and excellence.

The Governing Body is responsible for setting the School's policies, adopting the School Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the School including its curriculum, the achievement and welfare of students and staffing.

The Head Teacher and Senior Leadership Team control the School at an executive level, implementing the policies set by the Governing Body and reporting back to them.

The Governing Body has established three sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Head Teacher (The Accounting Officer) and to the Senior Leadership Team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Governing Body annually. The Academy has an approved Financial Handbook which details the School's authorised spending limits.

The sub-committees of the Governing Body are:

- Academy Business Committee
- Curriculum Committee
- Ethos and Pastoral Care Committee

The school operates the teacher's pay and conditions national scales. All staff have annual Appraisal reviews and pay reviews are carried out from there. This includes senior staff. Pay awards for senior staff are approved by the Academy Business Committee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

The pay and remuneration of the Academy Trust's key management personnel is set in line with the School teachers' pay and conditions document and guidance (2019). The Governing Body assigns the Academy to the relevant headteacher group based on the number of students on roll. For 2019-2020, the headteacher Group, as determined by the Governing Body, is Group 5 (Unit totals = 5,473 (KS2 = 373 x 7 = 2,611 + KS3 318 x 9 = 2,862).

In line with the STPCD 2019 head teachers, deputy head teachers and assistant head teachers may not be awarded recruitment and retention awards other than as reimbursement of reasonably incurred housing or relocation costs. All other recruitment and retention considerations in relation to a head teacher, deputy head teacher or assistant head teacher – including non-monetary benefits – must be taken into account when determining the pay range.

The Governing Body may decide to pay additional payments to the head teacher in accordance with paragraphs 10.2 to 10.4 of the STPCD. Where a decision is made to increase the head teacher's salary beyond the maximum of the appropriate HTG determined in accordance with paragraph 6.1 above, the total sum of all payments made to the head teacher referred to in 6.3.1 will not exceed 25 per cent of the previous salary being paid on the current point on the ISR. In the event that it is considered there are wholly exceptional circumstances which make it necessary to exceed the provision set out in 6.3.1 above then the Governing Body will take external independent advice in accordance with 9.3 of the STPCD before agreeing to such a decision.

In the prolonged absence of the head teacher, a deputy head teacher, an assistant head teacher or a TLR post holder, the Governing Body may appoint a teacher to act up during the absence of the post holder. From the date that the Governing Body considers it necessary to make an acting appointment, the Governing Body will pay an allowance equal to the difference between the salary currently paid to the person appointed to act up and a point considered appropriate by the Governing Body on the ISR for the head teacher or the range of salaries for the deputy or assistant head teacher or the level of TLR in question. The STPCD conditions of employment for a head teacher, deputy or assistant head teacher will also apply to any person in receipt of such an acting allowance.

If, during any absence of the head teacher, deputy or assistant head teacher or a TLR post holder, the acting appointment is made and maintained for a period then the Governing Body will consider within four weeks of the acting appointment whether or not the teacher shall be paid an acting allowance calculated in accordance with the STPCD 2019 guidance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£**

| | |
|---|-----|
| 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 | - % |
|---|-----|

i. Connected Organisations, including Related Party Relationships

The Academy is not part of any wider network although it works closely with its feeder lower schools, local middle schools and the upper school within the Wootton family of schools.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Holywell Church of England Academy to provide education for pupils of different abilities between the ages of 9 and 13.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to The Academy, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of The Academy during the period ended 31 August 2020 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of The Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct Academy business in accordance with the highest standards of integrity, probity and openness.
- To realise our Academy vision which is "to be an outstanding Christian learning community where everyone is valued as a unique individual and where everyone feels safe. We will aim to be the best we can possibly be, to treat others as we wish to be treated and to make a positive difference to our community and beyond. We strive to be peaceful problem-solvers with open minds and hearts, living God's love and being kind."

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

The Objectives for the Academy are summarised in the School Improvement Plan. These objectives are designed to ensure that the vision above is realised and that we secure a high-quality learning experience for all. It has also been designed to secure rapid improvement in the areas identified in the most recent Ofsted and SIAMS inspections so that the school is judged as 'Outstanding' in the next round of inspections.

Last OFSTED inspection (SECTION 8) – March 2018. The school was described as 'A good school'.

Ofsted Priorities – What the school needs to do to further improve and to secure an 'Outstanding' judgement:

Leaders and those responsible for governance should ensure that:

- they further reduce the differences in progress and absence between disadvantaged pupils and all pupils nationally
- the recent changes made to assessment systems are embedded, so that pupils' progress is further accelerated.

Section 48 SIAMS Priorities

To improve further the school should:

- Drawing on the clear Christian commitment of leaders, clarify, articulate and share a vision for the school which is expressed in explicitly Christian terms. Ensure it is used to inform and evaluate all policy and practice as well as considerations relating to the possible development of a multi-academy trust.
- Establish strategies for evaluating the impact of collective worship which enable the views of adults and pupils throughout the school community to inform positive planned future developments.

In order to ensure the school vision to live life in all its fullness is understood, known by all and drives the work of the school, the 2019-2020 School Improvement Plan has been structured around key aspects of the vision statement and linked to our school prayer.

The main objectives during the year were:

- 1: to live life in all its fullness
 - o To further develop the Christian work of the school in line with the new SIAMS framework
 - o To further develop Collective Worship
 - o To meet the Gatsby requirements for careers
 - o To identify and provide a wider range of experiences for all – further develop students' experiences and cultural knowledge
 - o To further develop our links with the local and wider community (inc. local schools, parishes and parents)
 - o To further develop our outreach work
 - o To further develop leadership capacity and skills
- 2: for our classrooms to be filled with learning and love
 - o To further develop the school as a centre of excellence for learning
 - o To ensure value-for-money and develop the most cost-effective business model
 - o To ensure the Pupil Premium and Sports premium spend plan and strategic overview has clear, measurable criteria, expressed in a way that people can be held to account
 - o To develop students' understanding of learning
 - o To further push the quality of teaching and learning towards outstanding through consistently effective, quality questioning and challenge and through research into effective learning
 - o To review, research and systemise best practice in terms of curriculum
 - o To further develop the appraisal system and link with providing opportunities for staff development
- 3: for our hearts to be filled with kindness and care and to be able to find peace when we are angry (Peaceful Problem Solvers)
 - o To continue to have values education as the cornerstone of our school community

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- o To further develop restorative practices and the use of protective behaviours to facilitate conflict resolution (embed peaceful problem-solvers)
- o To embed the changes made to the Behaviour for Learning systems, so that low-level misbehaviour is further reduced and so that students become peaceful problem solvers who are more self-regulating
- 4: to develop the courage to try again (Resilience and Growth Mindset)
 - o To develop student resilience
 - o To develop staff resilience
- 5: to provide support in our darkest moments (we can talk with someone about anything even if it is awful or small)
 - o To further develop safeguarding practices
 - o To further develop student wellbeing
 - o To further develop staff wellbeing
 - o To further develop communication systems

c. Public benefit

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Academy's public benefit is enshrined in its charitable objects, which state the charity exists to advance for the public benefit education in the villages of Cranfield & Wootton and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools, offering a broad curriculum.

