

Registration number: 08150822

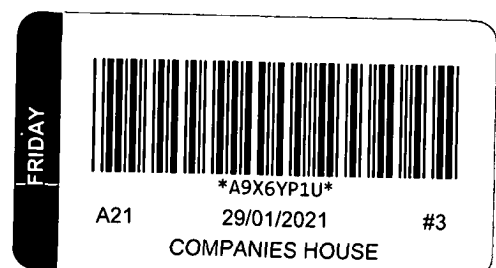
Holywell Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Fortus Audit LLP
Chartered Accountants and Statutory Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ



Holywell Primary School

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Holywell Primary School

Reference and Administrative Details

Members	Mr Robert Seager Mr David Donegani Mr Christopher Bulloch
Governors and Trustees (Directors)	Mr Robert Seager (Chair) Mr Christopher Bulloch (Vice Chair) Mr David Donegani (Chair of Finance & Personnel) Dr Steven Christie (Chair of Premises) (resigned 21 November 2020) Mr Mark Needham Ms Claudia Foster Ms Julia Vermaak Ms Smita Jenna (Chair of Teaching & Learning) Ms Elizabeth Chahal Mr Raja Manzoor Ms Anna Rowlands Mrs Diane Williams Mrs Sandra Blackshaw (resigned 19 May 2020) Ms Leanne Orgill (appointed 1 July 2020) Mr Edward Petrie
Company Secretary	Mrs Sarah Hawker
Head Teacher	Mr Edward Petrie
Senior Management Team	Mr Edward Petrie, Head Teacher Mr Guy Stephenson, Deputy Head Teacher Mrs Diane Williams, Assistant Head Teacher Miss Abigail Sinclair, KS1 Co-ordinator Miss Kate Connor, KS2 Co-ordinator Mrs Phillipa Jones, School Business Manager
Principal and Registered Office	Berkeley Road Loughborough Leicestershire LE11 3SJ
Company Registration Number	08150822

Holywell Primary School

Reference and Administrative Details (continued)

Auditors

Fortus Audit LLP
Chartered Accountants and Statutory Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Bankers

Lloyds Bank Plc
P O Box 1000
BX1 1LT

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates as an academy for pupils aged 4 to 11 serving a catchment area of Loughborough. It has a pupil capacity of 420 and a roll of 417 as per the school census of Spring 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08150822.

The governors act as the trustees for the charitable activities of Holywell Primary School and are also the directors of the charitable company for the purposes of company law.

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

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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The board of governors (trustees) comprises one governor nominated and elected by the Members, three staff members self-nominated and elected by staff members, six nominated and elected by members of the existing board of governors, and three parent governors self-nominated and elected by parents. The methods of appointment are clearly laid down in the Holywell Primary School Board of Governors' Standing Orders document and are always observed.

Policies and procedures adopted for the induction and training of Trustees

On appointment, new governors have a discussion with the chair of governors and the clerk to ensure that they are aware of the requirements of the post. They are allocated a "buddy" to support them in the early stages of their role to help them get used to it. Training is actively encouraged throughout the entire period of membership, with an expectation of attendance at a minimum of two courses per year. It is compulsory for new members to attend the one-day governor induction training course during their first year of office.

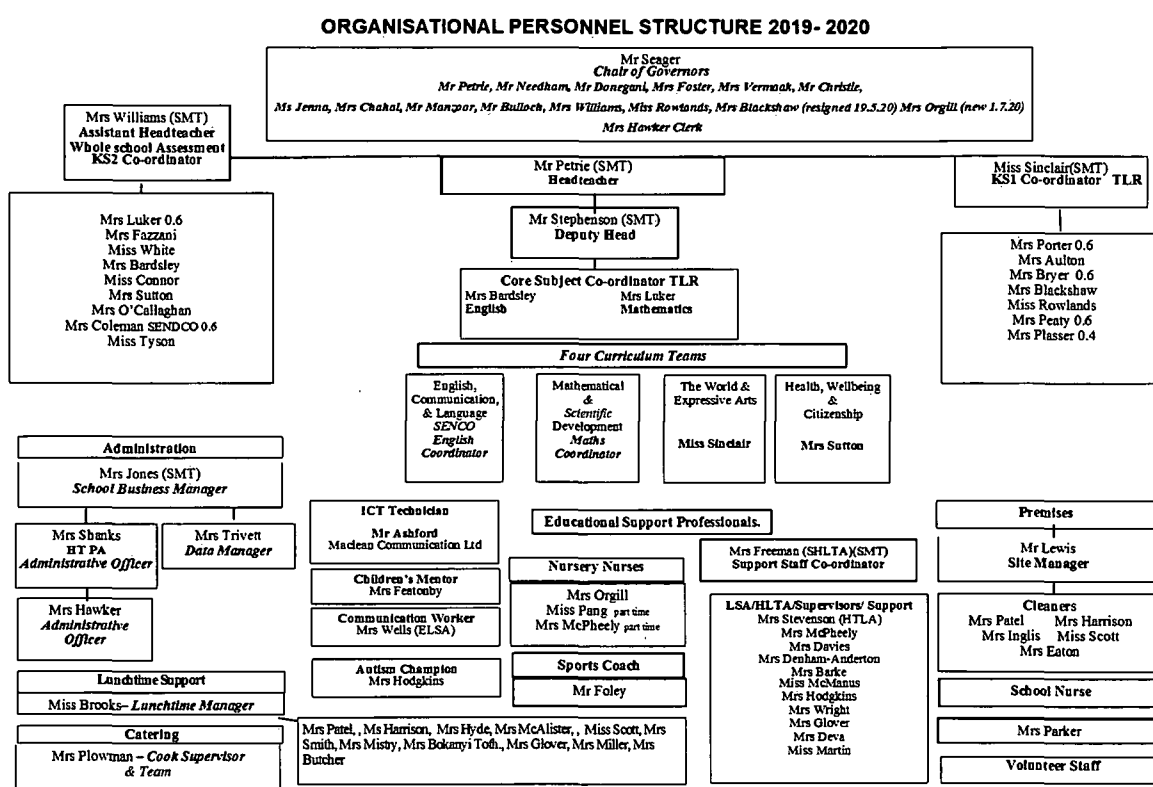
Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Organisational structure

