

HOLYWELL CHURCH OF ENGLAND ACADEMY

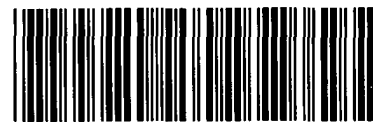
(A company limited by guarantee)

**Annual Report and Financial Statements**

**Year ended 31 August 2018**

Company Registration Number:  
08224216 (England and Wales)

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COMPANIES HOUSE

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

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<b>Content</b>	<b>Page</b>
Reference and Administrative Details	1- 2
Trustees' Report	3 - 20
Governance Statement	21 - 31
Statement on Regularity, Propriety and Compliance	32
Statement of Trustees' Responsibilities	33
Independent Auditors' Report to the Members	34 - 36
Independent Auditors' Report on Regularity	37 - 38
Statement of Financial Activities (incorporating Income & Expenditure Account)	39
Balance Sheet	40 - 41
Cash Flow Statement	42
Notes to the Financial Statements	43 - 65

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**HOLYWELL CHURCH OF ENGLAND ACADEMY**

**(A company limited by guarantee)**

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**Reference and administrative details**

**Trustees**

Mrs E Cook \*  
Mr MG Simpson (appointed 1 September 2017)  
Mrs L Jenkins  
Rev H Symes-Thompson\*  
Mr S Apted  
Mrs J Ackroyd  
Mr M Sanders\*  
Mrs I Turner\*  
Mrs P Kendall  
Ms R Bacon  
Mr M McVitie \*  
Mrs S King  
Miss S King  
Mrs E Butterwick  
Mr E Shebab (appointed 8 November 2017)

\* Members of the Academy Trust

**Secretary**

Mr MG Simpson

**Senior management team**

Mr MG Simpson  
Miss A Stewart  
Mr S Van Der Merwe  
Mrs H Donnellan  
Mrs C Dinner

**Registered Office**

Red Lion Close, Cranfield, Beds, MK43 0JA

**Company Registration Number**

08224216 (England and Wales)

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HOLYWELL CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

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Auditors

Duncan & Toplis Limited  
15 Chequergate, Louth  
Lincolnshire  
LN11 0LJ

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Bankers

Lloyds Bank Ltd  
Head Office  
25 Gresham Street  
London  
EC2V 7HN

Solicitors

Stone King LLP  
Boundary House  
91 Charterhouse St  
Clerkenwell  
London  
EC1M 6HR

## **Trustees' Report**

The Trustees present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2018

The trust operates an academy for pupils aged 9 to 13 serving a catchment area in Bedfordshire. It has a pupil capacity of 600 and had a roll of 605 in the school census on 2<sup>nd</sup> October 2017.

## **Structure, Governance and Management**

### Constitution

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

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

Details of the governors who served throughout the year except as noted 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

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

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HOLYWELL CHURCH OF ENGLAND ACADEMY

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*Method of Recruitment and Appointment or Election of Trustees*

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

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

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

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

*Policies and Procedures Adopted for the Induction and Training of Trustees.*

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

### Organisational Structure

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

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

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

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

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

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

The sub-committees of the Governing Body are:

- Academy Business Committee
- Curriculum Committee
- Ethos Committee

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

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Academy Trust's key management personnel is set in line with the School teachers' pay and conditions document and guidance (2018). The Governing Body assigns the Academy to the relevant headteacher group based on the number of students on roll. For 2017-2018, the Headteacher Group, as determined by the Governing Body, is Group 4 (Unit totals = 4,805 [KS2 =  $320 \times 7 = 2240$  + KS3  $285 \times 9 = 2565$ ]).

In line with the STPCD 2018 head teachers, deputy head teachers and assistant head teachers may not be awarded recruitment and retention awards other than as reimbursement of reasonably incurred housing or relocation costs. All other recruitment and retention considerations in relation to a head teacher, deputy head teacher or assistant head teacher – including non-monetary benefits – must be taken into account when determining the pay range.

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

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

If, during any absence of the head teacher, deputy or assistant head teacher or a TLR post holder, the acting appointment is made and maintained for a period then the Governing Body will consider within four weeks of the acting appointment whether or not the teacher shall be paid an acting allowance calculated in accordance with the STPCD 2018 guidance.



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

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**Trade union facility time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following information is provided:

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
None	None

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	None
1%-50%	None
51%-99%	None
100%	None

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

Provide the total cost of facility time	£Nil
Provide the total pay bill	£Nil
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.00%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	None
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Connected Organisations, including Related Party Relationships

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

**Objectives and Activities**

Objects and Aims

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

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

The main objectives of The Academy during the period ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of The Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct Academy business in accordance with the highest standards of integrity, probity and openness.
- We aim to be an educational community whose members are:
  - safe and happy in a caring environment which nurtures confidence and creates positive memories
  - inspired and celebrate creativity, flair, imagination, innovation which motivates, challenges and encourages aspiration
  - confident, eager and responsible citizens who respect themselves, each other and the environment
  - all valued as individuals in a school that is inclusive, celebrates diversity, provides equality of opportunity and treats all with fairness

### Objectives, Strategies and Activities

The main objectives during the year were:

#### **1: Outcomes for Learners**

- To achieve higher levels of attainment and progress (inc. improving the outcomes from intervention programmes)
- Further develop the tracking of students and sub-groups to inform intervention programmes and ensure no child is left behind
- Gaps between identified groups and peers are reduced and/or closed – in particular, SEN students and Pupil Premium students make good or better progress and achievement is more in line with peers