Strategic report

Achievements and performance

The achievements of the Academy are difficult to describe for the 2019-2020 academic year due to the closure of the school to most students on 20th March 2020 on the orders of the UK government in response to the global Covid-19 pandemic. Key Stage assessments were cancelled and students were not in school to undertake the usual externally-marked attainment tests (GL assessments).

Middle Schools were not requested to provide estimates for KS2 students. At the time of closure teachers had conducted their own assessments – these indicated that students were 'on track' to attain well and that improvements in areas of concern (eg writing) were being addressed and showing good signs of improvement. Reading and Grammar, Punctuation & Spelling attainment was looking strong and Maths continued to be steady and strong.

In terms of external scrutiny of the school, Ofsted would use the data from 2019 as a starting point for discussions. The 2019 Key performance indicators are included here in this report.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Academies' KS2 attainment levels at May 2019 were as follows:

- Attainment in Maths and Grammar, Punctuations and Spelling (GPAS) were above the national average.
- Attainment in Reading was in line with the national average.
- Attainment in Writing was significantly below the national average.
- GPAS improved from 2018.
- Progress scores were all 'Below average', however, Maths has continued to improve. (Please note that this is typical of Middle School data and has been acknowledged by Ofsted in their Inspection Data Summary Report where it states: "We know from published performance data that pupils at middle schools, on average, have lower progress scores at the end of key stage 2 than pupils at primary schools. Also, due to the age range of pupils at middle schools, pupils will have only attended a middle school for a short time before they take their key stage 2 tests and will still have a number of years left at the school.")

Attainment 2019

| <i>Cohort</i> | 157 | | | |
|---------------|---------------|---------------|--------------------------|--------------------------|
| | % HOLYWELL | % NATIONAL | SCALED SCORE HOLYWELL | SCALED SCORE NATIONAL |
| READING | 73% | 73% | 103.3 | 104 |
| GPAS | 80% | 78% | 104.5 | 106 |
| WRITING | 71% | 78% | 100.1 | 102 |
| MATHS | 81% | 79% | 105.6 | 105 |
| RWM | 60% | 65% | 104.9 | 104 |

Progress 2019

| <i>Holywell's progress scores for Reading, Writing and Maths</i> | | | | |
|--|------|-------|-------|------|
| | 2019 | 2018 | 2017 | 2016 |
| Reading | -1.9 | -1.21 | -2.48 | -1.9 |
| Writing | -3.4 | -1.39 | -1.22 | -1.3 |
| Maths | -0.7 | -0.97 | -1.48 | -2.4 |

The Academy continues to provide a broad range of activities to enhance the curriculum. Events which took place before Lockdown included: "Widening Opportunities Day", Sponsored Walk and a Year 8 residential trip to France. A number of curriculum-linked trips and visits had been planned and had to be suspended including: Year 5 Life Path Tour, Year 6 Faith Tour, Year 8 visit to Milton Keynes, a Ski Trip to Italy and a residential trip to Osmington Bay for Year 6.

There have been several assemblies delivered by a number of guest speakers throughout the year. The values education programme continues to be well received and supported by parents and pupils alike.

The PE department works with the Redborne Sports partnership to deliver sports programmes to our key partner lower schools, using Year 8 sports leaders to help deliver coaching as well as refereeing events. Sports teams continue to take part in inter school sports competitions throughout the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

In February 2018 the Academy undertook a significant building project to provide a new classroom block, sports hall, multi-use arts and science space, and reception area improvements. The total cost of £2.1 million was provided by Central Bedfordshire Council. The classroom block and multi-use arts and science space, were completed on 1 September 2018, the Sports Hall was completed by December 2018 and the Reception area was completed in March 2019. The project was completed entirely within budget. The new buildings will allow the school to provide for an increased intake which will take the number on roll to 720.

A CIF project to upgrade the Fire Safety provision for the Academy is part completed. Fire Doors have been replaced and an improved fire alarm system has been partially completed. Works have had to be suspended following the discovery of asbestos fibres in specific ceiling voids. There is no immediate danger to staff or students, however, the work requires significant resourcing to rectify the situation and complete the fire safety upgrade.

Key Performance Indicators

Ofsted Grading: Good Inspection Date: March 2018
SIAMS Grading: Good Inspection Date: November 2016

| KS2 | 2019 | 2018 | 2017 | National 2019 | Target 2019 |
|--|------|------|------|---------------|-------------|
| Reading | 73% | 78% | 74% | 73% | 85% |
| Writing | 71% | 80% | 81% | 78% | 79% |
| GPS (Grammar, Punctuation and Spelling) | 80% | 78% | 74% | 78% | 85% |
| Maths | 81% | 82% | 77% | 79% | 85% |
| Reading, Writing and Maths | 60% | 68% | 63% | 65% | 79% |

Average scaled scores

(where 100 = national expected standard)

| | Reading | | GPS | | Mathematics | |
|-------------|---------|--------|-------|-------|-------------|--------|
| 2019 | 104 | 103.3 | 106 | 104.5 | 105 | 105.6 |
| 2019 Target | | 106.5 | | 106.5 | | 105.8 |
| 2018 | 105.0 | 106.1 | 106.2 | 105.9 | 104.4 | 105.4 |
| 2018 Target | | 106.44 | | 106 | | 106.22 |
| 2017 | 104 | 104 | 106 | 104 | 104 | 104 |
| 2016 | 103 | 103 | 104 | 103 | 103 | 103 |

England, 2019 (all schools) Holywell

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

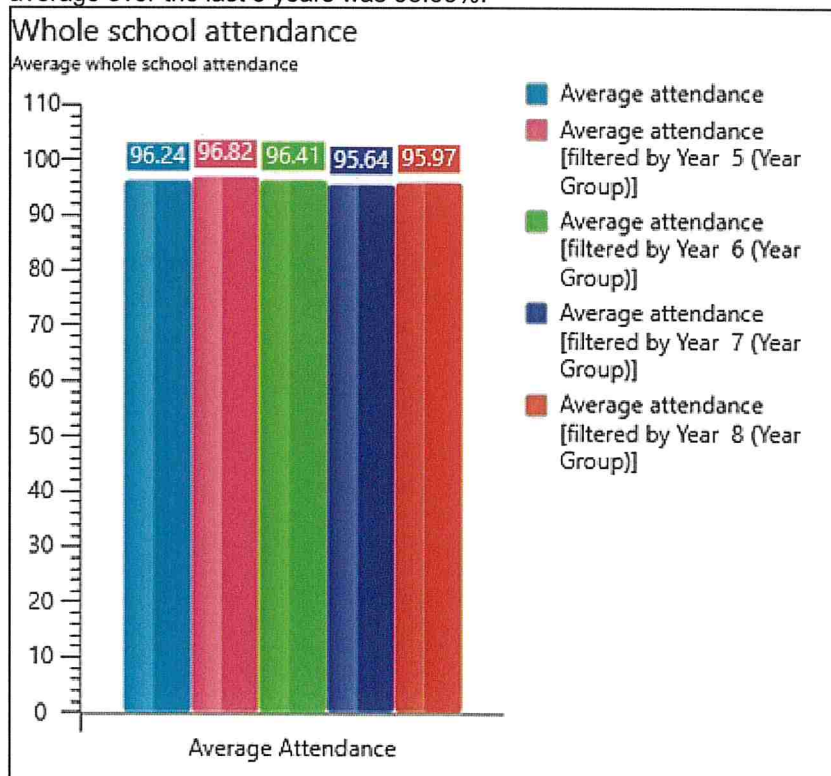
Progress 2019

| Holywell's progress scores for Reading, Writing and Maths | | | | |
|---|------|-------|-------|------|
| | 2019 | 2018 | 2017 | 2016 |
| Reading | -1.9 | -1.21 | -2.48 | -1.9 |
| Writing | -3.4 | -1.39 | -1.22 | -1.3 |
| Maths | -0.7 | -0.97 | -1.48 | -2.4 |

Attendance Data – 2019-2020 Summary

Attendance

At the time of school closure our average attendance was 96.24 – slightly below our target of 97% - an aspirational target set by us and already impacted upon by Covid-19 related issues. 97% is an aspirational target – Primary schools usually have a target of 95%. The National average last year was 95.6%. The National average over the last 3 years was 95.63%.