Day to day management of the school is by a very effective Senior Management Team (SMT), the members of which have undertaken specific training and continuous personal development (CPD); please also refer to the organisational structure chart overleaf.

In very broad terms, the day-to-day management of the school is the responsibility of the head teacher and SMT, with references back to the board of governors for approval where appropriate. The governors' involvement is generally required where strategic decisions or planning are involved and/or agreement needs to be secured for significantly large amounts of school funds to be spent.



Arrangements for setting pay and remuneration of key management personnel

At Holywell we follow the national Teachers Pay and Conditions for teachers pay and set pay increases as agreed through national pay deals and incremental increases following successful performance review meetings. For support staff we follow Leicestershire local government pay scales and implemented locally agreed pay increases.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Connected organisations, including related party relationships

Holywell continues to work very effectively with the eight other primary schools in our area within the collaborative partnership called the Loughborough Primary Academy Partnership (LPAP) of which we are a member. Each of the schools remains a completely separate legal entity but benefits from the mutual support of other members through networks and shared practices.

Holywell School Parent Staff Association runs as a separate connected charity running social and fund raising events, the proceeds of which are donated to the school. Their charity registration number is 1042877.

Objectives and activities

The school operates a rolling 5-year strategic plan which is annually reviewed by the School management Team (SMT) and Full Governing Body. Below we detail the achievements for the year, shown in the five specific areas into which we classify the various issues:-

Objects and aims

An overview of the Mission & values for 2020-2021

Learning, Developing & Achieving Together

High achievement: To ensure a high-quality learning experience resulting in excellent outcomes through outstanding teaching and learning, strong leadership and a highly effective learning environment

Life-long learning: To equip children with confidence, competence, resilience and perseverance to become creative and independent thinkers and to become learners for life within our changing world.

Equality: To nurture and support all abilities, helping every child to achieve his/her potential in all areas of learning – intellectual, emotional, physical, social, moral, spiritual & cultural.

Effective Environment: To create a happy, safe and secure environment with stimulating and engaging resources to support and develop teaching and learning for all members of our school community.

Celebration of Diversity: To value and embrace the uniqueness and achievement of every member of our school family and celebrate the diversity of our school.

Value Driven: To promote British and co-operative values and attitudes of care, honesty, tolerance, trust and respect within the school and wider communities.

Priority Aim.

Continued excellent pupil attainment and progress through well thought out curriculum and assessment methods and a focus on the well-being and personal development of pupils and staff.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Aims

Core Curriculum

To ensure the core curriculum offered by Holywell meets the educational needs of all pupils and that our high standards continue to be met.

Main foci: increase the percentage of pupils working at 'Greater Depth', develop further pupils' acquisition of reading and writing skills; provide opportunities for pupils to write with flair and creativity; engage pupils in Maths to be confident in problem solving and reasoning.

Feedback and Marking

To implement the new Feedback and Marking policy, and associated procedures, that contribute significantly to learning and ensures that children understand how to improve their work.

Main foci: further embed the Feedback and Marking policy and marking schemes; develop appropriate use of peer and self assessment across school; consider teacher workload; ensure opportunities for Reflect and Review following units of work.

Wider Curriculum

To further develop the wider curriculum to ensure that it meets the needs of pupils with clear intention, implementation and methods to measure impact.

Main foci: develop subject leadership skills; ensure skills progression in all subjects; embed the use of Knowledge Organisers; develop the use of monitoring and evaluation activities; continue with the spiral curriculum; create memorable learning.

Leadership and Management

To maintain a clear and ambitious vision for providing high-quality education for all pupils through shared values, policies and practice.

Main foci: promote the well being of staff and pupils; offer highly effective CPD to improve teaching and learning; develop middle leaders and subject leaders; raise 'pupil voice' within school; strengthen parental engagement.

Well-being and Personal Development

To promote the well-being and personal development of all pupils in all areas of learning, as well as their character, interest and talents.

Main foci: introduction and embedding of Jigsaw PSHE scheme of work; develop Routes 2 Resilience work; continue with Growth Mindset and Learning Powers; extend and broaden opportunities for extra-curricular activities; introduction of a Mental Health Champion.

Behaviour and Attitudes

To continue to uphold high expectations for learners' behaviour and conduct and encourage positive attitudes to their education, development and others.