#### **2: The Quality of Teaching, Learning and Assessment**

- Establish what 'Outstanding learning' looks and feels like; Secure a higher percentage of 'Outstanding' Learning by further extending the teaching repertoire
- Identify blocks to learning and plan engaging, active learning strategies to address and close gaps
- Improve the teaching of reading comprehension, inference and GPS (Grammar, Punctuation and Spelling) across the school
- Review and change assessment processes to demonstrate progress made and to identify blocks to learning: to developing all teachers' knowledge and understanding of data analysis and its purpose
- Embedding and developing practice on feedback – use assessment to inform progress; further develop student response and quality of direction and next step advice from teachers.
- Developing the use of imaginative and creative homework

#### **3: The Personal Development, Behaviour and Welfare of Students**

- Review School Ethos and Values
- Review and re-fresh of the Behaviour for Learning practices and policies
- Further develop the House system and the role of the tutor
- Further develop staff and student understanding and practices related to Safeguarding.
- Review the PSCH programme to address the factors known to be important in promoting mental health and psychological well-being in young people
- Further improve Attendance, Punctuality and reduce Persistent Absence
- Raise student aspirations – through increased opportunities with local companies

#### **4: The Effectiveness of Leadership and Management**

- Establish the new leadership team; Review and develop leadership roles and responsibilities at all levels
- Lead and manage the school through the expansion programme ensuring governors and the senior leadership team work closely together in this
- Develop leadership at all levels to secure outcomes and further develop leadership capability
- Improve and develop parental communication and partnerships
- Development of new website and use of e-learning platforms
- Ensure the well-being of staff

#### **5: The Promotion of Students' Spiritual, Moral, Social and Cultural Development**

- Further develop the prayer life of the school and address the areas for development from the SIAMs report
- Further develop opportunities for cultural development
- Increased participation in extra-curricular opportunities
- Exploration of Outdoor Learning Quality Mark / International Schools Award / ArtsMark

#### **Public Benefit**

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

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

## Strategic Report

### Achievements and Performance

The Academies' KS2 attainment levels at May 2018 were ahead of national in core subjects areas at each level.

#### KS2 results

	HOLYWELL	NATIONAL	CBC	HOLYWELL 2017	SCALED SCORE HOLYWELL	SCALED SCORE NATIONAL	CBC
GPAS	78%	78%	74%	74%	105	106	105
READING	78%	75%	74%	74%	106	105	105
MATHS	82%	76%	73%	77%	105	104	104
WRITING	80%	78%	78%	81%			
RWM	68%	64%	62%	63%			

The Academy continues to provide a broad range of activities to enhance the curriculum including "The Widening Opportunities Day", Year 5 Life Path Tour, Year 6 Faith Tour, and residential trips to Osmington and Swanage for KS3.

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

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

The Academy was visited by OFSTED on 6<sup>th</sup> March. The Academy was deemed to continue to be rated as good.

Mr Michael Simpson took up the post of Headteacher on 1 September 2017.

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**HOLYWELL CHURCH OF ENGLAND ACADEMY**

(A company limited by guarantee)

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In February 2018 the Academy undertook a significant building project to provide a new classroom block, sports hall, multi-use arts and science space, and reception area improvements. The total cost of £2.1 million was provided by Central Bedfordshire Council. The classroom block and multi use arts and science space, were completed on 1 September 2018, the Sports Hall and reception area are due for completion by the end of November 2018. The project will be completed entirely within budget.

The new buildings will allow the school to provide for an increased intake which will take the number on roll to 720.

### Key Performance Indicators

Ofsted Grading: Good  
SIAMS Grading: Good

Inspection Date: March 2018  
Inspection Date: November 2016

### KS2 (Year 6)

	2018	2017	National	Target	Teacher Assessments to STA
Reading	78%	74%	75%	80%	81%
Writing	80%	81%	78%	86%	80%
GPS	78%	74%	78%	86%	--
Maths	82%	77%	76%	81%	85%
RWM	68%	63%	64%	77%	72%

### Scaled Scores

	2018	2017	National	Target
Reading	106	104	105	106.44
GPS	106	104	106	106.00
Maths	105	104	104	106.22

### Progress

	2018	2017	Target
Reading	-1.2	-2.5	0
Writing -1.4	-1.2	0	
Maths	-1.0	-1.5	0

HOLYWELL CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

GL (Year 8)

English

Attainment

	Very Low	Below Average	Average	Above Average	Very High	Average and above	Mean 100 = National Average
Year 5 2014	2	23	77	37	8	83%	29.0 APS
Year 5 End of 2014-15	0 (4)	12 (19)	54 (54)	26 (19)	8 (4)	73 (77)	106.6
Year 6 2015-16	0 (4)	13 (19)	59 (54)	24 (19)	4 (4)	87 (77)	105.5
Year 7 2016-17	0 (4)	6 (19)	44 (54)	34 (19)	15 (4)	93 (77)	111.1
Year 8 2017-18	0 (4)	4 (19)	55 (54)	32 (19)	9 (4)	96 (77)	109.2

Progress

	Much Lower than expected	Lower than expected	Expected	Higher than expected	Much higher than expected	Expected or better progress
Year 5 2014	3					
Year 5 End of 2014-15						
Year 6 2015-16	6	20	82	20	6	80.5%
Year 7 2016-17	1	2	44	29	26	98.0%
Year 8 2017-18	17	28	77	15	2	68.0%

