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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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

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HOLYWELL CHURCH OF ENGLAND ACADEMY
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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
Directors	Mrs S Abood Mr A Aldridge (resigned 25 November 2020) Mrs L Collins (resigned 30 September 2020) Mrs F Frossell Mr S Hubbard (appointed 21 October 2020) Ms S Jenkins Ms P Kendall, Chair Reverend I Pain (appointed 4 March 2021) Mr M Sanders Mr M G Simpson, Head Teacher and Accounting Officer Ms S Stephenson (appointed 1 October 2020) Mrs T Powell (appointed 10 December 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 2021

Independent auditors	Duncan & Toplis Limited 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
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2021.

Holywell Church of England Academy operates an academy for students aged 9 to 13 serving a catchment area in Bedfordshire. It has a student capacity of 690 and had a roll of 705 in the Autumn School Census 2020 (01-10-2020).

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 Directors 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.

As a Church School, we have Members and Directors (rather than Members and Trustees). Trustees' in a church school academy setting has a different, very specific meaning relating to site ownership - hence the use of term 'Directors' throughout this document.

Details of the Directors 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. Directors' indemnities

A full insurance indemnity is taken out with the Zurich insurance company. Each member has cover of £5,000,000 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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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

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

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

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

Directors 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 Directors

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

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 in 2020/21 included 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 staff.

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 and there is also a Strategy Group. Each sub-committee and the Strategy Group has its own terms of reference detailing the responsibilities discharged to the sub-committee or group, to the Head Teacher (The Accounting Officer) and to the Senior Leadership Team.

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

The sub-committees of the Governing Body are:

- Academy Business Committee (now includes the Audit and Risk 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 and this includes senior staff. Pay awards for senior staff are approved by the Academy Business Committee.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 (2020). The Governing Body assigns the Academy to the relevant headteacher group based on the number of students on roll. For 2020-2021, the headteacher Group, as determined by the Governing Body, is Group 5 Unit totals = 5,655 (KS2 = 372 x 7 = 2,604 + KS3 339 x 9 = 3,051).

In line with the STPCD 2020 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 Business Committee may decide to pay additional payments to the Headteacher in accordance with the STPCD. Where a decision is made to increase the Headteacher's salary beyond the maximum of the appropriate HTG, the total sum of all payments made to the Headteacher will not exceed 25 per cent of the maximum of the HTG, except in wholly exceptional circumstances, which will be approved by the Business Committee.

In the event that it is considered necessary to exercise the provision set out above, the Business Committee will take external independent advice in accordance with the STPCD before agreeing to such a decision.

If, during any absence of the Headteacher, Deputy or Assistant Headteacher or a TLR post holder, the acting appointment is made and maintained for a period then the Business Committee will consider within four weeks of the acting appointment whether the teacher shall be paid an acting allowance. If no allowance is paid, the Business Committee may reconsider the position at any time.

In the prolonged absence of the Headteacher, a Deputy Headteacher, an Assistant Headteacher or a TLR post holder, the Business Committee may appoint a teacher to act up during the absence of the post holder. From the date that the Business Committee considers it necessary to make an acting appointment, an allowance will be paid equal to the difference between the salary currently paid to the person appointed to act up and a point considered appropriate by the Business Committee. The relevant conditions of service detailed within the STPCD will apply to any person in receipt of such an acting allowance.

Awards for Performance to Deputy and Assistant Heads: At the time of the annual assessment of teachers' salaries referred to in Section 2 of this policy, the Business Committee will consider recommendations from the Headteacher that any Deputy Headteacher or Assistant Headteacher be paid additional points subject to the maximum of their range. The Business Committee expects that the objectives for a deputy or assistant Headteacher will have become progressively challenging as they have gained experience in the role.

Where there are substantial difficulties in retaining the services of a current Deputy Headteacher or Assistant Headteacher the Business Committee may decide to change the salary range in accordance with the STPCD. Only in exceptional circumstances may the Deputy Headteacher or Assistant Headteacher's range overlap the Headteacher's pay range.

At the time of appointing a new Deputy Headteacher or Assistant Headteacher, the selection panel of the Business Committee making the new appointment shall determine the salary point on the pay range. The selection panel shall have regard to advice available from persons engaged by the Business Committee.

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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. 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, the upper school within the Wootton family of schools and the two local authorities from which students attend the school.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 students 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 2021 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 students;
- 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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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 students and all students nationally
- the recent changes made to assessment systems are embedded, so that students' progress is further accelerated.

Last SIAMS inspection – November 2016. The school was described as Good.