Persistent Absence Data

At the time of closure, PA was at 8.05%. Most of our PA's were due to medical needs. The PA students that have no medical reason for their absence have been followed up and measures put in place to assist with their attendance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Student recruitment

The Academy, due to its long-standing good reputation and standing in the local community, its ever-improving outcomes for students, and its deep-rooted Christian Values and Ethos, continued to be over-subscribed in 2019-2020. In years 5-7, there has been a regular waiting list of applications for each place. Appeals have been handled by Central Bedfordshire Council on behalf of the Academy (to ensure total transparency and objectivity) and have resulted in increased numbers in all year groups.

Budget Monitoring

The budget for the period 1 September 2019 to 31 August 2020 forecast a planned overspend of £150,000. Staffing costs were budgeted at 85.4% of total non-capital income and actual costs were 87.4%. Premises costs (excluding depreciation) were budgeted at 6.2% and final expenditure was 4.1%. Other supplies and services (excluding depreciation) were budgeted at 15.3% and final costs were 11.0% of revenue income.

b. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

a. Reserves policy

The majority of the Trust's annual income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2020 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the period ended 31 August 2020, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £3,282,360. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £3,254,886 and transfers out to the Restricted Fixed Asset Fund of £2,114 to give a surplus of income over expenditure on revenue funding totalling £25,360. This equates to the change in balance of the restricted general funds (excluding pension reserve) plus unrestricted funds reported at the previous year end.

As at 31 August 2020, restricted general funds (excluding pension reserves) were £103,594 (2019: £83,369) and unrestricted funds were £103,280 (2019: £99,967) giving total free reserves of £206,884 (2019: £183,336).

At 31 August 2020 the Local Government pension scheme deficit was £1,573,000. Although the deficit is material, the academy is taking the advice of the actuary regarding the repayment structure. Advised future contributions have also been included within the annual budget.

The Academy's 'free' reserves are its unrestricted funds plus restricted general funds (i.e. excluding pension reserve and fixed asset reserve). 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of the Academy's objects but which is not yet spent, committed or designated.

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £270,000 to £540,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's level of free revenue reserves for 2019-2020 is £206,874 comprising unrestricted funds of £103,280 and restricted general funds of £103,594. The trustees have recognised that free reserves are below the desired levels by approximately £70,000. Future year budgets have acknowledged this and aim to return reserves to desired levels within 1 - 2 years.

b. Investment policy

The Academy has no financial investments at this time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Academy's Business Committee undertakes a comprehensive review of the risks to which the Academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal will be undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

A risk register, covering low, medium and high level risks, is maintained at Academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. Government funding

The Academy has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the Academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

The Academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

3. Pupil Strategy

The Academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the Academy delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in its teaching staff and resources.

This places the Academy in an excellent position to attract new pupils.

Fundraising

Holywell Church of England Academy is a financially stable and viable charity. As such, we do not rely on fundraising to balance our budget. We do engage in a small amount of fundraising to enable us to provide additional facilities, materials and/or experiences for our students. We are mindful of the provisions of the Charities (Protection and Social Investment) Act 2016 and we are guided by the Charity Commission publication "Charity fundraising: a guide to trustee duties (CC20) and the Code of Fundraising practice.

Approach to fundraising

We always ensure that our fundraising is always legal, open, honest, respectful and accountable. We treat our potential donors honestly and decently, giving them the information they need to make an informed choice about their giving. Where fundraising takes place, we are aware of how fundraising is being delivered; we know who is making the ask; we know what risks there are from any fundraising activity; we monitor if any complaints are made about the fundraising practice; and we use our school complaints policy to deal with any issues.

Working with, and oversight of, any commercial participators / professional fundraisers

We don't usually work with commercial partners for the benefit of the academy. We do however, support local and national charities. We do work with the Parent, Teachers and Friends Association of Holywell School (PTFA) who raise funds for the school. They have their own constitution and operate as a charity.

Fundraising conforming to recognised standards

As an academy, we ensure that Charity legislation is regularly reviewed and updated. We stay up to date with the latest developments in the law and Code of Fundraising Practice through the ESFA, through our HR Provider (EPM), through updates from Central Bedfordshire Council and through our accountants and auditors.

Monitoring of fundraising carried out on behalf of the academy

The only fundraising done on behalf of the Academy is through the PTFA. The PTFA works closely with the Senior Leadership Team and there is representation from the Academy at PTFA meetings. The academy has full access to PTFA accounts and fundraising activities are monitored and assessed for risk.

Fundraising complaints

Complaints will be dealt with through the Academy's Complaints Policy.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising (continued)

Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Fundraising will adhere to ethical fundraising processes in line with the Charity Commission's Charity fundraising: a guide to trustee duties (CC20).

Plans for future periods

The school is seeking to exploit the opportunities afforded by conversion to Academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also, importantly, to improve the school estate.

The school has recently completed a significant programme of building work with funding from the Local Authority to improve facilities and to enable it to expand provision in line with local housing needs to ensure the school remains at the heart of education provision of the local community. Discussions and feasibility studies are ongoing with regard to further building work to continue to improve the school buildings.

As part of the Central Bedfordshire Council Schools for the Future project, the Governing Body is exploring a move to Secondary Status in collaboration with CBC and the local family of schools.

Funds held as custodian on behalf of others

The Academy has not held funds on behalf of others during the year.

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Auditors

The auditors, Duncan & Toplis Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 November 2020 and signed on its behalf by:



.....
Ms P Kendall
Chair

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Holywell Church of England Academy 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 Holywell Church of England Academy 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.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The Governing Body operates three sub committees in addition to the full governing body:

- The Curriculum and Training Committee
- The Ethos and Pastoral Care Committee
- The Academy Business Committee

There is also a more informal gathering known as the Strategy Group.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities.

The governing body formally met 4 times during the Year. 2 face to face meetings and 2 virtual meetings during the Covid-19 lockdown

Attendance during the Year at meetings of the board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs S Abood | 4 | 4 |
| Mr A Aldridge | 0 | 4 |
| Mrs R Bacon | 0 | 2 |
| Mr K Bains | 1 | 2 |
| Mrs E Butterwick | 0 | 1 |
| Mrs L Collins | 4 | 4 |
| Mrs F Frossell | 3 | 4 |
| Ms S Jenkins | 4 | 4 |
| Ms P Kendall, Chair | 4 | 4 |
| Mr M Sanders | 4 | 4 |
| Mr M G Simpson, Head Teacher and Accounting Officer | 4 | 4 |
| Mrs I Turner | 3 | 4 |
| Mr J Ulph, Staff Governor | 4 | 4 |

The Board and its Sub-committees meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management.