**HOLYWELL CHURCH OF ENGLAND ACADEMY**

(A company limited by guarantee)

**Maths**

**Attainment**

	Very Low	Below Average	Average	Above Average	Very High	Average and above	Mean 100 = National Average
<b>Year 5 2014</b>							
Year 5 End of 2014-15	3 (4)	8 (19)	66 (54)	15 (19)	11 (4)	88 (77)	104.2
Year 6 2015-16	0 (4)	16 (19)	50 (54)	25 (19)	9 (4)	84 (77)	104.3
Year 7 2016-17	0 (4)	6 (19)	45 (54)	41 (19)	5 (4)	91 (77)	108.7
Year 8 2017-18	0 (4)	8 (19)	52 (54)	30 (19)	12 (4)	92 (77)	109.3

**Progress**

	Much Lower than expected	Lower than expected	Expected	Higher than expected	Much higher than expected	Expected or better progress
<b>Year 5 2014</b>						
Year 5 End of 2014-15						
Year 6 2015-16	10	14	69	32	13	82.6%
Year 7 2016-17	2	1	29	31	37	97.0%
Year 8 2017-18	2	21	62	31	24	84.0%

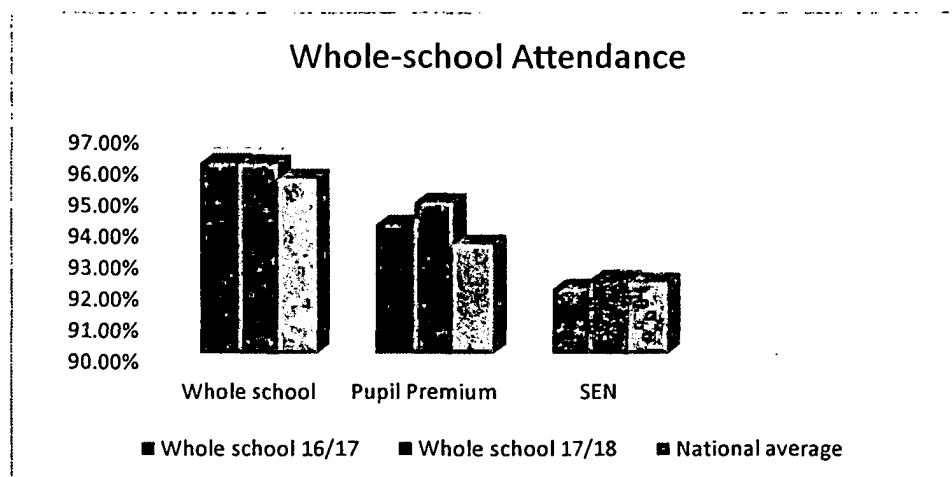
**Science**

**Attainment**

	Very Low	Below Average	Average	Above Average	Very High	Average and above	Mean 100 = National Average
<b>Year 5 2014</b>							
Year 5 End of 2014-15							
Year 6 2015-16	0 (4)	9 (19)	33 (54)	28 (19)	19 (4)	90 (77)	110.3
Year 7 2016-17							
Year 8 2017-18	0 (4)	6 (19)	52(54)	38 (19)	4 (4)	94 (77)	107.3



## Attendance Data - 2017-2018 Summary



Attendance	Whole School	Pupil Premium	SEN
Academic year 16/17	96.09%	94.12%	92.09%
Academic year 17/18	96.06%	94.83%	92.39%
National average	95.60%	93.50%	92.30%

## Student recruitment

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

The Academy has no financial investments at this time.

### Budget Monitoring

The budget for the period 1 September 2017 to 31 August 2018 forecast a planned overspend of £168,000. Staffing costs were budgeted at 85.4% of total non-capital income and actual costs were 87.0% Premises costs (excluding depreciation) were budgeted at 6.2% and final expenditure was 5.0%. Other supplies and services (excluding depreciation) were budgeted at 15.3% and final costs were 14.8% of revenue income.

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### Going Concern

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

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

### **Financial Review**

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

As shown in the statement of financial activities, during the year the Academy received total funding of £4,983,146 (including capital grants of £2,243,937) compared to total resources expended of £3,126,242 of which £198,124 was depreciation.

The net increase in funds under management over the course of the year was £1,862,904 before the actuarial gain on the LGPS pension fund deficit. This can be broken down into a surplus on unrestricted activity of £2,190 a net overspend (deficit) on grants and restricted activity of £191,099 and a surplus on fixed asset funds of £2,045,813.

Taking into account the surplus brought forwards from last year the Academy has £125,284 in accumulated unrestricted reserves carried forward, plus a further £43,240 in unspent restricted / grant funding.

Within fixed asset funds of £9,413,455, the Academy has £719,821 of unspent capital funding which has been committed for use in completing the school's expansion project.

### Reserves Policy

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be

spent at the Trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £160,000 to £320,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's level of revenue ("spendable") reserves for 2017-18 is £168,524 comprising unrestricted funds of £125,284 and restricted funds of £43,240.

#### **Funds in deficit**

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the scheme assets is currently assessed to be less than its liabilities in the scheme and consequently the Academy's balance sheet shows a net liability of £510,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

#### **Financial and Risk Management Objectives and Policies**

The Academy has a comprehensive Risk Register, which is used in conjunction with regular financial reporting to monitor the operational and financial performance of the Academy.