Section 48 SIAMS Priorities - to improve further the school should:

- Draw 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 students 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 2020-2021 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

- To further develop the Christian work of the school in line with the new SIAMS framework
- To further develop Collective Worship
- To meet the Gatsby requirements for careers
- To identify and provide a wider range of experiences for all – further develop students' experiences and cultural knowledge
- To further develop our links with the local and wider community (inc. local schools, parishes and parents)
- To further develop our outreach work
- To further develop leadership capacity and skills

2: for our classrooms to be filled with learning and love

- To further develop the school as a centre of excellence for learning
- To further improve outcomes in all subjects and at KS2 – especially Reading, Writing, GPS and Greater Depth.
- To embed the recent changes made to assessment systems, so that students' progress is further accelerated
- To further reduce the differences in progress and absence between disadvantaged students and all students nationally
- To improve outcomes for SEND students
- To ensure value-for-money and develop the most cost-effective business model

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

- To ensure the Student Premium and Sports Premium spend plan and strategic overview has clear, measurable criteria, expressed in a way that people can be held to account
- To develop students' understanding of learning
- To further push the quality of teaching and learning towards outstanding through consistently effective, quality questioning and challenge and through research into effective learning
- To review, research and systemise best practice in terms of curriculum
- To further develop the appraisal system and link with providing opportunities for staff development
- To identify gaps in learning as a result of the Covid-19 pandemic (inc. as a result of school closure) and to support students in need of 'catch-up'

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)

- To continue to have values education as the cornerstone of our school community
- To further develop restorative practices and the use of protective behaviours to facilitate conflict resolution (embed peaceful problem-solvers)
- 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)

- To develop student resilience
- 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)

- To further develop safeguarding practices
- To further develop student wellbeing and support students affected by the Covid-19 pandemic
- To further develop staff wellbeing and support staff affected by the Covid-19 pandemic
- To further develop communication systems

c. Public benefit

The Directors 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The achievements of the Academy are difficult to describe for the 2020-2021 academic year due to the closure of the school to most students as part of the second and third national lockdowns on the orders of the UK government in response to the global Covid-19 pandemic (from 5 November and 6 January to 1 June 2021). Key Stage assessments were cancelled for a second year 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 the November lockdown teachers had conducted an initial assessment – these assessments indicated that students had some gaps in learning. Teachers have made adaptations to their curriculum provision to address and close these gaps. Additional support through small group tuition was also provided as part of the catch-up/recovery funding.

Throughout the academic year, regardless of whether students were in school or at home learning, we continued to deliver a full curriculum to all students. Some subject leaders made some adaptations to their curriculum content – including re-ordering the curriculum content, adapting current curriculum provision in the light of home-learning circumstances (Science), or writing new units of work which were suitable for home-learning/Covid-19-secure teaching (e.g. Music, PE, DT).

'Critical worker' in-school provision during Lockdown: By the end of Lockdown, we had 148 students in-school (21% of the whole-school population)

Remote Learning: The Remote Learning Policy and provision to have synchronous curriculum delivery from January 2021 was in place and ready to be implemented when the third national lockdown was called. A concerned parent challenged the school on the provision via Ofsted, however, after a review from Ofsted, the provision was deemed to be acceptable. General feedback on the provision was good. Students who engaged with the provision throughout lockdown showed no significant gaps in learning, indeed, some made good progress. Staff evaluated where gaps were when students returned to school (June 2021) and have adapted schemes of learning for the 2021-2022 academic year. Externally-marked assessments in Reading and Maths showed that Reading attainment was looking strong, however, Maths outcomes showed that students were not at the usual levels of attainment.

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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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 students at middle schools, on average, have lower progress scores at the end of key stage 2 than students at primary schools. Also, due to the age range of students at middle schools, students 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

Cohort	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 plan to provide a broad range of activities to enhance the curriculum. A number of curriculum-linked trips and visits 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. In the Summer Term, once students had returned to school, we re-planned whole-school events so that they were Covid-19 secure and within 'bubbles'. We delivered an extended PSHE Day and Values Day (around the value of service).

Assemblies/Collective Worship have continued throughout Lockdown and once students returned to school. Lockdown assemblies were done as recorded assemblies/collective worship sessions, and in-school assemblies were a combination of recorded assemblies and live-streamed whole-school assemblies on a Monday afternoon. There have also been some House assemblies and Tutor Group assemblies – which have been a mixture of recorded sessions or PowerPoint slides for tutors to use.

The values education programme continued throughout the pandemic and continued to be well received and supported by parents and students alike.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

A CIF project to upgrade the Fire Safety provision for the Academy was part completed. Fire Doors were replaced and an improved fire alarm system was 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. An application for emergency funding to the DfE was unsuccessful and a new CIF bid will be commissioned for 2021-2022 (and if unsuccessful, school will need to finance this ourselves).

An ICT upgrade of servers, infrastructure, cyber-security and hardware has been completed (payment being spread over three years).