Although Board and Sub-Committee meetings are scheduled to take place four times a year each, extra meetings can be added, depending on the business priorities and requirements.

In 2019/20 the Full Board met four times and the Finance Committee met four times. This resulted in eight points through the year at which robust governance and effective financial management were tested and challenged.

Specifically, the Board maintained effective oversight of funds by:

- Ensuring the Finance Committee supported the Board in maintaining the Trust as a going concern.
- Delegating specific financial powers to the Finance Committee (as detailed in the Terms of Reference of the Finance Committee).
- Ensuring the Board approved the budget for the financial year.
- Sharing management accounts with the Chair of Trustees and all the other Finance Committee Trustees monthly.
- Encouraging the Chair of the Finance Committee to challenge and question the Finance Team during school visits and at other times virtually.
- Considering when the Board and the Finance Committee met, taking action to maintain financial viability.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Ensuring an appropriate, reasonable and timely response to the findings by the Auditors, taking opportunities to strengthen financial management and control.

Committee Name: **Curriculum Committee**

Met 2 times in 2019-20 - both face to face, the third meeting was cancelled due to the Covid-19 lockdown

Sub Committee of the Main Board

Objective: Ensures high quality provision for pupils and professional development opportunities for staff - sub set of governors attend.

| Trustee | Meetings attended | Out of a possible |
|----------------------|-------------------|-------------------|
| Mrs S Abood | 1 | 1 |
| Mrs R Bacon | 0 | 2 |
| Mr K Bains | 0 | 1 |
| Mrs L Collins | 2 | 2 |
| Ms S Jenkins | 2 | 2 |
| Ms P Kendall | 1 | 2 |
| Mr M Sanders (Chair) | 2 | 2 |
| Mr M G Simpson | 2 | 2 |

Committee Name: **Ethos and Pastoral Care Committee**

Met 2 times in 2019-20 – both face to face, the third meeting was cancelled due to the Covid-19 lockdown

Sub Committee of the Main Board

Objective: Ensures the Christian character of the school is upheld and addresses the care and guidance of pupils - sub set of governors attend.

| Trustee | Meetings attended | Out of a possible |
|----------------------|-------------------|-------------------|
| Mrs S Abood | 2 | 2 |
| Mrs R Bacon | 0 | 1 |
| Ms S Jenkins | 2 | 2 |
| Ms P Kendall | 2 | 2 |
| Mr M G Simpson | 2 | 2 |
| Mrs I Turner (Chair) | 2 | 2 |
| Mr J Ulph | 1 | 1 |

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committee Name: **Strategy Group**

Met 3 times in 2019-20 – all face to face, the fourth meeting was cancelled due to the Covid-19 lockdown

Sub Group of the Main Board

Objective: Ensures items of a strategic nature are discussed fully outside of the main board allowing for a more lengthy and in depth discussion - governors drop in and attend as they wish, this is not such a 'set' sub group as other committees so % attendance figures are not relevant here.

| Trustee | Meetings attended | Out of a possible |
|----------------------|-------------------|-------------------|
| Ms S Jenkins | 3 | 3 |
| Ms P Kendall (Chair) | 3 | 3 |
| Mr M Sanders | 3 | 3 |
| Mr M G Simpson | 3 | 3 |
| Mrs I Turner | 2 | 2 |

Committee Name: **Academy Business Committee**

Met 4 times in 2019-20 – 2 face to face meetings and 2 virtual meetings during the Covid-19 lockdown

Sub Committee of the Main Board

Objective: Ensures all aspects of the school finances and personnel areas are managed effectively by:

- coordinating the planning and budgeting processes
- regularly monitoring the management accounts
- interacting with all other committees, to advise on the appropriate means by which their requirements which have budget implications can best be met
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies
- authorising the award of contracts over £25,000
- authorising changes to the School personnel establishment

| Trustee | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| Mr A Aldridge (Chair) | 4 | 4 |
| Mr K Bains | 1 | 2 |
| Mrs F Frossell | 3 | 4 |
| Mr M G Simpson | 4 | 4 |
| Mrs I Turner | 4 | 4 |
| Mr J Ulph | 1 | 1 |
| Ms P Kendall | 3 | 4 |
| Mr M Sanders | 2 | 4 |

HOLYWELL CHURCH OF ENGLAND ACADEMY
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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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year as set out below.

Improving educational results for our students remains our key priority. The Academy has taken the following steps to support school improvement for our students and to raise their attainment and aspirations. The Academy is committed to supporting our students in reaching their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for their next stage of education.

Targeted improvement: The Academy has a robust tracking system for monitoring achievement and is continually looking at how data can inform staff in order for them to support and extend the learning of the students. We have employed skilled staff to support our school improvement agenda.

Focus on individual students: The Academy offers students a student support service and specialist learning provision. Students benefit from one to one mentoring, small group work, holiday revision classes and a full time in-school counselling service.

The Academy rewards excellence and encourages positive behaviour. We celebrate achievement and encourage students to try new activities to develop their confidence and leadership skills.

As a Middle School Academy we provide the full range of National Curriculum subjects for Key Stage 2 and Key Stage 3. In addition, all students in years 7 and 8 have Drama lesson each week. In years 7 and 8 students have a small part of their weekly curriculum as an Option programme enabling them to work in more depth and range in a subject area of their choice. Operating in a secondary form of school organisation, the Academy has been able to move to the overwhelming majority of teaching throughout the school being delivered by subject specialists.

Collaboration: The Academy works closely with its partner schools – destination Upper School, sister Middle School and partner Lower Schools. The headteacher's and staff of each school meet regularly to share ideas, good practice and discuss issues. The Academy is an active member of the Bedfordshire Middle School Headteachers' Association. The Academy works closely with the Diocese of St Albans and was a partner for the Diocese Lent 2020 project: God in this Place.

Quantifying improvements: The Governors' Curriculum Committee meets at least once per term, although on meeting had to be cancelled this year due to the Covid 19 pandemic, to ensure that the quality of provision for students at the Academy continues to be at least good and is clearly addressing improvement plan issues so that the Academy is evidently moving towards delivering outstanding quality in all areas of provision. The Academy has become the local school of first preference with intake numbers above its agreed number. There is one final year of expansion in line with the agreement with Central Bedfordshire Local Authority.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Financial governance and oversight: The Academy's Governing Body has strong oversight of the financial management of the budget. The Academy Business Committee meet regularly to review the financial position, to receive reports and to challenge decisions. Our external auditors review our financial processes and undertake the role of Responsible Officer to test our internal controls. The levels of delegation on spending proposals ensure we take the necessary steps to achieve best value.

The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and External Auditors Management Report.

Better purchasing: The Business/Finance office is always striving to find Best Value in purchasing and use a number of established Consortiums ie ESPO and Herts and also the "Every" software for anonymous quotes for goods.

Fitness for purpose: The Academy has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money. Our Contract management system enables us to be alerted to end of contract information in a timely manner which gives us the opportunity of reviewing the current service provision and costs against others out there. This software also serves as a networking opportunity as it links to other schools/academies that are using it to compare like for like services. Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

Reviewing Controls and Managing Risk: Monthly budget monitoring reports are produced by the Finance Director. These reports are distributed to the Headteacher and Academy Business members and any remedial action taken to address any significant variances that may have an impact on the budget out-turn.