#### **Principal Risks and Uncertainties**

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

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

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

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

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

#### 1. Government funding

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

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

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

#### 2. Maintain adequate funding of pension liabilities

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

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

#### 3. Pupil Strategy

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

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

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

## Fundraising

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

### *Approach to fundraising*

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

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

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

### *Fundraising conforming to recognised standards*

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

### *Monitoring of fundraising carried out on behalf of the academy*

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

### *Fundraising complaints*

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

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

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

### **Funds Held as Custodian Trustee on Behalf of Others**

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

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### **Plans for Future Periods**

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

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

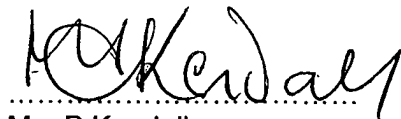
### **Auditor**

In so far as the trustees are aware:

- there is no relevant 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.

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

Approved by order of the members of the Governing Body on 27<sup>th</sup> November 2018 and signed on its behalf by:



Mrs P Kendall  
[Chair]

## **Governance Statement**

### **Scope of Responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Head teacher – Mr MG Simpson – as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Holywell Church Of England Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **Governance**

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

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

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

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

Attendance during the year at meetings of the various governing bodies was as follows:

**HOLYWELL CHURCH OF ENGLAND ACADEMY**

(A company limited by guarantee)

The ***governing body*** formally met 5 times during the year.

Committee Name: **Full Governing Body**

Objective: **Main board - all members attend**

Members:

Name of member		Number of meetings attended	Number of meetings at which attendance possible
Mrs Elaine Cook	Chair of Governors	5	5
Mr Michael Simpson	Head Teacher	5	5
Miss Alison Stewart		2	5
Mrs Heather Donellan		3	5
Mr Stephan Van der Merwe		4	5
Mrs Lynn Jenkins		5	5
Rev Hugh Symes-Thompson	Incumbent	4	5
Mr Stephen Apted		3	5
Mrs JoJo Ackroyd		3	5
Mr Martin Sanders		4	5
Mrs Isabel Turner		4	5
Mrs Pauline Kendall		5	5
Mr M McVitie	Vice-Chair	4	5
Miss Selina King		3	5
Mrs Sarah King		2	5
Mrs Sara Jenkins		3	5
Mrs Emma Butterwick		3	5
Mrs C Dinner		2	2
Mrs R Bacon		3	5
Professor E Shebab		2	4



Committee Name: **Curriculum and Training Committee**

Objective: Sub Committee of the Main Board - ensures provision for pupils and professional development opportunities for staff - sub set members attend

Members:

Name of member	Number of meetings attended	Number of meetings at which attendance possible
Mr Michael Simpson	3	4
Miss Alison Stewart	4	4
Mrs Lynn Jenkins	4	4
Mr Martin Sanders	4	4
Mrs Pauline Kendall	4	4
Miss Selina King	4	4
Mrs Sara Jenkins	4	4
Ms Rachel Bacon	2	4
Mrs Heather Donnellan	1	4
Mrs Sarah King	2	4
Mr Stephan Van der Merwe	4	4

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

Objective: Sub Committee of the Main Board - ensures the Christian character of the school is upheld and addresses the care and guidance of pupils - sub set of members attend

Members: Name of member	Number of meetings attended	Number of meetings at which attendance possible
Mr Stephen Apted	4	4
Mrs JoJo Ackroyd	4	4
Mrs Emma Butterwick	3	4
Ms Rachel Bacon	3	4
Mrs Sara Jenkins	2	4
Mrs Isabel Turner	4	4
Mr Michael Simpson	4	4
Mrs Heather Donellan	4	4
Rev Hugh Symes-Thompson	4	4
Miss Alison Stewart	4	4
Mr Stephan Van der Merwe	3	4

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**HOLYWELL CHURCH OF ENGLAND ACADEMY**

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**Committee Name: Academy Business Committee**

**Objective: To cover Business, Finance, Sites & Buildings, Personnel, Health & Safety and Risk Management.**

**Members:**

<b>Name of member</b>	<b>Number of meetings attended</b>	<b>Number of meetings at which attendance possible</b>
Mrs Elaine Cook	3	4
Mr Michael Simpson	4	4
Mr Mick McVitie	4	4
Mrs I Turner	4	4
Mrs Colleen Dinner	4	4
Professor Essam Shebab	1	4

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

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**Committee Name:** Strategy Group**Objective:** Sub Group of the Main Board - ensures items of a strategic nature are discussed fully outside of the main board allowing for a more lengthy and in-depth discussion - members attend as they wish, this is not such a 'set' sub group as other committees.

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**Members:**

<b>Name of member</b>	<b>Number of meetings attended</b>	<b>Number of meetings at which attendance possible</b>
Mrs Elaine Cook	3	3
Mr Michael Simpson	3	3
Mr Mick McVitie	1	3
Mrs Pauline Kendall	3	3
Mrs Sara Jenkins	3	3
Mr Stephen Apted	1	3
Mr Martin Sanders	2	3

The Academy Business Committee is a sub-committee of the main Board of Trustees. The main responsibilities of the Committee are detailed in written Terms of Reference which are authorised and approved by the Governing Body annually. The main financial responsibilities include:

- coordinating the planning and budgeting processes
- the regular monitoring of management accounts
- interacting with all other committees, to advise on the appropriate means by which their requirements which have budget implications can best be met
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies
- authorising the award of contracts over £25,000
- authorising changes to the School personnel establishment
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Governing Body

### **Review of Value for Money**

As accounting officer the Head Teacher 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 available. The accounting officer for the academy trust has delivered improved value for money during the year as set out below.