Main foci: re-visit School rules, rewards and consequences; re-engage with Assertive Discipline techniques and Good Manners Matter; develop the role of the Behaviour Mentor to support pupils across school; continue with RRSA work.

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

A number of the aims and proposed developments from the previous year have been carried over in some form because of the effect of the lockdown caused by the COVID-19 pandemic. At this point it should be noted that the school handled the lockdown and the return to school during June and July extremely well with very intense and careful planning for each stage of the return to school. It should be noted that the effort put in by the SMT and the close liaison with the governing body is highly laudable.

Achievements and performance

The SMT have undertaken a review of the aims, objectives and key strategic targets for the school in the light of the changing curriculum and educational landscape.

The new headteacher started in post in September 2019 and he has been successful in maintaining staff morale and focus. He has put the development of middle managers down as a priority with the aim of both providing a clearer career development path for younger teachers and to ensure Holywell School has well qualified, capable, managers as part of a succession management scheme.

Performance Indicators

As a result of the COVID-19 Pandemic there are no SATs results available for the last academic year.

Strategic Plan Review for 2019-2020.

Premises

Priority Aim: To create a happy, safe, secure and stimulating learning environment in which all members of the school community can grow in confidence and develop their full potential.

- In keeping with the school's aim to become more environmentally efficient the school lights were replaced with LED lights promising a significant saving in terms of power consumption.
- The Moonlight Room (Emotional Literacy Space) was completed and is now available for use.
- Building security was enhanced during lockdown.
- Development of outdoor spaces for use in teaching: The school garden has been developed to be able to be used in the curriculum.

The main challenge in terms of premises currently is the need to generate further revenue from lettings. This challenge is becoming more severe and the school will need to find a way of focussing further effort on developing parts of the school to make it more interesting to groups looking for facilities. At the same time, while much of the school is in very good condition there are parts of it that give concern in terms of age and fragility.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Curriculum

Priority Aim: To ensure excellent pupil attainment & progress through high quality teaching & learning, curriculum enrichment & well-being.

- The specific target on high expectations has been moved into the curricular targets where it was felt that it would be more obvious and actionable.
- Most of the targets have been refocussed into the new strategic plan structure.
- The marking and feedback policy has been rewritten. This makes it easier for staff to be consistent in marking and to provide meaningful feedback to the children.
- We have continued to develop both internal and external moderation in our marking.
- With the changed focus of significant effort has gone into making the school OFSTED Ready in a way that enhances the management and performance of the school. The development of the group of Middle Managers (Subject Leaders) has been core in this process as they need to be both have a good knowledge and understanding of their subjects and how they are presented in school as well as be able to discuss these processes in an inspection.
- Work on being able to provide extensive home learning in case of a further lockdown is in hand with the aim to make the transition as seamless as possible.

Once again, the main area of challenge this year has been the increasing demands of high needs pupils and effectively reducing budgets, meaning that there is little extra support available in school to provide interventions for pupils who struggle.

Resources

Priority Aim: To ensure the school is effectively resourced to support both the learning and wellbeing needs of all stakeholders and demonstrates value for money.

- In the current economic climate with the added burden caused by lockdown, this is a crucial area of concern. It is noted that the school is now GDPR compliant in terms of all its processes and ability to retain data as required in a safe fashion.
- No holiday clubs were run over the summer because of the pandemic.
- We continue to work closely with the other schools in LPAP, both sharing in purchasing expensive resources and providing and receiving support.
- Our PSA group is still very strong and supportive. Unfortunately, they have not been able to achieve as much this year.
- Our main challenge is to optimise our income by providing attractive letting propositions. This requires the development of parts of the school grounds and buildings to leave the main body of the school secure during any lettings. The school and governors need to make this a very high priority for the coming years.

Children

Priority Aim: To promote children's well-being, personal safety, Growth Mindset and Citizenship, in addition to progress & attainment so that 100% of pupils say they are usually happy in school.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

- Resilience training has been very successful and is being continued with an emphasis on character education.
- The work on the Rights Respecting Schools Award will continue as award needs to be renewed and the underlying concepts are important for the children and their development.
- Both children and parents express strong support for the school and children are happy to come to school. We do not have the same level of data this year as most children did not come into school after March 2020. Those who did return seemed happy and with the experience.
- The Child Mentor has retired and has been replaced with a staff member with a slightly different role.

Standards

Priority Aim: To aim high to ensure that 90% of pupils in years 1-6 achieve Age Related Expectations in the core subjects and that 80% of pupils in EYFS attain a Good Level of Development

- The school has successfully moved into the highest quintile for core subjects in both KS1 and KS2. This is clearly a result of the effort and commitment of the staff who have been supported by the school in terms of high quality training. The school has stated the objective to remain within this band in the future.
- In keeping with the aim of high expectations in both core and non-core subjects the school have employed a sports coach for the coming academic year.
- The school remain committed to providing an education that both meets the government's requirements and enriches and develops the children in their care.
- Children in the school are generally enthusiastic about their learning and achieving well.

The main challenge is in meeting the expectations of parents of both high and low achieving pupils with extra needs.

Key Performance Indicators

Schools within the Loughborough Primary Academy Partnership (LPAP) have joined together to select Key Performance Indicators, used to measure each academy's financial performance in various areas. By collaborating in this way, as well as providing important information for each academy, the information can also be used to benchmark across all LPAP academies.