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 <small>(Grammar, Punctuation and Spelling)</small>	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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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 – 2020-2021 Summary

Attendance

At the time of school closure our average attendance was 95.71% – 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%. Pupil Premium attendance was 92.64% and SEND was 95.46%.

Persistent Absence Data

At the end of the year, PA was at 7%. Many 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. However, due to the COVID-19 outbreak in the last 3 weeks of term, a few parents took students out of school due to anxiety over the outbreak and the looming summer holidays. This led to a sharp increase from 5% to 7% in a very short amount of time. (50 Pupils to 70 during 3 week period).

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 2020-2021. In all years, 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 2020 to 31 August 2021 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the period ended 31 August 2021, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £3,604,487. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £3,440,115 and transfers out to the Restricted Fixed Asset Fund of £16,720 to give a surplus of income over expenditure on revenue funding totalling £147,652. 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 2021, restricted general funds (excluding pension reserves) were £250,016 (2020: £103,594) and unrestricted funds were £104,510 (2020: £103,280) giving total free reserves of £354,526 (2020: £206,874).

At 31 August 2021 the Local Government pension scheme deficit was £2,032,000. 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 Directors' discretion in furtherance of the Academy's objects but which is not yet spent, committed or designated.

The directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The directors have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £286,676 to £573,352. 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 2020-2021 is £354,526 comprising unrestricted funds of £104,510 and restricted general funds of £250,016.

The amount of reserves that can only be realised by disposing of tangible fixed assets as at 31 August 2021 is £9,043,444 (2020: £9,219,983).

b. Investment policy

The Academy has no financial investments at this time.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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. A Risk and Audit element has been added to the role of the Business Committee.

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

A thorough appraisal has been undertaken 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.

3. Student Retention Strategy

The Academy seeks to maintain its popularity with current and prospective students 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 students.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

4. Schools for the Future - Reorganisation of schooling in Central Bedfordshire

As part of Central Bedfordshire's Local Plan, all schools in the local area are exploring the possibility of re-organising schools into a Primary-Secondary structure. Various models have been proposed and explored - some have a higher element of risk to the Academy.

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 director 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.

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 director duties (CC20).

HOLYWELL CHURCH OF ENGLAND ACADEMY
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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. 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 Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors 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.

Juniper Education has been appointed to conduct our internal scrutiny.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on *25th November 2021*, and signed on its behalf by:



.....
Ms P Kendall
Chair

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

As Directors, 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 Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Directors 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 Directors any material weaknesses or breakdowns in internal control.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance

Committee structure and effective management

The Governing Body operates three sub committees and a strategy group in addition to the Full Governing Body which is the main board:

- The Curriculum Committee
- The Ethos and Pastoral Care Committee
- The Academy Business Committee (ABC) (referred to in this report also as the Finance Committee)
- Strategy Group

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

The Board and its Sub-committees meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management. Extra meetings can be added in, depending on the business priorities and requirements. The number of meetings and attendance figures are given below.

As can be seen below, in 2020/21 the Full Governing Board met four times and the Finance Committee met five times (including an extra meeting of just the Audit and Risk Committee which now forms part of the Finance Committee). This resulted in nine points through the year at which effective financial management, in particular, was tested and challenged. All the other committees/group met three times each. While the board itself did not meet six times in the year, it has maintained adequate oversight through the meetings of the Finance Committee.

In relation to effective financial management, 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 Directors and all the other Finance Committee (and other) Directors 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.
- Ensuring an appropriate, reasonable and timely response to the findings by the Auditors, taking opportunities to strengthen financial management and control.

The quality of the data used at each main board or sub committee/group meeting is accepted by Directors as robust, accurate and useful. The Head teacher and members of the Senior Leadership Team provide data according to their individual responsibilities. The Chairs of the Committees/group, as well as the link Directors, make efforts to work with the data providers to understand and question the data.

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews:

Governance is continually reviewed through the Chair of Directors' oversight of each committee/group and of the contribution of each individual Director. Each main board and sub committee meeting also provides an opportunity to consider how the work of each committee/group is going and whether there are key areas for Directors to focus on. At various points throughout 2020/21 Directors were encouraged to become familiar with the Academy Trust Handbook and with financial management generally. In July 2021, the Full Governing Body began to review the efficiency of various aspects of governance including the effectiveness of meetings, Directors' interaction with the Head teacher's report and staff views on governance.

Directors also began to formulate individual link role descriptions and schedules of work to bring forward into 2021/22 as a way of ensuring regular liaison with the school and effective monitoring and challenge of various key aspects of the school. These link roles are also a way of providing evidence that individual Directors are active and making an effective contribution.