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

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

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

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

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

**Collaboration:** The Academy works closely with its partner schools – destination Upper School, sister Middle School and partner Lower Schools. The headteachers and staff of each school meet regularly to share ideas, good practice and discuss issues.

**Quantifying improvements:** The Governors' Curriculum Committee meets five times a year to ensure that the quality of provision for students at the Academy continues to be at least good and is clearly addressing improvement plan issues so that the Academy is evidently moving towards delivering outstanding quality in all areas of provision. The Academy has become the local school of first preference with intake numbers at the top of its agreed number and discussions well advanced with the Local Authority for increasing the roll substantially in the coming two years.

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

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

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

**Fitness for purpose:** The Academy has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money. Our Contract management system enables us to be alerted to end of contract information in a timely manner

which gives us the opportunity of reviewing the current service provision and costs against others out there. This software also serves as a networking opportunity as it links to other schools/academies that are using it to compare like for like services.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

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

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

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

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holywell Church Of England Academy for the period ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the period 1<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Duncan and Toplis Limited to perform a series of additional internal checks by way of an extension of their statutory audit procedures.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy trust's financial systems.

On a quarterly basis, the RO reports to the Academy Business Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.



### Review of Effectiveness

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


- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the School Business Manager who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 27<sup>th</sup> November 2018 and signed on its behalf by:



Mrs P Kendall  
[Chair]



Mr M Simpson  
[Accounting Officer]

### Statement on Regularity, Propriety and Compliance

As accounting officer of Holywell Church of England Academy 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 ESFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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

  
Mr M Simpson  
[Accounting Officer]

27<sup>th</sup> November 2018

## Statement of Trustees' Responsibilities

The Trustees (who act as governors of Holywell Church of England Academy and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 27<sup>th</sup> November 2018 and signed on its behalf by:

  
.....  
Mrs P Kendall [Chair]

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

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

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**OPINION**

We have audited the financial statements of Holywell Church of England Academy (the 'Academy') for the Year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

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

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

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**RESPONSIBILITIES OF TRUSTEES**

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

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

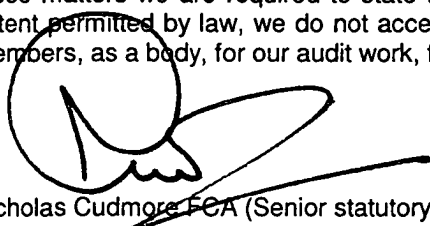
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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

  
Nicholas Cudmore FCA (Senior statutory auditor)

for and on behalf of

**Duncan & Topliss**

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

6<sup>th</sup> December 2018

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

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

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In accordance with the terms of our engagement letter dated 14 November 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holywell Church of England Academy during the Year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HOLYWELL CHURCH OF ENGLAND ACADEMY'S ACCOUNTING  
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Holywell Church of England Academy's funding agreement with the Secretary of State for Education dated 1 October 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**HOLYWELL CHURCH OF ENGLAND ACADEMY**  
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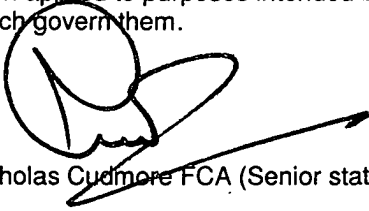
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOLYWELL  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA (Senior statutory auditor)

**Duncan & Toplis**

Chartered Accountants and Statutory Auditors

15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

Date:

6<sup>th</sup> December 2018



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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	82,095	2,243,937	2,326,032	534,957
Charitable activities:	3					
Funding for the Academy's educational operations		-	2,574,304	-	2,574,304	2,636,472
Other trading activities:						
Fundraising	4	58,507	23,690	-	82,197	76,098
Investments	5	613	-	-	613	238
<b>TOTAL INCOME</b>		<b>59,120</b>	<b>2,680,089</b>	<b>2,243,937</b>	<b>4,983,146</b>	<b>3,247,765</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	7,642
Expenses for Academy's educational operations		56,930	2,871,188	198,124	3,126,242	3,037,546
<b>TOTAL EXPENDITURE</b>	8	<b>56,930</b>	<b>2,871,188</b>	<b>198,124</b>	<b>3,126,242</b>	<b>3,045,188</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		2,190	(191,099)	2,045,813	1,856,904	202,577
Actuarial gains on defined benefit pension schemes	23	-	264,000	-	264,000	195,000
<b>NET MOVEMENT IN FUNDS</b>		<b>2,190</b>	<b>72,901</b>	<b>2,045,813</b>	<b>2,120,904</b>	<b>397,577</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		123,094	(539,661)	7,367,642	6,951,075	6,553,498
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>125,284</b>	<b>(466,760)</b>	<b>9,413,455</b>	<b>9,071,979</b>	<b>6,951,075</b>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		8,693,634		7,070,394
<b>CURRENT ASSETS</b>					
Debtors	14	342,713		368,461	
Cash at bank and in hand		748,843		323,126	
		<u>1,091,556</u>		<u>691,587</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(184,248)</u>		<u>(140,389)</u>	
<b>NET CURRENT ASSETS</b>			<u>907,308</u>		<u>551,198</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,600,942</u>		<u>7,621,592</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(18,963)</u>		<u>(8,517)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>9,581,979</u>		<u>7,613,075</u>
Defined benefit pension scheme liability	23	(510,000)		(662,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>9,071,979</u></u>		<u><u>6,951,075</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	43,240		122,339	
Restricted fixed asset funds	17	9,413,455		7,367,642	
Restricted income funds excluding pension liability		<u>9,456,695</u>		<u>7,489,981</u>	
Pension reserve		<u>(510,000)</u>		<u>(662,000)</u>	
Total restricted income funds			<u>8,946,695</u>		<u>6,827,981</u>
Unrestricted income funds	17		<u>125,284</u>		<u>123,094</u>
<b>TOTAL FUNDS</b>			<u><u>9,071,979</u></u>		<u><u>6,951,075</u></u>