The Key Performance indicators for the period 1st September 2019 to 31st August 2020 for Holywell Primary School are as follows:

Staff pay as a % of total ESFA income	Teaching staff 53.64% Non-teaching staff 34.58% TOTAL 88.22%
Staff pay as a % of total revenue expenditure	Teaching staff 48.31% Non-teaching staff 31.15% TOTAL 79.46%
Average Teacher cost	£51,347
Pupil to Teacher ratio	29.09
Average class size	29.71
Proportion of revenue budget spent on Leadership team salaries	11.27%

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Spend per pupil for non-pay related expenditure	£1063.33
Self-generated income as a percentage of revenue income	0.79%

Pupil analysis as at May census day – Key Pastoral Factors

Free School meals	3.37%
English as an additional language	39.18%
Pupil Premium	8.89%
Service children	0.48%
More able	4.57%
SEN status	9.86%

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 Statement of Accounting Policies.

Financial review

The academy had a net decrease in funds for the year ended 31 August 2020 of £198,743 including fixed assets movements. As at 31 August 2020 the academy held £239,792 of unrestricted reserves plus £Nil of unspent (non-fixed asset) restricted funds. The academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £239,792

The academy trust had a pension deficit on their Local Government Pension Scheme of £1,043,000 at 31 August 2020 and a fixed asset reserve of £3,389,252 (being the book value of past purchases and unspent capital income).

There are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The principal financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the academy are the General Annual Grant (GAG) and other ESFA/DfE grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the academy trust, subject to any remaining reserves.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves policy

The trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately £200,000.

Actual free reserves plus unspent GAG as at 31 August 2020 were £239,792 being approximately £40,000 higher than the target level set by the trustees. The excess will be used to contribute towards the future in-year deficits forecast for the next 3 financial years. The academy also held other available restricted funds at the year end of £1,300 in relation to Loughborough Primary Academy Partnership (LPAP) funds. Total available reserves, being both the above figures at 31 August 2020 were £241,092. Cash at bank plus longer term bank deposits included in current asset investments at 31 August 2020 were £132,318 higher than the total available reserves.

At 31 August 2020 the academy's fixed asset reserve of £3,389,252 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £1,043,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

Investment policy

The academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk. Available rates are reviewed from time to time and where returns are judged sufficient to more than offset the administrative cost of managing deposit funds, such accounts may be used.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

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 been and will continue to be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- 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. Pupil Strategy

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

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

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

At 31 August 2020 the pension deficit on the Local Government Pension Scheme stood at £1,043,000. The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Plans for future periods

The Academy intends to action fully the areas of development as detailed in the Strategic Development Plan 2020-2024, which has been agreed by full governors (July 2020).

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Fundraising

Our fundraising activities are currently minimal, and detailed below to comply with the Charities (Protection & Social Investment) Act 2016:

- Our general approach to fundraising is that requests for funding from external non-governmental sources should be kept to a minimum. Direct fundraising carried out by the school is currently restricted to hiring out rooms and facilities to external organisations.
- We do not use commercial or professional external fundraisers to generate funds for the school. The only other group we use is our own Parent Staff Association (PSA) described earlier in this report. The work done by them to raise funds for us is adequately monitored as the Head Teacher is regularly involved in decisions regarding the activities they decide to undertake and she or another member of the management team usually attend their committee meetings.
- Neither we nor the PSA engage in one-to-one fundraising approaches which would be likely to apply undue pressure to the public or vulnerable people through unreasonably intrusive or persistent methods to secure donations.
- To the best of our knowledge we and all bodies raising funds on our behalf conform to recognised standards. However should there be any complaints from any individual or corporate body, these should be fully detailed in writing to the school office, in which case they will be acknowledged and fully investigated by the management team or board of governors as appropriate and a response subsequently given.

Our Strategic Plan expresses the need to generate new income streams to maintain the ability of the school to continue to support the children and staff adequately. The school is actively generating plans to put this strand of the Strategic Plan into action.

Holywell Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

No funds are held on behalf of others.

Auditor

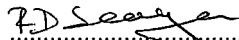
Insofar as the Trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Fortus Audit LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 25 November 2020 and signed on its behalf by:



Mr Robert Seager (Chair)
Governor and trustee

Holywell Primary School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Holywell Primary School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr Robert Seager	5	6
Mr David Donegani (Chair of Finance & Personnel)	6	6
Ms Claudia Foster	6	6
Ms Julia Vermaak	5	6
Mr Edward Petrie	6	6
Ms Smita Jenna (Chair of Teaching & Learning)	6	6
Ms Elizabeth Chahal	6	6
Mrs Diane Williams	6	6
Mr Christopher Bulloch	6	6
Mr Raja Manzoor	6	6
Ms Anna Rowlands	6	6
Mr Mark Needham	6	6
Mrs Sandra Blackshaw (resigned 19 May 2020)	4	4
Dr Steven Christie (Chair of Premises) (resigned 21 November 2020)	6	6
Ms Leanne Orgill (appointed 1 July 2020)	1	1

Holywell Primary School

Governance Statement (continued)

- Changes in the composition of the Board are indicated on page 1 of the financial statements and all were of a routine nature.
- The Board's work was typical for a primary academy of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with by the Trustees during their work other than the appointment of a new Head Teacher.
- A review of the Board's performance in the year is detailed below. Challenges encountered have been of a result of the COVID-19 pandemic in addition to the routine nature concerning finances, staff management and educational standards.
- The quality of data flowing to the Board is considered acceptable by Trustees based on their experience, their own observations, enquiries and judgements.