A skills audit of individual Directors was completed in September 2021 and will be due to be reported on in the next Directors' Report. We did not complete a skills audit in 2020/21 whilst we researched different ways of reviewing our governance. A formal review of governance facilitated by an external consultant took place in October 2021 and the Chair Of Governors is taking forward a Governance Improvement Plan 2021/22 which resulted from this.

Attendance at meetings

Full Governing Body (referred to in this report also as the Main Board)

The Full Governing Body formally met 4 times during the year. All the meetings were held virtually in line with the continuing Covid-19 restrictions.

Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mrs S Abood	4	4
Mr A Aldridge	1	2
Mrs L Collins	1	1
Mrs F Frossell	4	4
Mr S Hubbard	2	3
Ms S Jenkins	4	4
Ms P Kendall, Chair	4	4
Reverend I Pain	1	1
Mr M Sanders	4	4
Mr M G Simpson, Head Teacher and Accounting Officer	3	3
Ms S Stephenson	2	2
Mrs T Powell	4	4
Mrs I Turner	3	4
Mr J Ulph, Staff Governor	0	0

HOLYWELL CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Curriculum Committee

The Curriculum Committee is a Sub Committee of the Main Board and it met 3 times in the year. All the meetings were held virtually in line with the continuing Covid-19 restrictions.

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

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Mrs S Abood	3	3
Mr S Hubbard	3	3
Ms S Jenkins	3	3
Mrs T Powell	1	1
Mr M Sanders (chair)	3	3
Mr M G Simpson	3	3
Ms S Stephenson	3	3
Ms P Kendall	3	3

Ethos and Pastoral Care Committee

The Ethos and Pastoral Care Committee is a Sub Committee of the Main Board and it met 3 times in the year. All the meetings were held virtually in line with the continuing Covid-19 restrictions.

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

Attendance during the year was as follows:

Director	Meetings attended	Out of a possible
Mrs S Abood	3	3
Mr S Hubbard	1	1
Ms S Jenkins	3	3
Ms P Kendall	3	3
Rev I Pain	2	2
Mrs T Powell	1	1
Mr M G Simpson	3	3
Mrs I Turner	3	3
Mr J Ulph	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Strategy Group

The Strategy Group is a SubGroup of the Main Board and it met 3 times in the year. All the meetings were held virtually in line with the continuing Covid-19 restrictions.

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

Director	Meetings attended	Out of a possible
Ms S Jenkins	3	3
Ms P Kendall (Chair)	3	3
Mrs T Powell	1	1
Mr M Sanders	3	3
Mr M G Simpson	3	3
Mrs I Turner	3	3

Academy Business Committee (ABC) *(since April 2021 this subsumed the new Audit and Risk Committee (A&RC))*

The Academy Business Committee (ABC) is a Sub Committee of the Main Board and it met 5 times in the year.

At the April 2021 ABC meeting, a new Audit and Risk Committee was set up as part of ABC, meeting at the end of that meeting and each meeting thereafter. All the meetings were held virtually in line with the continuing Covid-19 restrictions.

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

Director	Meetings attended	Out of a possible
Mr A Aldridge (Chair)	0	1
Mrs F Frossell (Chair)	5	5
Mr S Hubbard	1	1
Mr M G Simpson	5	5
Mrs I Turner	4	5
Ms P Kendall	5	5
Mrs T Powell	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 directors 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 headteachers 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 and good practice was shared during the various lockdowns on risk assessments, curriculum planning and health and safety provisions. The Academy works closely with the Diocese of St Albans and the work done for the Diocese Lent 2020 project: God in this Place was revisited and shared again this year.

Quantifying improvements: The Directors' Curriculum Committee meets at least once per term 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. 2021-2022 sees the school at its capacity in line with the expansion agreement with Central Bedfordshire Local Authority.

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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. Juniper Education 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 uses a number of established Consortiums i.e. ESPO and Herts.

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 ninth 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 2021 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 Directors 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 directors 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

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 Directors
- 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 Directors has considered the need for a specific internal audit function (Section 3.1 of the Academies Financial Handbook) and has appointed Juniper Education for our internal scrutiny for this and ongoing periods to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively.

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 directors, through the Academy Business Committee on the operation of the systems of control and on the discharge of the board of directors' 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.

On a quarterly basis, the reviewer reports to the Board of Directors through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

An initial Internal Controls Evaluation was carried out in the Summer Term 2021 and required actions will be enacted in the 2021-2022 academic year. A full review of the Academy's risk register is scheduled for September 2021 and this will lead to identifying areas of priority for review over the next three years. Juniper have completed two visits (which both covered Financial areas) this year and have also prepared a summary report of their findings which will be presented to the Audit and Risk Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Duncan & Toplis Limited will also perform checks as part of their statutory audit procedures.