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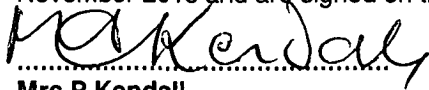
**HOLYWELL CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 39 to 65 were approved by the Trustees, and authorised for issue, on 27 November 2018 and are signed on their behalf, by:



**Mrs P Kendall**  
**Chair of Trustees**

The notes on pages 43 to 65 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(7,913)	(278,935)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		613	238
Purchase of tangible fixed assets		(1,821,364)	(171,012)
Capital grants from DfE Group		2,243,935	445,751
<b>Net cash provided by investing activities</b>		423,184	274,977
<b>Cash flows from financing activities:</b>			
Repayments of borrowings - Salix loans		(4,133)	-
Cash inflows from new borrowing - Salix loans		14,579	-
<b>Net cash provided by financing activities</b>		10,446	-
<b>Change in cash and cash equivalents in the Year</b>		425,717	(3,958)
Cash and cash equivalents brought forward		323,126	327,084
<b>Cash and cash equivalents carried forward</b>	20	748,843	323,126

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holywell Church of England Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £3,000 are capitalised 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.

Land and building	-	over 50 years straight line
Furniture and fixtures	-	over 4 years straight line
Plant and equipment	-	over 4 years straight line and over 3 years straight line

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

**1.6 Debtors**

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

**1.7 Cash at Bank and in hand**

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

**1.8 Liabilities and provisions**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.10 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.12 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

**1.13 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Contribution to school trips and events	-	82,095	-	82,095	89,206
Capital grants	-	-	2,243,937	2,243,937	445,751
	-	82,095	2,243,937	2,326,032	534,957
<i>Total 2017</i>	-	89,206	445,751	534,957	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,393,583	2,393,583	2,441,476
Pupil Premium	-	117,283	117,283	117,047
SEN 1-1 funding	-	38,820	38,820	45,900
Other DfE/ESFA revenue grants	-	24,618	24,618	9,540
	-	2,574,304	2,574,304	2,613,963
<b>Other government grants</b>				
Other Local Authority revenue grants	-	-	-	22,509
	-	-	-	22,509
	-	2,574,304	2,574,304	2,636,472
<i>Total 2017</i>	-	2,636,472	2,636,472	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Receipts from supply teacher insurance claims	-	23,690	23,690	12,235
Lettings income	1,395	-	1,395	1,359
Other income - PTFA & sundry	38,016	-	38,016	42,846
School Fund sales	19,096	-	19,096	19,658
	<u>58,507</u>	<u>23,690</u>	<u>82,197</u>	<u>76,098</u>
<i>Total 2017</i>	<u>63,863</u>	<u>12,235</u>	<u>76,098</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank account interest	613	-	613	238
	<u>613</u>	<u>-</u>	<u>613</u>	<u>238</u>
<i>Total 2017</i>	<u>238</u>	<u>-</u>	<u>238</u>	

**6. DIRECT COSTS**

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	215,987	215,987	212,949
Technology costs	30,278	30,278	39,812
Staff development	12,302	12,302	11,928
Educational consultancy	-	-	3,163
Other costs	34,690	34,690	42,968
Wages and salaries	1,565,952	1,565,952	1,503,162
National insurance	145,292	145,292	138,491
Pension cost	313,388	313,388	296,649
Depreciation	198,124	198,124	207,705
	<u>2,516,013</u>	<u>2,516,013</u>	<u>2,456,827</u>
<i>Total 2017</i>	<u>2,456,827</u>	<u>2,456,827</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. DIRECT COSTS (continued)**

**7. SUPPORT COSTS**

	<b>Educational operations £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Technology costs	28,822	28,822	26,740
Maintenance of premises and equipment	35,344	35,344	38,615
Cleaning	5,997	5,997	6,848
Rent and rates	18,877	18,877	15,324
Energy costs	42,451	42,451	27,348
Insurance	34,448	34,448	37,443
Security	803	803	1,731
Transport	1,056	1,056	1,318
Telephone, postage and stationery	8,180	8,180	9,929
Catering	5,223	5,223	5,494
Other costs	34,501	34,501	37,550
Auditors' remuneration and assurance services	16,088	16,088	10,050
Legal and professional	19,445	19,445	18,357
Wages and salaries	247,302	247,302	238,912
National insurance	17,216	17,216	15,480
Pension cost	94,476	94,476	89,580
	<b>610,229</b>	<b>610,229</b>	<b>580,719</b>
<i>Total 2017</i>	<i>580,719</i>	<i>580,719</i>	

During the Year ended 31 August 2018, the Academy incurred the following Governance costs:

£35,533 (2017 - £31,570) included within the table above in respect of Funding for the academy trust's educational operations.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**8. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Raising funds					
Direct costs	-	-	-	-	-
Support costs	-	-	-	-	7,642
Funding for the academy trust's educational operations:					
Direct costs	2,024,632	148,693	342,688	2,516,013	2,456,827
Support costs	358,994	137,920	113,315	610,229	580,719
	<u>2,383,626</u>	<u>286,613</u>	<u>456,003</u>	<u>3,126,242</u>	<u>3,045,188</u>
<i>Total 2017</i>	<u>2,289,916</u>	<u>195,332</u>	<u>559,940</u>	<u>3,045,188</u>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	198,124	207,705
Auditors' remuneration - audit	9,000	9,000
Auditors' remuneration - other services	7,088	1,050
Operating lease rentals	<u>6,146</u>	<u>2,682</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,778,345	1,718,027
Social security costs	162,508	153,971
Operating costs of defined benefit pension schemes	407,864	386,229
	<u>2,348,717</u>	<u>2,258,227</u>
Agency staff costs	34,909	31,689
	<u>2,383,626</u>	<u>2,289,916</u>
Staff restructuring costs comprise:		
Severance payments	-	4,628

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	38	36
Admin and Support	54	51
Management	5	4
	<u>97</u>	<u>91</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	31	31
Admin and Support	28	28
Management	5	4
	<u>64</u>	<u>63</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS (continued)**

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1

**d. 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) received by key management personnel for their services to the academy trust was £324,212 (2017: £269,791).

**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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:

		2018 £	2017 £
Mr Mike Simpson, Head Teacher and Accounting Officer from 1 September 2017	Remuneration	75,000-80,000	0
	Pension contributions paid	10,000-15,000	0
Mrs Lynne Jenkins, Staff Governor	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
Miss Selina King, Staff Governor	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr Peter Haddon, Head Teacher (retired 31 August 2017)	Remuneration	0	80,000-85,000
	Pension contributions paid	0	5,000-10,000

During the Year, no Trustees received any benefits in kind (2017 - £NIL).

During the Year ended 31 August 2018, expenses totalling £1,345 (2017 - £1,091) were reimbursed to 3 Trustees (2017 - 4).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the Year ended 31 August 2018 was £1,412 (2017 - £843).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	7,517,386	198,711	145,436	7,861,533
Additions	1,818,071	3,293	-	1,821,364
At 31 August 2018	9,335,457	202,004	145,436	9,682,897
<b>Depreciation</b>				
At 1 September 2017	518,270	149,290	123,579	791,139
Charge for the Year	148,693	33,555	15,876	198,124
At 31 August 2018	666,963	182,845	139,455	989,263
<b>Net book value</b>				
At 31 August 2018	8,668,494	19,159	5,981	8,693,634
At 31 August 2017	6,999,116	49,421	21,857	7,070,394

**14. DEBTORS**

	2018 £	2017 £
VAT recoverable	169,527	26,415
Other debtors	26,235	21,451
Prepayments and accrued income	15,951	19,896
Grants Receivable	131,000	300,699
	<u>342,713</u>	<u>368,461</u>

**15. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Other creditors	4,133	1,217
Accruals and deferred income	180,115	139,172
	<u>184,248</u>	<u>140,389</u>



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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**15. CREDITORS: Amounts falling due within one year (continued)**

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	127,847	5,280
Resources deferred during the year	9,767	127,847
Amounts released from previous years	(127,847)	(5,280)
	<u>9,767</u>	<u>127,847</u>
Deferred income at 31 August 2018	<u>9,767</u>	<u>127,847</u>

Deferred income relates to SEN funding, rates relief and Breakfast Club income that relates to the following year.

Deferred income in 2017 included deferred capital grant funding which at that time had not met the recognition criteria to be treated as revenue.

**16. CREDITORS: Amounts falling due after more than one year**

	2018 £	2017 £
Other creditors	<u>18,963</u>	<u>8,517</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments - Salix Loans	<u>2,433</u>	<u>3,650</u>

The Salix loan totalling £9,734 is repayable by equal semi-annual instalments of £608.38 over an eight year period. The loan is interest free and unsecured.

The Salix loan totalling £14,579 is repayable by equal semi-annual instalments of £1,457.90 over a five year period. The loan is interest free and unsecured.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**17. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>					
General Funds - all funds	123,094	59,120	(56,930)	-	125,284
<b>Restricted funds</b>					
Pupil Premium	37,955	117,283	(155,238)	-	-
General Annual Grant (GAG)	57,614	2,393,583	(2,437,723)	-	13,474
Other income - SEN Funding	-	38,820	(33,951)	-	4,869
Insurance claims	-	23,690	(23,690)	-	-
Sports Premium Funding	-	24,618	(24,618)	-	-
School fund	26,770	82,095	(83,968)	-	24,897
Pension reserve	(662,000)	-	(112,000)	264,000	(510,000)
	<u>(539,661)</u>	<u>2,680,089</u>	<u>(2,871,188)</u>	<u>264,000</u>	<u>(466,760)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	715,121	12,516	(38,085)	-	689,552
Local Authority expansion funding	938,246	2,231,421	(35,492)	-	3,134,175
Capital expenditure from GAG & other income	93,360	-	(24,107)	-	69,253
Assets inherited on conversion	5,620,915	-	(100,440)	-	5,520,475
	<u>7,367,642</u>	<u>2,243,937</u>	<u>(198,124)</u>	<u>-</u>	<u>9,413,455</u>
Total restricted funds	<u>6,827,981</u>	<u>4,924,026</u>	<u>(3,069,312)</u>	<u>264,000</u>	<u>8,946,695</u>
Total of funds	<u>6,951,075</u>	<u>4,983,146</u>	<u>(3,126,242)</u>	<u>264,000</u>	<u>9,071,979</u>

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**17. STATEMENT OF FUNDS (continued)**

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £264,000 actuarial decrease in the net pension fund deficit.