During the year one Governor has resigned.

Governance reviews

We continue to monitor carefully the financial viability of the school in the light of shrinking budgets and income. This was principally undertaken by the school financial management team and then discussed at length with the Chair of Finance and Personnel, who in turn kept all governors informed as required.

We continue to make use of skills audits to make informed choices on uptake of available training.

We have continued with the work of updating policies. The register of policies in force and their review dates is now once again a viable working document. Policies will now continue to be reviewed in accordance with the register document.

The Finance & Personnel Committee is one of the trust's three working committees. Part of its purpose is to review the financial position of the academy trust on a regular basis. This includes discussing and approving academy trust budgets and approving necessary expenditure. For larger procurement projects this also involves sourcing quotations for comparison to ensure that best value is secured. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Donegani (Chair of Finance & Personnel)	3	6
Mr Mark Needham	5	6
Ms Anna Rowlands	6	6
Mr Christopher Bulloch	5	6
Ms Elizabeth Chahal	5	6
Mr Robert Seager	6	6
Mrs Diane Williams	5	6
Mr Edward Petrie	6	6
Dr Steven Christie (Chair of Premises)	5	6

Holywell Primary School

Governance Statement (continued)

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Benchmarking against Loughborough Primary Academy Partnership schools.
- Procurement exercises.
- Discussion with other Head Teachers
- Review of contracts

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holywell Primary School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

Holywell Primary School

Governance Statement (continued)

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

- testing on payroll systems, purchase systems and control accounts and bank reconciliations.

On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The latest internal audit visit was in June 2019. No material control issues were identified as a result of the internal auditor's review work.

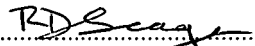
Review of effectiveness


As Accounting Officer, Mr Edward Petrie 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 ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 25 November 2020 and signed on its behalf by:


.....
Mr Robert Seager (Chair)
Governor and trustee


.....
Mr Edward Petrie
Accounting officer
Head Teacher


Holywell Primary School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Holywell Primary School I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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


.....
Mr Edward Petrie
Accounting officer

25 November 2020

Holywell Primary School

Statement of Trustees' Responsibilities

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

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

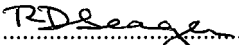
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board on 25 November 2020 and signed on its behalf by:


Mr Robert Seager (Chair)
Governor and trustee

Holywell Primary School

Independent Auditor's Report on the Financial Statements to the Members of Holywell Primary School

Opinion

We have audited the financial statements of Holywell Primary School (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Holywell Primary School

Independent Auditor's Report on the Financial Statements to the Members of Holywell Primary School (continued)

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Holywell Primary School


Independent Auditor's Report on the Financial Statements to the Members of Holywell Primary School (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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


.....
Richard Buckby FCA
For and on behalf of Fortus Audit LLP,
Chartered Accountants and Statutory Auditors
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date: 11/12/2020 .

Holywell Primary School

Independent Reporting Accountant's Report on Regularity to Holywell Primary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holywell Primary School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 31 October 2012 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- On a sample basis testing transactions and balances
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion
- On a sample basis reviewing records for evidence of those systems and controls in operation.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Holywell Primary School

**Independent Reporting Accountant's Report on Regularity to Holywell Primary School
and the Education and Skills Funding Agency (continued)**



Richard Buckby FCA
For and on behalf of Fortus Audit LLP,
Chartered Accountants and Statutory Auditors
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date: 11/12/2020

Holywell Primary School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	-	9,306	8,691	17,997
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,751,285	-	1,751,285
Other trading activities	4	16,296	5,380	-	21,676
Investments	5	1,051	-	-	1,051
Total		17,347	1,765,971	8,691	1,792,009
Expenditure on:					
Raising funds	6	-	6,585	-	6,585
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	1,920,346	88,821	2,009,167
Total		-	1,926,931	88,821	2,015,752
Net income/(expenditure)		17,347	(160,960)	(80,130)	(223,743)
Transfers between funds		(7,126)	7,126	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	25,000	-	25,000
Net movement in funds/(deficit)		10,221	(128,834)	(80,130)	(198,743)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		229,571	(914,166)	3,469,382	2,784,787
Total funds/(deficit) carried forward at 31 August 2020		239,792	(1,043,000)	3,389,252	2,586,044

Holywell Primary School

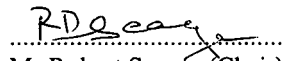
Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	-	4,455	25,315	29,770
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,608,603	-	1,608,603
Other trading activities	4	23,266	2,850	-	26,116
Investments	5	1,653	-	-	1,653
Total		24,919	1,615,908	25,315	1,666,142
Expenditure on:					
Raising funds	6	-	4,858	-	4,858
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	1,793,706	96,386	1,890,092
Total		-	1,798,564	96,386	1,894,950
Net income/(expenditure)		24,919	(182,656)	(71,071)	(228,808)
Transfers between funds		-	(12,927)	12,927	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	(282,000)	-	(282,000)
Net movement in funds/(deficit)		24,919	(477,583)	(58,144)	(510,808)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		204,652	(436,583)	3,527,526	3,295,595
Total funds/(deficit) carried forward at 31 August 2019		229,571	(914,166)	3,469,382	2,784,787