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 Internal Scrutiny auditor;
- 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 Directors on *25th November 2021* and signed on their behalf by:



Ms P Kendall
Chair of Governors



Mr M G Simpson
Accounting Officer

HOLYWELL CHURCH OF ENGLAND ACADEMY
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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 Directors 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 2020.

I confirm that I and the Academy board of Directors 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 2020.

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



Mr M G Simpson
Accounting Officer
Date: 25/11/2021

HOLYWELL CHURCH OF ENGLAND ACADEMY
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

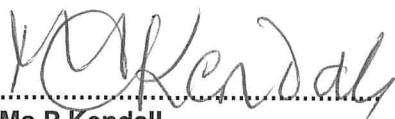
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Directors 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 Directors 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 Directors 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 Directors on
25th November 2021 and signed on its behalf by:



Ms P Kendall
Chair

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**

Opinion

We have audited the financial statements of Holywell Church of England Academy (the 'academy') for the year ended 31 August 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Directors' 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 Directors' 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 directors

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors 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 Directors 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 Directors 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.

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

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. This included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Ofsted rating, Health & Safety Law, HR & minimum wage law, Company Law, compliance with the Funding agreement, compliance with the Academies Financial Handbook and the completion of DBS checks.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information to assess whether any breaches have been found. Through these procedures, if we became aware of any non-compliance,

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)**

we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

T. L. Bellamy

Tara Bellamy FCA (Senior statutory auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date: 14 December 2021

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 23rd September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holywell Church of England Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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)

T.L. Bellamy

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

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 14 December 2021

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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	3,344	13,450	16,794	44,372
Other trading activities	5	21,611	4,025	-	25,636	45,476
Investments	6	49	-	-	49	186
Charitable activities:	4					
Funding for the Academy's educational operations		-	3,575,458	-	3,575,458	3,171,776
Total income		21,660	3,582,827	13,450	3,617,937	3,261,810
Expenditure on:						
Charitable activities:						
Academy's educational operations		14,159	3,603,956	204,060	3,822,175	3,570,196
Total expenditure		14,159	3,603,956	204,060	3,822,175	3,570,196
Net income/(expenditure)		7,501	(21,129)	(190,610)	(204,238)	(308,386)
Transfers between funds	17	(6,271)	(10,449)	16,720	-	-
Net movement in funds before other recognised gains/(losses)		1,230	(31,578)	(173,890)	(204,238)	(308,386)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(281,000)	-	(281,000)	(514,000)
Net movement in funds		1,230	(312,578)	(173,890)	(485,238)	(822,386)

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	103,280	(1,469,406)	9,238,425	7,872,299	8,694,685
Net movement in funds	1,230	(312,578)	(173,890)	(485,238)	(822,386)
Total funds carried forward	104,510	(1,781,984)	9,064,535	7,387,061	7,872,299

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	9,043,444	9,219,983
Current assets			
Debtors	14	85,887	82,295
Cash at bank and in hand		350,095	214,062
Liabilities		435,982	296,357
Creditors: amounts falling due within one year	15	(49,425)	(57,062)
Net current assets		386,557	239,295
Total assets less current liabilities		9,430,001	9,459,278
Creditors: amounts falling due after more than one year	16	(10,940)	(13,979)
Net assets excluding pension liability		9,419,061	9,445,299
Defined benefit pension scheme liability	25	(2,032,000)	(1,573,000)
Total net assets		7,387,061	7,872,299
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	9,064,535	9,238,425
Restricted income funds	17	250,016	103,594
Restricted funds excluding pension liability	17	9,314,551	9,342,019
Pension reserve	17	(2,032,000)	(1,573,000)
Total restricted funds	17	7,282,551	7,769,019
Unrestricted income funds	17	104,510	103,280
Total funds		7,387,061	7,872,299

The financial statements on pages 37 to 68 were approved by the Directors, and authorised for issue on 25th November 2021 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 2021



.....
Ms P Kendall
Chair

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	153,094	33,292
Cash flows from investing activities	21	(14,022)	(129,910)
Cash flows from financing activities	20	(3,039)	(3,039)
Change in cash and cash equivalents in the year		136,033	(99,657)
Cash and cash equivalents at the beginning of the year		214,062	313,719
Cash and cash equivalents at the end of the year	22, 23	<u>350,095</u>	<u>214,062</u>

The notes on pages 42 to 68 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 2021

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

1.2 Going concern

The Directors 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 Directors 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 2021

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.

• **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.

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

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

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.

1.7 Debtors

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

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

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

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

1.9 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.

Salix loans are initially recognised at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest.

1.10 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.

1.11 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.

1.12 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 2021

1. Accounting policies (continued)

1.13 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 director 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.