Reviewing operation to maximise use of resources: The Academy Leadership Team review expenditure and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer, and any new strategies identified in the Academy Development Plan.

Lessons learned: The Academy has reached the end of its eighth year of operations and we have continued to learn the options open to us and the autonomy and flexibilities we have. Our continued curriculum development to support high student achievement remains our top priority. We will be focusing on how best to resource our School Improvement Plan.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Holywell Church Of England Academy for the period ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 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 Academy Business Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Duncan & Toplis Limited to perform a series of additional internal checks by way of an extension of their statutory audit procedures. These additional internal checks are a transitional arrangement while the RO assumes responsibility.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the RO reports to the board of trustees, through the Academy Business Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the Finance Director who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Academy Business Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 26 November 2020 and signed on their behalf by:



Ms P Kendall
Chair of Trustees



Mr M Simpson
Accounting Officer

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Holywell Church of England Academy I have considered my responsibility to notify the Academy board of Trustees and the Education & 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 Academies Financial Handbook 2019.

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 Academies Financial Handbook 2019.

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 M Simpson
Accounting Officer
Date: 26 November 2020

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020;
- 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 on 26 November 2020 and signed on its behalf by:



.....
Ms P Kendall
Chair

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HOLYWELL CHURCH OF ENGLAND ACADEMY**

Opinion

We have audited the financial statements of Holywell Church of England Academy (the 'academy') for the Year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

HOLYWELL CHURCH OF ENGLAND ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HOLYWELL CHURCH OF ENGLAND ACADEMY (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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.

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HOLYWELL CHURCH OF ENGLAND ACADEMY (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Tara L Beeston

Tara Beeston FCA (Senior statutory auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

27 November 2020

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLYWELL
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1st August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holywell Church of England Academy during the Year 1 September 2019 to 31 August 2020 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 Holywell Church of England Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holywell Church of England Academy 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 Holywell Church of England Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Holywell Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Holywell Church of England Academy's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLYWELL
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Tara L Beeston

Tara Beeston FCA
Duncan & Toplis Limited
Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 27 November 2020

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | - | 64,922 | (20,550) | 44,372 | 299,933 |
| Charitable activities: | 4 | | | | | |
| Funding for the Academy's educational operations | | - | 3,171,776 | - | 3,171,776 | 2,880,829 |
| Other trading activities | 5 | 39,476 | 6,000 | - | 45,476 | 34,655 |
| Investments | 6 | 186 | - | - | 186 | 288 |
| Total income | | 39,662 | 3,242,698 | (20,550) | 3,261,810 | 3,215,705 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| Academy's educational operations | | 28,599 | 3,343,287 | 198,310 | 3,570,196 | 3,250,999 |
| Total expenditure | | 28,599 | 3,343,287 | 198,310 | 3,570,196 | 3,250,999 |
| Net income/(expenditure) | | 11,063 | (100,589) | (218,860) | (308,386) | (35,294) |
| Transfers between funds | 17 | (7,750) | 3,814 | 3,936 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 3,313 | (96,775) | (214,924) | (308,386) | (35,294) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 26 | - | (514,000) | - | (514,000) | (342,000) |
| Net movement in funds | | 3,313 | (610,775) | (214,924) | (822,386) | (377,294) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 99,967 | (858,631) | 9,453,349 | 8,694,685 | 9,071,979 |
| Net movement in funds | | 3,313 | (610,775) | (214,924) | (822,386) | (377,294) |
| Total funds carried forward | | 103,280 | (1,469,406) | 9,238,425 | 7,872,299 | 8,694,685 |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08224216

BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 9,219,983 | 9,308,747 |
| Current assets | | | |
| Debtors | 14 | 82,295 | 99,507 |
| Cash at bank and in hand | | 214,062 | 313,719 |
| Liabilities | | <u>296,357</u> | <u>413,226</u> |
| Creditors: amounts falling due within one year | 15 | (57,062) | (68,270) |
| Net current assets | | <u>239,295</u> | <u>344,956</u> |
| Total assets less current liabilities | | <u>9,459,278</u> | <u>9,653,703</u> |
| Creditors: amounts falling due after more than one year | 16 | (13,979) | (17,018) |
| Net assets excluding pension liability | | <u>9,445,299</u> | <u>9,636,685</u> |
| Defined benefit pension scheme liability | 26 | (1,573,000) | (942,000) |
| Total net assets | | <u><u>7,872,299</u></u> | <u><u>8,694,685</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 9,238,425 | 9,453,349 |
| Restricted income funds | 17 | 103,594 | 83,369 |
| Restricted funds excluding pension liability | 17 | <u>9,342,019</u> | <u>9,536,718</u> |
| Pension reserve | 17 | (1,573,000) | (942,000) |
| Total restricted funds | 17 | <u>7,769,019</u> | <u>8,594,718</u> |
| Unrestricted income funds | 17 | <u>103,280</u> | <u>99,967</u> |
| Total funds | | <u><u>7,872,299</u></u> | <u><u>8,694,685</u></u> |

The financial statements on pages 34 to 63 were approved by the Trustees, and authorised for issue on 26 November 2020 and are signed on their behalf, by:

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08224216

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



.....
Ms P Kendall
Chair

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|---|--------|-----------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 33,292 | 181,151 |
| Cash flows from investing activities | 21 | (129,910) | (613,236) |
| Cash flows from financing activities | 20 | (3,039) | (3,039) |
| Change in cash and cash equivalents in the year | | (99,657) | (435,124) |
| Cash and cash equivalents at the beginning of the year | | 313,719 | 748,843 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u>214,062</u> | <u>313,719</u> |

The notes on pages 38 to 63 form part of these financial statements

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holywell Church of England Academy 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.

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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.

• **Expenditure on raising funds**

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

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than leasehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

| | |
|------------------------------|-------------------------------|
| Long-term leasehold property | - over 50 years straight line |
| Furniture and equipment | - over 4 years straight line |
| Computer equipment | - over 3 years straight line |
| Motor vehicles | - over 4 years straight line |

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.

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Liabilities

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

1.8 Provisions

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

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

1.9 Financial instruments

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

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

1.10 Operating leases

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

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 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.

1.12 Fund accounting

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

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3. Income from donations and capital grants

| | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|--|--|---------------------------------------|
| Contributions to school trips and events | 64,922 | - | 64,922 |
| Capital Grants | - | (20,550) | (20,550) |
| | <u>64,922</u> | <u>(20,550)</u> | <u>44,372</u> |

| | <i>Restricted funds 2019 £</i> | <i>Restricted fixed asset funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|--|---------------------------------------|
| Contributions to school trips and events | 92,545 | - | 92,545 |
| Capital Grants | - | 207,388 | 207,388 |
| | <u>92,545</u> | <u>207,388</u> | <u>299,933</u> |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy's funding for the academy trust's educational operations

| | Restricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 2,717,805 | 2,717,805 | 2,553,766 |
| Pupil Premium | 121,845 | 121,845 | 102,096 |
| Other DfE/ESFA Revenue grants | 31,123 | 31,123 | 43,811 |
| Teachers pay and pension grants | 150,456 | 150,456 | 24,451 |
| | <u>3,021,229</u> | <u>3,021,229</u> | <u>2,724,124</u> |
| Other government grants | | | |
| SEN 1-1 funding | 49,878 | 49,878 | 51,726 |
| Other Local Authority revenue grants | 94,736 | 94,736 | 104,979 |
| | <u>144,614</u> | <u>144,614</u> | <u>156,705</u> |
| Exceptional government funding | | | |
| Other Coronavirus funding | 5,933 | 5,933 | - |
| Total 2020 | <u><u>3,171,776</u></u> | <u><u>3,171,776</u></u> | <u><u>2,880,829</u></u> |

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers £6k of exceptional costs. These costs are included in note 8 as cleaning costs.