Holywell Primary School
(Registration number: 08150822)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	<u>3,384,981</u>	<u>3,469,382</u>
Current assets			
Debtors	13	27,184	35,439
Cash at bank and in hand		<u>373,410</u>	<u>342,719</u>
		400,594	378,158
Creditors: Amounts falling due within one year	14	<u>(129,998)</u>	<u>(109,753)</u>
Net current assets		<u>270,596</u>	<u>268,405</u>
Total assets less current liabilities		3,655,577	3,737,787
Creditors: Amounts falling due after more than one year	15	<u>(26,533)</u>	<u>-</u>
Net assets excluding pension liability		3,629,044	3,737,787
Pension scheme liability	24	<u>(1,043,000)</u>	<u>(953,000)</u>
Net assets including pension liability		<u><u>2,586,044</u></u>	<u><u>2,784,787</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	38,834
Restricted fixed asset fund		3,389,252	3,469,382
Restricted pension fund		<u>(1,043,000)</u>	<u>(953,000)</u>
		2,346,252	2,555,216
Unrestricted funds			
Unrestricted general fund		<u>239,792</u>	<u>229,571</u>
Total funds		<u><u>2,586,044</u></u>	<u><u>2,784,787</u></u>

The financial statements on pages 26 to 50 were approved by the Trustees, and authorised for issue on 25 November 2020 and signed on their behalf by:


 Mr Robert Seager (Chair)
 Governor and trustee

Holywell Primary School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	25,370	(69,296)
Cash flows from investing activities	20	<u>5,321</u>	<u>(11,274)</u>
Change in cash and cash equivalents in the year		30,691	(80,570)
Cash and cash equivalents at 1 September		<u>342,719</u>	<u>423,289</u>
Cash and cash equivalents at 31 August	21	<u><u>373,410</u></u>	<u><u>342,719</u></u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

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

Going concern

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

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the trustees consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

Income

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

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. 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 trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the 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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

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

Asset class	Depreciation method and rate
Leasehold land (125 year lease)	125 years straight line
Leasehold buildings	2% straight line
Furniture and equipment	25% straight line
Computer equipment	25% straight line

Liabilities

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

Provisions

Provisions are recognised when the academy trust 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.

Leased assets

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

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Taxation

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

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 31/08/2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	8,691	8,691	25,315
Other donations	9,306	-	9,306	4,455
	<u>9,306</u>	<u>8,691</u>	<u>17,997</u>	<u>29,770</u>

The income from donations and capital grants was £17,998 (2019: £29,769) of which £Nil was unrestricted (2019: £Nil), £9,306 restricted (2019: £4,455) and £8,691 restricted fixed assets (2019: £25,315).

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,463,813	1,463,813	1,420,517
Other government grants			
Other Dfe Group grants	143,851	143,851	51,162
Local authority grants	<u>143,621</u>	<u>143,621</u>	<u>136,924</u>
	<u>287,472</u>	<u>287,472</u>	<u>188,086</u>
Total grants	<u>1,751,285</u>	<u>1,751,285</u>	<u>1,608,603</u>

The funding for educational operations was £1,751,285 (2019: £1,608,603) of which £Nil was unrestricted (2019: £Nil), £1,751,285 restricted (2019: £1,608,603) and £Nil restricted fixed assets (2019: £Nil).

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	9,057	-	9,057	10,888
Loughborough Primary Academy (LPAP) income	-	5,380	5,380	2,400
Other income	6,032	-	6,032	11,248
Clubs income	1,207	-	1,207	1,580
	<u>16,296</u>	<u>5,380</u>	<u>21,676</u>	<u>26,116</u>

The income from other trading activities was £21,677 (2019: £26,116) of which £16,297 was unrestricted (2019: £23,266), £5,380 restricted (2019: £2,850) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	<u>1,051</u>	<u>1,051</u>	<u>1,653</u>

The income from investments was £1,051 (2019: £1,653) of which £1,051 was unrestricted (2019: £1,653), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

6 Expenditure

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Allocated support costs	-	-	6,585	6,585	4,858
Academy's educational operations					
Direct costs	1,254,142	67,951	136,608	1,458,701	1,344,545
Allocated support costs	<u>341,279</u>	<u>96,078</u>	<u>113,109</u>	<u>550,466</u>	<u>545,547</u>
	<u>1,595,421</u>	<u>164,029</u>	<u>256,302</u>	<u>2,015,752</u>	<u>1,894,950</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Depreciation	88,822	96,386
Fees payable to auditor - audit	5,400	5,300
- other audit services	750	750

7 Charitable activities

	2019/20 £	2018/19 £
Direct costs - educational operations	1,458,701	1,344,545
Support costs - educational operations	550,466	545,547
	<u>2,009,167</u>	<u>1,890,092</u>

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	341,279	341,279	312,935
Depreciation	20,870	20,870	28,435
Technology costs	4,798	4,798	592
Premises costs	75,208	75,208	93,084
Other support costs	101,383	101,383	102,378
Governance costs	6,928	6,928	8,123
Total support costs	<u>550,466</u>	<u>550,466</u>	<u>545,547</u>

8 Staff

Staff costs

	2019/20 £	2018/19 £
Staff costs during the year were:		
Wages and salaries	1,138,261	1,069,157
Social security costs	91,078	89,753
Operating costs of defined benefit pension schemes	354,558	276,374
	<u>1,583,897</u>	<u>1,435,284</u>
Supply staff costs	11,524	2,169
	<u>1,595,421</u>	<u>1,437,453</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	22	17
Administration and support	52	35
Management	2	2
	<u>76</u>	<u>54</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No
£60,001 - £70,000	<u>1</u>

The above employee participated in the Teacher' Pension Scheme. During the year ended 31 August 2020 pension contributions for this staff member amounted to £15,149 (2019: £10,775).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £327,082 (2019: £246,339).