1.14 Fund accounting

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

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 2021

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Contributions to school trips and events	3,344	-	3,344
Capital Grants	-	13,450	13,450
	<u>3,344</u>	<u>13,450</u>	<u>16,794</u>
	<u>3,344</u>	<u>13,450</u>	<u>16,794</u>
	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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>
	<u>64,922</u>	<u>(20,550)</u>	<u>44,372</u>

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

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

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

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	2,969,385	2,969,385	2,717,805
Other DfE/ESFA grants			
Pupil Premium	138,485	138,485	121,845
Other DfE/ESFA Revenue grants	38,012	38,012	31,123
Teachers pay and pension grants	155,502	155,502	150,456
	-	3,301,384	3,021,229
Other Government grants			
SEN 1-1 funding	82,383	82,383	49,878
Other local authority revenue grants	12,360	12,360	94,736
Growth funding	84,724	84,724	-
	179,467	179,467	144,614
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	56,400	56,400	-
Other DfE/ESFA COVID-19 funding	38,207	38,207	5,933
	94,607	94,607	5,933
Total 2021	3,575,458	3,575,458	3,171,776

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, material funding streams have now been split from other DfE/ESFA funding.

During the year the Academy received a total of £56,400 in respect of catch up premium. So far £43,112 of this has been spent on extra learning resources for the Academy.

During the year the Academy received a total of £38,207 in respect of other Covid-19 funding. So far £3,647 of this funding has been spent on additional cleaning costs incurred by the Academy as a result of the pandemic.

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

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Receipts from supply teacher insurance claims	-	4,025	4,025
Lettings income	1,800	-	1,800
Other income - PTFA & sundry	12,333	-	12,333
School Fund sales	7,478	-	7,478
Total 2021	21,611	4,025	25,636

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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
	39,476	6,000	45,476

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank account interest	49	49	186
	49	49	186

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FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Funding for the academy trust's educational operations:				
Direct costs	2,673,643	183,027	194,043	3,050,713
Support costs	460,229	168,612	142,621	771,462
Total 2021	<u><u>3,133,872</u></u>	<u><u>351,639</u></u>	<u><u>336,664</u></u>	<u><u>3,822,175</u></u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
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
	<u><u>2,873,113</u></u>	<u><u>347,192</u></u>	<u><u>349,891</u></u>	<u><u>3,570,196</u></u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Funding for the academy trust's educational operations	<u><u>3,050,713</u></u>	<u><u>771,462</u></u>	<u><u>3,822,175</u></u>

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8. Analysis of expenditure by activities (continued)

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

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	2,673,643	2,673,643	2,450,154
Depreciation	204,060	204,060	198,310
Educational supplies	105,539	105,539	162,415
Technology costs	38,931	38,931	33,388
Staff development	13,017	13,017	6,482
Other costs	15,523	15,523	10,201
Total 2021	3,050,713	3,050,713	2,860,950

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	460,229	460,229	422,959
Technology costs	12,286	12,286	8,656
Maintenance of premises and equipment	41,864	41,864	50,322
Cleaning	24,607	24,607	9,270
Rent and rates	23,470	23,470	29,480
Energy costs	54,409	54,409	47,266
Insurance	22,689	22,689	26,457
Security	1,573	1,573	1,741
Transport	653	653	827
Telephone, postage and stationery	8,910	8,910	12,297
Catering	23,671	23,671	6,535
Other costs	54,660	54,660	46,935
Operating leases	6,485	6,485	6,485
Auditors' remuneration	13,450	13,450	17,815
Legal costs - other	22,506	22,506	22,201
Total 2021	<u>771,462</u>	<u>771,462</u>	<u>709,246</u>

During the year ended 31 August 2021, the Academy incurred the following Governance costs:

£35,956 (2020 - £40,016) included within the table above in respect of Funding for the academy trust's educational operations.

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	6,485	6,485
Depreciation of tangible fixed assets	204,060	198,310
Fees paid to auditors for:		
- audit	5,200	5,200
- other services	8,250	12,615
	8,250	12,615

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,138,566	2,079,854
Social security costs	198,079	189,394
Pension costs	647,047	582,602
	2,983,692	2,851,850
Agency staff costs	150,180	21,263
	3,133,872	2,873,113

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	42	44
Admin and Support	49	53
Management	7	6
	98	103

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10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	33	<i>35</i>
Admin and Support	27	<i>28</i>
Management	6	<i>6</i>
	66	<i>69</i>

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>-</i>
In the band £80,001 - £90,000	1	<i>1</i>

d. Key management personnel

The key management personnel of the Academy comprise the Directors 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 £480,825 (2020: £456,997).