5. Income from other trading activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|---|--|--|---------------------------------------|
| Receipts from supply teacher insurance claims | - | 6,000 | 6,000 |
| Lettings income | 1,800 | - | 1,800 |
| Other income - PTFA & sundry | 29,975 | - | 29,975 |
| School Fund sales | 7,701 | - | 7,701 |
| Total 2020 | <u><u>39,476</u></u> | <u><u>6,000</u></u> | <u><u>45,476</u></u> |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|---|--|--|---------------------------------------|
| Receipts from supply teacher insurance claims | - | 5,685 | 5,685 |
| Lettings income | 1,576 | - | 1,576 |
| Other income - PTFA & sundry | 16,987 | - | 16,987 |
| School Fund sales | 10,407 | - | 10,407 |
| | <u>28,970</u> | <u>5,685</u> | <u>34,655</u> |

6. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|-----------------------|--|---------------------------------------|---------------------------------------|
| Bank account interest | 186 | 186 | 288 |
| | <u>186</u> | <u>186</u> | <u>288</u> |

7. Expenditure

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ |
|---|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Funding for the academy trust's educational operations: | | | | |
| Direct costs | 2,450,154 | 182,656 | 228,140 | 2,860,950 |
| Support costs | 422,959 | 164,536 | 121,751 | 709,246 |
| Total 2020 | <u>2,873,113</u> | <u>347,192</u> | <u>349,891</u> | <u>3,570,196</u> |

HOLYWELL CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure (continued)

| | <i>Staff Costs</i> 2019 £ | <i>Premises</i> 2019 £ | <i>Other</i> 2019 £ | <i>Total</i> 2019 £ |
|---|---------------------------------|------------------------------|---------------------------|---------------------------|
| Funding for the academy trust's educational operations: | | | | |
| Direct costs | 2,145,193 | 185,949 | 271,280 | 2,602,422 |
| Support costs | 376,161 | 158,709 | 113,707 | 648,577 |
| | <u>2,145,193</u> | <u>185,949</u> | <u>271,280</u> | <u>2,602,422</u> |
| | <u>376,161</u> | <u>158,709</u> | <u>113,707</u> | <u>648,577</u> |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|--|--|---|---------------------------------------|
| Funding for the academy trust's educational operations | 2,860,950 | 709,246 | 3,570,196 |
| | <u>2,860,950</u> | <u>709,246</u> | <u>3,570,196</u> |

| | <i>Activities undertaken directly 2019 £</i> | <i>Support costs 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|---|---------------------------------------|
| Funding for the academy trust's educational operations | 2,602,422 | 648,577 | 3,250,999 |
| | <u>2,602,422</u> | <u>648,577</u> | <u>3,250,999</u> |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Educational operations 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|----------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 2,450,154 | 2,450,154 | 2,145,193 |
| Depreciation | 198,310 | 198,310 | 205,799 |
| Educational supplies | 162,415 | 162,415 | 184,892 |
| Technology costs | 33,388 | 33,388 | 35,845 |
| Staff development | 6,482 | 6,482 | 7,001 |
| Other costs | 10,201 | 10,201 | 23,692 |
| Total 2020 | <u>2,860,950</u> | <u>2,860,950</u> | <u>2,602,422</u> |

Analysis of support costs

| | Educational operations 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 422,959 | 422,959 | 376,161 |
| Technology costs | 8,656 | 8,656 | 22,562 |
| Maintenance of premises and equipment | 50,322 | 50,322 | 36,486 |
| Cleaning | 9,270 | 9,270 | 7,744 |
| Rent and rates | 29,480 | 29,480 | 23,130 |
| Energy costs | 47,266 | 47,266 | 56,798 |
| Insurance | 26,457 | 26,457 | 31,523 |
| Security | 1,741 | 1,741 | 3,028 |
| Transport | 827 | 827 | 1,895 |
| Telephone, postage and stationery | 12,297 | 12,297 | 7,282 |
| Catering | 6,535 | 6,535 | 6,501 |
| Other costs | 46,935 | 46,935 | 31,820 |
| Operating leases | 6,485 | 6,485 | 6,485 |
| Auditors' remuneration | 17,815 | 17,815 | 12,210 |
| Legal costs - other | 22,201 | 22,201 | 24,952 |
| Total 2020 | <u>709,246</u> | <u>709,246</u> | <u>648,577</u> |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

During the Year ended 31 August 2020, the Academy incurred the following Governance costs:

£40,016 (2019 - £37,162) included within the table above in respect of Funding for the academy trust's educational operations.

9. Net income/(expenditure)

Net income/(expenditure) for the Year includes:

| | 2020 £ | 2019 £ |
|---------------------------------------|-----------|-----------|
| Operating lease rentals | 11,349 | 6,485 |
| Depreciation of tangible fixed assets | 198,310 | 205,799 |
| Fees paid to auditors for: | | |
| - audit | 5,200 | 5,000 |
| - other services | 12,615 | 7,210 |
| | 198,310 | 205,799 |

10. Staff

a. Staff costs

Staff costs during the Year were as follows:

| | 2020 £ | 2019 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 2,079,854 | 1,920,594 |
| Social security costs | 189,394 | 174,300 |
| Pension costs | 582,602 | 413,223 |
| | 2,851,850 | 2,508,117 |
| Agency staff costs | 21,263 | 13,237 |
| | 2,873,113 | 2,521,354 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

b. Staff numbers

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

| | 2020 | <i>2019</i> |
|-------------------|-------------|-------------|
| | No. | <i>No.</i> |
| Teachers | 44 | 43 |
| Admin and Support | 53 | 54 |
| Management | 6 | 5 |
| | <u>103</u> | <u>102</u> |

The average headcount expressed as full-time equivalents was:

| | 2020 | <i>2019</i> |
|-------------------|-------------|-------------|
| | No. | <i>No.</i> |
| Teachers | 35 | 34 |
| Admin and Support | 28 | 28 |
| Management | 6 | 5 |
| | <u>69</u> | <u>67</u> |

c. Higher paid staff

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

| | 2020 | <i>2019</i> |
|-------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £70,001 - £80,000 | - | 1 |
| In the band £80,001 - £90,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

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 £456,997 (2019: £407,354).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The 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:

| | | 2020 | 2019 |
|---|----------------------------|------------------|-------------|
| | | £ | £ |
| Mr M Simpson, Head Teacher | Remuneration | 80,000 - | 75,000 - |
| | | 85,000 | 80,000 |
| | Pension contributions paid | 15,000 - | 10,000 - |
| | | 20,000 | 15,000 |
| Mrs L Collins (resigned 30 September 2020) | Remuneration | 20,000 - | 20,000 - |
| | | 25,000 | 25,000 |
| | Pension contributions paid | 0 - 5,000 | 5,000 - |
| | | | 10,000 |
| Miss Selina King (resigned 20 October 2018) | Remuneration | | 10,000 - |
| | | | 15,000 |
| | Pension contributions paid | | 0 - 5,000 |
| | | | 10,000 |
| Mr J Ulph, Staff Governor | Remuneration | 40,000 - | 20,000 - |
| | | 45,000 | 25,000 |
| | Pension contributions paid | 10,000 - | 0 - 5,000 |
| | | 15,000 | |

During the Year, retirement benefits were accruing to 3 Trustees (2019 - 4) in respect of defined contribution pension schemes.