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr Edward Petrie (Staff Trustee):

Remuneration: £55,000 - £60,000 (2019 - £Nil)

Employer's pension contributions: £15,000 - £20,000 (2019 - £Nil)

Mrs Diane Williams (Staff Trustee):

Remuneration: £50,000 - £55,000 (2019 - £45,000 - £50,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

Ms Anna Rowlands (Staff Trustee):

Remuneration: £35,000 - £40,000 (2019 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

Ms Leanne Orgill (Staff Trustee):

Remuneration: £0 - £5,000 (2019 - £Nil)

Employer's pension contributions: £Nil (2019 - £Nil)

Mrs Sandra Blackshaw (Staff Trustee):

Remuneration: £25,000 - £30,000 (2019 - £10,000 - £15,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £0 - £5,000)

During the year, no Trustees received any benefits in kind (2019 - £Nil).

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil (2019 - £Nil) were reimbursed or paid directly to 0 trustees (2019 - 0).

Other related party transactions involving the trustees are set out in note 25.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £358 (2019 - £357).

The cost of this insurance is included in the total insurance cost.

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 Connected charities

Holywell Primary School Parent Staff Association is a connected charity and it is related to the academy as follows: Holywell Primary School Parent Staff Association raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the academy..

- The aggregate amount of the entity's funds is £11,892
- The total turnover of the entity is £7,317
- The total expenditure of the entity is £12,409
- Loss for the year is £5,092

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2019	3,839,771	97,123	76,716	4,013,610
Additions	-	-	4,421	4,421
At 31 August 2020	<u>3,839,771</u>	<u>97,123</u>	<u>81,137</u>	<u>4,018,031</u>
Depreciation				
At 1 September 2019	417,477	59,497	67,254	544,228
Charge for the year	<u>67,952</u>	<u>14,339</u>	<u>6,531</u>	<u>88,822</u>
At 31 August 2020	<u>485,429</u>	<u>73,836</u>	<u>73,785</u>	<u>633,050</u>
Net book value				
At 31 August 2020	<u>3,354,342</u>	<u>23,287</u>	<u>7,352</u>	<u>3,384,981</u>
At 31 August 2019	<u>3,422,294</u>	<u>37,626</u>	<u>9,462</u>	<u>3,469,382</u>

13 Debtors

	2020 £	2019 £
Trade debtors	3,081	2,930
VAT recoverable	8,267	18,406
Prepayments	5,838	5,556
Accrued grant and other income	<u>9,998</u>	<u>8,547</u>
	<u>27,184</u>	<u>35,439</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	22,130	22,717
SALIX loan	5,307	-
Other creditors	29,522	23,679
Accruals	17,785	13,679
Deferred income	55,254	49,678
	<u>129,998</u>	<u>109,753</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	49,678	41,679
Resources deferred in the period	55,254	49,678
Amounts released from previous periods	<u>(49,678)</u>	<u>(41,679)</u>
Deferred income at 31 August 2020	<u>55,254</u>	<u>49,678</u>

The closing balance of deferred income includes £41,626 (2019 - £41,881) Universal Infant Free School Meals funding received in advance of the 2020/21 academic year.

15 Creditors: amounts falling due after one year

	2020 £
SALIX loan	<u>26,533</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	38,834	1,765,971	(1,811,931)	7,126	-
Restricted fixed asset funds					
Tangible fixed assets	3,469,382	8,691	(88,821)	-	3,389,252
Restricted pension funds					
Pension reserve	<u>(953,000)</u>	<u>-</u>	<u>(115,000)</u>	<u>25,000</u>	<u>(1,043,000)</u>
Total restricted funds	2,555,216	1,774,662	(2,015,752)	32,126	2,346,252
Unrestricted funds					
Unrestricted general funds	<u>229,571</u>	<u>17,347</u>	<u>-</u>	<u>(7,126)</u>	<u>239,792</u>
Total funds	<u>2,784,787</u>	<u>1,792,009</u>	<u>(2,015,752)</u>	<u>25,000</u>	<u>2,586,044</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	135,417	1,603,179	(1,686,835)	(12,927)	38,834
Restricted fixed asset funds					
Tangible fixed assets	3,527,526	25,315	(96,386)	12,927	3,469,382
Restricted pension funds					
Pension reserve	(572,000)	-	(99,000)	(282,000)	(953,000)
Total restricted funds	3,090,943	1,628,494	(1,882,221)	(282,000)	2,555,216
Unrestricted funds					
Unrestricted general funds	204,652	24,919	-	-	229,571
Total funds	3,295,595	1,653,413	(1,882,221)	(282,000)	2,784,787

The specific purpose for which the funds are applied are as follows:

Restricted general funds

General Annual Grant (GAG), other DfE/EFA grants and local authority grants are to be applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters. This includes the pension reserve, which represents the potential liability due by the Academy Trust at the year end.