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11. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Directors 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 Directors' remuneration and other benefits was as follows:

		2021	2020
		£	£
Mr M Simpson, Head Teacher	Remuneration	85,000 -	<i>80,000 -</i>
		90,000	<i>85,000</i>
	Pension contributions paid	20,000 -	<i>15,000 -</i>
		25,000	<i>20,000</i>
Mrs L Collins (resigned 30 September 2020)	Remuneration	0 - 5,000	<i>20,000 -</i>
			<i>25,000</i>
	Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>
Ms S Stephenson	Remuneration	15,000 -	<i>-</i>
		20,000	
	Pension contributions paid	0 - 5,000	<i>-</i>
Mr J Ulph, Staff Governor	Remuneration	45,000 -	<i>40,000 -</i>
		50,000	<i>45,000</i>
	Pension contributions paid	10,000 -	<i>10,000 -</i>
		15,000	<i>15,000</i>

During the year, retirement benefits were accruing to 2 Directors (2020 - 3) in respect of defined contribution pension schemes.

During the year ended 31 August 2021, expenses totalling £32 were reimbursed or paid directly to 1 Director (2020: Nil).

12. Directors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Directors 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 2021 was £6,020 (2020 - £7,204). The cost of this insurance is included in the total insurance cost.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	10,215,694	238,815	136,233	22,613	10,613,355
Additions	2,791	-	24,730	-	27,521
At 31 August 2021	<u>10,218,485</u>	<u>238,815</u>	<u>160,963</u>	<u>22,613</u>	<u>10,640,876</u>
Depreciation					
At 1 September 2020	1,035,568	210,532	124,659	22,613	1,393,372
Charge for the Year	183,027	13,399	7,634	-	204,060
At 31 August 2021	<u>1,218,595</u>	<u>223,931</u>	<u>132,293</u>	<u>22,613</u>	<u>1,597,432</u>
Net book value					
At 31 August 2021	<u><u>8,999,890</u></u>	<u><u>14,884</u></u>	<u><u>28,670</u></u>	<u><u>-</u></u>	<u><u>9,043,444</u></u>
At 31 August 2020	<u><u>9,180,126</u></u>	<u><u>28,283</u></u>	<u><u>11,574</u></u>	<u><u>-</u></u>	<u><u>9,219,983</u></u>

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

14. Debtors

	2021 £	2020 £
Due within one year		
Prepayments and accrued income	82,676	74,952
VAT recoverable	3,211	7,343
	<u><u>85,887</u></u>	<u><u>82,295</u></u>

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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,158	4,568
Loan	3,039	3,039
Accruals and deferred income	45,228	49,455
	49,425	57,062
	49,425	57,062
	2021 £	2020 £
Deferred income at 1 September 2020	16,059	42,540
Resources deferred during the year	9,676	16,059
Amounts released from previous periods	(16,059)	(42,540)
	9,676	16,059
	9,676	16,059

Deferred income relates to rates relief and Breakfast Club Income that relates to the following year.

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

	2021 £	2020 £
Loans	10,940	13,979
	10,940	13,979
	10,940	13,979

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

	2021 £	2020 £
Payable or repayable by installments	-	1,822
	-	1,822
	-	1,822

Loans payable by installments consist of a Salix loan repayable by equal semi-annual installments of £608 (2020: £608) over an eight-year period, and a Salix loan repayable by equal semi-annual installments of £1,458 (2020: £1,458) over an eight-year period. Both loans are interest free and unsecured.

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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	103,280	21,660	(14,159)	(6,271)	-	104,510
Restricted general funds						
Pupil Premium	18,874	138,485	(138,485)	-	-	18,874
General Annual Grant (GAG)	(1,822)	2,969,385	(2,957,114)	(10,449)	-	-
Other grants - local authority	4,869	179,467	(94,748)	-	-	89,588
Other grants - ESFA/DfE	21,086	193,514	(186,472)	-	-	28,128
Other income	60,587	7,369	(2,378)	-	-	65,578
Covid-19 catch up premium	-	56,400	(43,112)	-	-	13,288
Other DfE/ESFA Covid-19 funding	-	38,207	(3,647)	-	-	34,560
Pension reserve	(1,573,000)	-	(178,000)	-	(281,000)	(2,032,000)
	<u>(1,469,406)</u>	<u>3,582,827</u>	<u>(3,603,956)</u>	<u>(10,449)</u>	<u>(281,000)</u>	<u>(1,781,984)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	827,163	13,450	(22,617)	(11,912)	-	806,084
Local Authority expansion funding	3,006,841	-	(64,002)	6,829	-	2,949,668
Capital expenditure from GAG & other income	84,826	-	(17,001)	21,803	-	89,628
Assets inherited on conversion	5,319,595	-	(100,440)	-	-	5,219,155
	<u>9,238,425</u>	<u>13,450</u>	<u>(204,060)</u>	<u>16,720</u>	<u>-</u>	<u>9,064,535</u>

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	7,769,019	3,596,277	(3,808,016)	6,271	(281,000)	7,282,551
Total funds	7,872,299	3,617,937	(3,822,175)	-	(281,000)	7,387,061

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 £281,000 actuarial increase 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 2021.