During the Year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the Year ended 31 August 2020 was £7,204 (2019 - £8,486). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 September 2019 | 10,119,886 | 232,827 | 128,483 | 22,613 | 10,503,809 |
| Additions | 95,808 | 5,988 | 7,750 | - | 109,546 |
| At 31 August 2020 | <u>10,215,694</u> | <u>238,815</u> | <u>136,233</u> | <u>22,613</u> | <u>10,613,355</u> |
| Depreciation | | | | | |
| At 1 September 2019 | 852,912 | 197,502 | 122,035 | 22,613 | 1,195,062 |
| Charge for the Year | 182,656 | 13,030 | 2,624 | - | 198,310 |
| At 31 August 2020 | <u>1,035,568</u> | <u>210,532</u> | <u>124,659</u> | <u>22,613</u> | <u>1,393,372</u> |
| Net book value | | | | | |
| At 31 August 2020 | <u>9,180,126</u> | <u>28,283</u> | <u>11,574</u> | <u>-</u> | <u>9,219,983</u> |
| At 31 August 2019 | <u>9,266,974</u> | <u>35,325</u> | <u>6,448</u> | <u>-</u> | <u>9,308,747</u> |

Included in long-term leasehold property is £1,062,000 relating to land that is not depreciated.

14. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|---------------|---------------|
| Due within one year | | |
| Prepayments and accrued income | 74,952 | 49,980 |
| VAT recoverable | 7,343 | 15,791 |
| Grants receivable | - | 33,736 |
| | <u>82,295</u> | <u>99,507</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|--|----------|---------|
| | £ | £ |
| Trade creditors | 4,568 | 6,986 |
| Loan | 3,039 | 3,039 |
| Accruals and deferred income | 49,455 | 58,245 |
| | 57,062 | 68,270 |
| | 57,062 | 68,270 |
| | 2020 | 2019 |
| | £ | £ |
| Deferred income at 1 September 2019 | 42,540 | 9,767 |
| Resources deferred during the Year | 16,059 | 42,540 |
| Amounts released from previous periods | (42,540) | (9,767) |
| | 16,059 | 42,540 |
| | 16,059 | 42,540 |

Deferred income relates to rates relief, school trip income, year 7 catch up grant and Breakfast Club Income that relates to the following year.

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

| | 2020 | 2019 |
|-------|--------|--------|
| | £ | £ |
| Loans | 13,979 | 17,018 |
| | 13,979 | 17,018 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2020 | 2019 |
|--------------------------------------|-------|-------|
| | £ | £ |
| Payable or repayable by installments | 1,822 | 4,862 |
| | 1,822 | 4,862 |
| | 1,822 | 4,862 |

Loans payable by installments consist of a Salix loan repayable by equal semi-annual installments of £608 (2019: £608) over an eight-year period, and a Salix loan repayable by equal semi-annual installments of £1,458 (2019: £1,458) over an eight-year period. Both loans are interest free and unsecured.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|---|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 99,967 | 39,662 | (28,599) | (7,750) | - | 103,280 |
| Restricted general funds | | | | | | |
| Pupil Premium | - | 121,845 | (102,971) | - | - | 18,874 |
| General Annual Grant (GAG) | - | 2,679,108 | (2,673,120) | (7,810) | - | (1,822) |
| Other grants - local authority | 4,869 | 143,135 | (143,135) | - | - | 4,869 |
| Other grants - ESFA/DfE | 17,570 | 227,688 | (224,172) | - | - | 21,086 |
| Other income | 60,930 | 70,922 | (71,265) | - | - | 60,587 |
| DfE Group capital grants | - | - | (11,624) | 11,624 | - | - |
| Pension reserve | (942,000) | - | (117,000) | - | (514,000) | (1,573,000) |
| | <u>(858,631)</u> | <u>3,242,698</u> | <u>(3,343,287)</u> | <u>3,814</u> | <u>(514,000)</u> | <u>(1,469,406)</u> |
| Restricted fixed asset funds | | | | | | |
| DfE/ESFA capital grants | 879,405 | (20,550) | (21,890) | (9,802) | - | 827,163 |
| Local Authority expansion funding | 3,063,093 | - | (64,002) | 7,750 | - | 3,006,841 |
| Capital expenditure from GAG & other income | 90,816 | - | (11,978) | 5,988 | - | 84,826 |
| Assets inherited on conversion | 5,420,035 | - | (100,440) | - | - | 5,319,595 |
| | <u>9,453,349</u> | <u>(20,550)</u> | <u>(198,310)</u> | <u>3,936</u> | <u>-</u> | <u>9,238,425</u> |
| Total Restricted funds | <u>8,594,718</u> | <u>3,222,148</u> | <u>(3,541,597)</u> | <u>7,750</u> | <u>(514,000)</u> | <u>7,769,019</u> |
| Total funds | <u><u>8,694,685</u></u> | <u><u>3,261,810</u></u> | <u><u>(3,570,196)</u></u> | <u><u>-</u></u> | <u><u>(514,000)</u></u> | <u><u>7,872,299</u></u> |

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

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Government Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local Government Grants includes SEN funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with providing the necessary support for the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £514,000 actuarial decrease in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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17. Statement of funds (continued)

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

| | <i>Balance at 1 September 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2019 £</i> |
|---|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 125,284 | 29,258 | (28,190) | (26,385) | - | 99,967 |
| Restricted general funds | | | | | | |
| Pupil Premium | - | 114,058 | (114,058) | - | - | - |
| General Annual Grant (GAG) | 13,474 | 2,585,257 | (2,586,811) | (11,920) | - | - |
| Other grants - local authority | 4,869 | 51,726 | (51,726) | - | - | 4,869 |
| Other grants - ESFA/DfE | - | 5,685 | (5,685) | - | - | - |
| Other income | - | 36,771 | (19,201) | - | - | 17,570 |
| DfE Group capital grants | 24,897 | 92,545 | (90,345) | - | - | 27,097 |
| Other government income | - | 93,017 | (59,184) | - | - | 33,833 |
| Pension reserve | (510,000) | - | (90,000) | - | (342,000) | (942,000) |
| | <u>(466,760)</u> | <u>2,979,059</u> | <u>(3,017,010)</u> | <u>(11,920)</u> | <u>(342,000)</u> | <u>(858,631)</u> |
| Restricted fixed asset funds | | | | | | |
| DfE/ESFA capital grants | 689,552 | 207,388 | (19,357) | 1,822 | - | 879,405 |
| Local Authority expansion funding | 3,134,175 | - | (71,082) | - | - | 3,063,093 |
| Capital expenditure from GAG & other income | 69,253 | - | (14,920) | 36,483 | - | 90,816 |
| Assets inherited on conversion | 5,520,475 | - | (100,440) | - | - | 5,420,035 |
| | <u>9,413,455</u> | <u>207,388</u> | <u>(205,799)</u> | <u>38,305</u> | <u>-</u> | <u>9,453,349</u> |
| Total Restricted funds | <u>8,946,695</u> | <u>3,186,447</u> | <u>(3,222,809)</u> | <u>26,385</u> | <u>(342,000)</u> | <u>8,594,718</u> |
| Total funds | <u>9,071,979</u> | <u>3,215,705</u> | <u>(3,250,999)</u> | <u>-</u> | <u>(342,000)</u> | <u>8,694,685</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 9,219,983 | 9,219,983 |
| Current assets | 103,280 | 163,701 | 29,376 | 296,357 |
| Creditors due within one year | - | (55,240) | (1,822) | (57,062) |
| Creditors due in more than one year | - | (4,867) | (9,112) | (13,979) |
| Provisions for liabilities and charges | - | (1,573,000) | - | (1,573,000) |
| Total | 103,280 | (1,469,406) | 9,238,425 | 7,872,299 |