Restricted fixed asset funds

The restricted fixed asset funds relate to the assets acquired on conversion to an Academy Trust, being the property and fixed assets purchased using grants.

Unrestricted funds

Unrestricted funds represents other incoming resources to the Academy Trust applied for the general purposes of the Trust at the discretion of the Trustees.

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,384,981	3,384,981
Current assets	239,792	156,531	4,271	400,594
Current liabilities	-	(129,998)	-	(129,998)
Creditors over 1 year	-	(26,533)	-	(26,533)
Pension scheme liability	-	(1,043,000)	-	(1,043,000)
Total net assets	<u>239,792</u>	<u>(1,043,000)</u>	<u>3,389,252</u>	<u>2,586,044</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,469,382	3,469,382
Current assets	229,571	148,585	-	378,156
Current liabilities	-	(109,751)	-	(109,751)
Pension scheme liability	-	(953,000)	-	(953,000)
Total net assets	<u>229,571</u>	<u>(914,166)</u>	<u>3,469,382</u>	<u>2,784,787</u>

18 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	822	822
Amounts due between one and five years	<u>1,849</u>	<u>2,671</u>
	<u>2,671</u>	<u>3,493</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20 £	2018/19 £
Net expenditure	(223,743)	(228,808)
Depreciation	88,822	96,386
Capital grants from DfE and other capital income	(8,691)	(25,315)
Interest receivable	(1,051)	(1,653)
Defined benefit pension scheme cost less contributions payable	97,000	83,000
Defined benefit pension scheme finance cost	18,000	16,000
Decrease/(increase) in debtors	8,255	(5,760)
Increase/(decrease) in creditors	46,778	(3,146)
Net cash provided by/(used in) Operating Activities	<u>25,370</u>	<u>(69,296)</u>

20 Cash flows from investing activities

	2019/20 £	2018/19 £
Dividends, interest and rents from investments	1,051	1,653
Purchase of tangible fixed assets	(4,421)	(38,242)
Capital funding received from sponsors and others	8,691	25,315
Net cash provided by/(used in) investing activities	<u>5,321</u>	<u>(11,274)</u>

21 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>373,410</u>	<u>342,719</u>
Total cash and cash equivalents	<u>373,410</u>	<u>342,719</u>

22 Analysis of changes in net debt

	At 1 September 2019 £	At 31 August 2020 £
Cash	342,719	342,719
Loans falling due within one year	(109,753)	(109,753)
Total	<u>232,966</u>	<u>232,966</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 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.

24 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 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.

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

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 period amounted to £159,615 (2019: £108,760).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £122,237 (2019 - £105,341), of which employer's contributions totalled £98,980 (2019 - £84,844) and employees' contributions totalled £23,257 (2019 - £20,497). The agreed contribution rates for future years are 24.4 per cent for employers and 5.5-12.5 per cent for employees.

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

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.70	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	2.20	2.30
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2020	2019
Retiring today		
Males retiring today	21.50	21.20
Females retiring today	23.80	23.40
Retiring in 20 years		
Males retiring in 20 years	22.20	22.20
Females retiring in 20 years	<u>25.20</u>	<u>24.70</u>

The academy trust's share of the assets in the scheme were:

	2020 £	2019 £
Equities	834,000	767,000
Government bonds	410,000	410,000
Property	113,000	106,000
Cash and other liquid assets	<u>57,000</u>	<u>39,000</u>
Total market value of assets	<u>1,414,000</u>	<u>1,322,000</u>

The actual return on scheme assets was (£3,000) (2019 - £78,000).

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	196,000	137,000
Past service cost	-	30,000
Interest income	(25,000)	(34,000)
Interest cost	43,000	50,000
Total amount recognized in the SOFA	<u>214,000</u>	<u>183,000</u>

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

	2019/20 £	2018/19 £
At start of period	2,275,000	1,730,000
Current service cost	196,000	137,000
Interest cost	43,000	50,000
Employee contributions	23,000	20,000
Actuarial (gain)/loss	(53,000)	326,000
Benefits paid	(27,000)	(18,000)
Past service cost	-	30,000
At 31 August	<u>2,457,000</u>	<u>2,275,000</u>

Changes in the fair value of academy's share of scheme assets:

	2019/20 £	2018/19 £
At start of period	1,322,000	1,158,000
Interest income	25,000	34,000
Actuarial gain/(loss)	(28,000)	44,000
Employer contributions	99,000	84,000
Employee contributions	23,000	20,000
Benefits paid	(27,000)	(18,000)
At 31 August	<u>1,414,000</u>	<u>1,322,000</u>

Holywell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Related party transactions

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

Expenditure related party transactions

During the year the academy made the following related party transactions:

Mrs H Needham

(Wife of Mr M Needham (Chair of Trustees of the academy trust))

The academy trust paid for pupils' music lessons from Mrs H Needham totalling £1,000 (2019 - £900) during the period.

The academy trust made the purchase at arms length following a value for money exercise in accordance with its financial regulations, which Mr Needham neither participated in, nor influenced.

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

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Mrs H Needham was £Nil (2019 - £Nil).