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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 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
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>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Total Restricted funds	8,594,718	3,222,148	(3,541,597)	7,750	(514,000)	7,769,019
Total funds	8,694,685	3,261,810	(3,570,196)	-	(514,000)	7,872,299

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	9,043,444	9,043,444
Current assets	104,510	310,381	21,091	435,982
Creditors due within one year	-	(49,425)	-	(49,425)
Creditors due in more than one year	-	(10,940)	-	(10,940)
Provisions for liabilities and charges	-	(2,032,000)	-	(2,032,000)
Total	104,510	(1,781,984)	9,064,535	7,387,061

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(204,238)	(308,386)
Adjustments for:		
Depreciation	204,060	198,310
Capital grants from DfE and other capital income	(13,450)	20,550
Interest receivable	(49)	(186)
Defined benefit pension scheme cost less contributions payable	154,000	101,000
Defined benefit pension scheme finance cost	24,000	16,000
(Increase)/decrease in debtors	(3,592)	17,212
Decrease in creditors	(7,637)	(11,208)
Net cash provided by operating activities	153,094	33,292

20. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(3,039)	(3,039)
Net cash used in financing activities	(3,039)	(3,039)

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21. Cash flows from investing activities

	2021	2020
	£	£
Dividends, interest and rents from investments	49	186
Purchase of tangible fixed assets	(27,521)	(109,546)
Capital grants from DfE Group	13,450	(20,550)
Net cash used in investing activities	(14,022)	(129,910)

22. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	350,095	214,062
Total cash and cash equivalents	350,095	214,062

23. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	214,062	136,033	350,095
	214,062	136,033	350,095

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. 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 2019.

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

Teachers' Pension Scheme

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

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

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 £371,490 (2020 - £361,991).

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.

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate director-administered funds. The total contribution made for the year ended 31 August 2021 was £153,000 (2020 - £148,000), of which employer's contributions totalled £121,000 (2020 - £117,000) and employees' contributions totalled £ 32,000 (2020 - £31,000). The agreed contribution rates for future years are 21.9 per cent for employers and 5.5 per cent, 5.8 per cent and 6.5 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.

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.90	<i>3.25</i>
Rate of increase for pensions in payment/inflation	2.90	<i>2.25</i>
Discount rate for scheme liabilities	1.65	<i>1.60</i>

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.9	<i>22.2</i>
Females	24.3	<i>24.3</i>
<i>Retiring in 20 years</i>		
Males	22.9	<i>23.4</i>
Females	26.0	<i>26.1</i>

HOLYWELL CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	113	91
Discount rate -0.1%	(116)	(93)
Mortality assumption - 1 year increase	184	112
Mortality assumption - 1 year decrease	(177)	(116)
CPI rate +0.1%	104	84
CPI rate -0.1%	(102)	(82)
	<u> </u>	<u> </u>

Share of scheme assets

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

	2021	2020
	£	£
Equities	1,723,000	1,403,000
Corporate bonds	460,000	332,000
Property	230,000	195,000
Cash and other liquid assets	54,000	124,000
	<u> </u>	<u> </u>
Total market value of assets	2,467,000	2,054,000
	<u> </u>	<u> </u>

The actual return on scheme assets was £246,000 (2020 - £110,000).

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

	2021	2020
	£	£
Current service cost	(275,000)	(218,000)
Interest cost	(24,000)	(16,000)
Administrative expenses	(2,000)	(1,000)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of financial activities	(301,000)	(235,000)
	<u> </u>	<u> </u>

HOLYWELL CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	3,627,000	2,703,000
Current service cost	275,000	218,000
Interest cost	58,000	50,000
Employee contributions	32,000	31,000
Actuarial losses	491,000	625,000
Benefits paid	16,000	-
At 31 August	4,499,000	3,627,000

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

	2021 £	2020 £
At 1 September	2,054,000	1,761,000
Interest income	34,000	34,000
Actuarial gains	210,000	111,000
Employer contributions	121,000	117,000
Employee contributions	32,000	31,000
Benefits paid	16,000	-
At 31 August	2,467,000	2,054,000

26. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	4,864	4,864
Later than 1 year and not later than 5 years	8,107	12,972
	12,971	17,836

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NOTES TO THE FINANCIAL STATEMENTS
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27. 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.

28. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors 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 £Nil (2020: £50).

During the year the Academy paid £1,340 (2020: £1,365) 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.

During the year the Academy paid £30 (2020: £Nil) on training courses from 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 directors' remuneration and expenses already disclosed in note 11.