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Restricted fixed asset funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 9,308,747 | 9,308,747 |
| Current assets | 94,732 | 161,135 | 157,359 | 413,226 |
| Creditors due within one year | 5,235 | (71,682) | (1,823) | (68,270) |
| Creditors due in more than one year | - | (6,084) | (10,934) | (17,018) |
| Provisions for liabilities and charges | - | (942,000) | - | (942,000) |
| Total | 99,967 | (858,631) | 9,453,349 | 8,694,685 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

| | 2020 £ | 2019 £ |
|---|------------------|-----------|
| Net expenditure for the period (as per Statement of financial activities) | (308,386) | (35,294) |
| Adjustments for: | | |
| Depreciation | 198,310 | 205,799 |
| Capital grants from DfE and other capital income | 20,550 | (207,388) |
| Interest receivable | (186) | (288) |
| Defined benefit pension scheme cost less contributions payable | 101,000 | 77,000 |
| Defined benefit pension scheme finance cost | 16,000 | 13,000 |
| Decrease in debtors | 17,212 | 243,206 |
| Decrease in creditors | (11,208) | (114,884) |
| Net cash provided by operating activities | 33,292 | 181,151 |

20. Cash flows from financing activities

| | 2020 £ | 2019 £ |
|--|----------------|-----------|
| Repayments of borrowing | (3,039) | (3,039) |
| Net cash used in financing activities | (3,039) | (3,039) |

21. Cash flows from investing activities

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Dividends, interest and rents from investments | 186 | 288 |
| Purchase of tangible fixed assets | (109,546) | (820,912) |
| Capital grants from DfE Group | (20,550) | 207,388 |
| Net cash used in investing activities | (129,910) | (613,236) |

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of cash and cash equivalents

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Cash at bank and in hand | 214,062 | 313,719 |
| Total cash and cash equivalents | 214,062 | 313,719 |

23. Analysis of changes in net debt

| | At 1 September 2019 | Cash flows | At 31 August 2020 |
|--------------------------|------------------------------------|-------------------|------------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 313,719 | (99,657) | 214,062 |
| | 313,719 | (99,657) | 214,062 |

24. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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25. Capital commitments

| | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| Contracted for but not provided in these financial statements | | |
| Expansion project | - | 105,118 |

As at 31 August 2020 the Trust has authorised and contracted for future capital expenditure amounting to £Nil (2019: £105,118) in respect of the expansion project. The project was fully funded, the total income for which was included in note 3 to these accounts and unspent capital funding included in the table at note 18.

26. 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 Bedford Borough 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 2016.

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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26. 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 £361,991 (2019 - £227,558).

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 2020 was £148,000 (2019 - £136,000), of which employer's contributions totalled £117,000 (2019 - £107,000) and employees' contributions totalled £ 31,000 (2019 - £29,000). The agreed contribution rates for future years are 21.9 per cent for employers and 5.5 per cent for employees.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Principal actuarial assumptions

| | 2020 | 2019 |
|--|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.25 | 2.50 |
| Rate of increase for pensions in payment/inflation | 2.25 | 2.20 |
| Discount rate for scheme liabilities | 1.60 | 1.85 |

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

| | 2020 | 2019 |
|-----------------------------|-------------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 22.2 | 20.7 |
| Females | 24.3 | 23.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.4 | 21.7 |
| Females | 26.1 | 24.7 |

Sensitivity analysis

| | 2020 | 2019 |
|--|--------------|------|
| | £000 | £000 |
| Discount rate +0.1% | 91 | 61 |
| Discount rate -0.1% | (93) | (63) |
| Mortality assumption - 1 year increase | 112 | 86 |
| Mortality assumption - 1 year decrease | (116) | (84) |
| CPI rate +0.1% | 84 | 53 |
| CPI rate -0.1% | (82) | (52) |

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

| | 2020 | 2019 |
|-------------------------------------|------------------|-----------|
| | £ | £ |
| Equities | 1,403,000 | 1,233,000 |
| Corporate bonds | 332,000 | 277,000 |
| Property | 195,000 | 168,000 |
| Cash and other liquid assets | 124,000 | 83,000 |
| Total market value of assets | 2,054,000 | 1,761,000 |

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26. Pension commitments (continued)

The actual return on scheme assets was £110,000 (2019 - £45,000).

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

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Current service cost | (218,000) | (172,000) |
| Past service cost | - | (12,000) |
| Interest cost | (16,000) | (13,000) |
| Administrative expenses | (1,000) | (1,000) |
| Total amount recognised in the Statement of financial activities | (235,000) | (198,000) |

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

| | 2020 £ | 2019 £ |
|------------------------|------------------|------------------|
| At 1 September | 2,703,000 | 2,087,000 |
| Current service cost | 218,000 | 172,000 |
| Interest cost | 50,000 | 59,000 |
| Employee contributions | 31,000 | 29,000 |
| Actuarial losses | 625,000 | 340,000 |
| Benefits paid | - | 4,000 |
| Past service costs | - | 12,000 |
| At 31 August | 3,627,000 | 2,703,000 |

Past service costs of £12,000 in the previous year have arisen as a direct result of the McCloud judgement.

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

| | 2020 £ | 2019 £ |
|--------------------------|------------------|------------------|
| At 1 September | 1,761,000 | 1,577,000 |
| Interest income | 34,000 | 46,000 |
| Actuarial gains/(losses) | 111,000 | (2,000) |
| Employer contributions | 117,000 | 107,000 |
| Employee contributions | 31,000 | 29,000 |
| Benefits paid | - | 4,000 |
| At 31 August | 2,054,000 | 1,761,000 |

HOLYWELL CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Not later than 1 year | 6,485 | 6,485 |
| Later than 1 year and not later than 5 years | 19,456 | 23,778 |
| | <u>25,941</u> | <u>30,263</u> |

28. 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.

29. 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 Academies Financial 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.

Expenditure Related Party Transaction

During the year the Academy hired facilities on behalf of the school from K A Facilities Ltd, a company in which Isabel Turner, a governor, is employed, at a cost of £50 (2019: £62).

During the year the Academy paid £1,365 (2019: £1,440) on a service level agreement for Diocese of St Albans. The related party arises as a result of the association between the Academy Trust and it's Diocese.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.