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
Other income not for capital purposes	151,773	64,101	(92,780)	-	-	123,094
<b>Restricted funds</b>						
Pupil Premium	37,955	117,047	(117,047)	-	-	37,955
General Annual Grant (GAG)	-	2,441,476	(2,383,862)	-	-	57,614
Other income - revenue	-	34,744	(12,235)	(22,509)	-	-
Government Grants Fund	-	55,440	(55,440)	-	-	-
School fund	14,683	89,206	(77,119)	-	-	26,770
Pension reserve	(758,000)	-	(99,000)	-	195,000	(662,000)
	<u>(705,362)</u>	<u>2,737,913</u>	<u>(2,744,703)</u>	<u>(22,509)</u>	<u>195,000</u>	<u>(539,661)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**17. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

DfE/ESFA capital grants	311,134	445,751	(41,764)	-	-	715,121
Local Authority expansion funding	930,899	-	(15,162)	22,509	-	938,246
Capital expenditure from GAG & other income	143,699	-	(50,339)	-	-	93,360
Assets inherited on conversion	5,721,355	-	(100,440)	-	-	5,620,915
	<u>7,107,087</u>	<u>445,751</u>	<u>(207,705)</u>	<u>22,509</u>	<u>-</u>	<u>7,367,642</u>
Total restricted funds	<u>6,401,725</u>	<u>3,183,664</u>	<u>(2,952,408)</u>	<u>-</u>	<u>195,000</u>	<u>6,827,981</u>
Total of funds	<u>6,553,498</u>	<u>3,247,765</u>	<u>(3,045,188)</u>	<u>-</u>	<u>195,000</u>	<u>6,951,075</u>

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Other income not for capital purposes	151,773	123,221	(149,710)	-	-	125,284
<b>Restricted funds</b>						
Pupil Premium	37,955	234,330	(272,285)	-	-	-
General Annual Grant (GAG)	-	4,835,059	(4,821,585)	-	-	13,474
Other income - revenue	-	73,564	(46,186)	(22,509)	-	4,869
Other restricted income	-	23,690	(23,690)	-	-	-
Government Grants Fund	-	80,058	(80,058)	-	-	-
School fund	14,683	171,301	(161,087)	-	-	24,897
Pension reserve	(758,000)	-	(211,000)	-	459,000	(510,000)
	<u>(705,362)</u>	<u>5,418,002</u>	<u>(5,615,891)</u>	<u>(22,509)</u>	<u>459,000</u>	<u>(466,760)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**17. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

DfE/ESFA capital grants	311,134	458,267	(79,849)	-	-	689,552
Local Authority expansion funding	930,899	2,231,421	(50,654)	22,509	-	3,134,175
Capital expenditure from GAG & other income	143,699	-	(50,339)	-	-	93,360
Assets inherited on conversion	5,721,355	-	(124,547)	-	-	5,596,808
		-	(100,440)	-	-	(100,440)
	<u>7,107,087</u>	<u>2,689,688</u>	<u>(405,829)</u>	<u>22,509</u>	<u>-</u>	<u>9,413,455</u>
	<u>6,401,725</u>	<u>8,107,690</u>	<u>(6,021,720)</u>	<u>-</u>	<u>459,000</u>	<u>8,946,695</u>
Total of funds	<u>6,553,498</u>	<u>8,230,911</u>	<u>(6,171,430)</u>	<u>-</u>	<u>459,000</u>	<u>9,071,979</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,693,634	8,693,634
Current assets	125,893	231,263	734,400	1,091,556
Creditors due within one year	(609)	(169,060)	(14,579)	(184,248)
Creditors due in more than one year	-	(18,963)	-	(18,963)
Provisions for liabilities and charges	-	(510,000)	-	(510,000)
	<u>125,284</u>	<u>(466,760)</u>	<u>9,413,455</u>	<u>9,071,979</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	7,070,394	7,070,394
Current assets	123,094	271,245	297,248	691,587
Creditors due within one year	-	(140,389)	-	(140,389)
Creditors due in more than one year	-	(8,517)	-	(8,517)
Provisions for liabilities and charges	-	(662,000)	-	(662,000)
	<u>123,094</u>	<u>(539,661)</u>	<u>7,367,642</u>	<u>6,951,075</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	1,856,904	202,577
<b>Adjustment for:</b>		
Depreciation charges	198,124	207,705
Dividends, interest and rents from investments	(613)	(238)
(Increase)/decrease in debtors	25,748	(307,263)
Increase/(decrease) in creditors excluding Salix loans	43,859	(34,965)
Capital grants from DfE and other capital income	(2,243,935)	(445,751)
Defined benefit pension scheme cost less contributions payable	94,000	83,000
Defined benefit pension scheme finance cost	18,000	16,000
<b>Net cash used in operating activities</b>	<b>(7,913)</b>	<b>(278,935)</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank	748,843	323,126
<b>Total</b>	<b>748,843</b>	<b>323,126</b>

**21. CONTINGENT LIABILITIES**

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

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

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

**22. CAPITAL COMMITMENTS**

As at 31 August 2018 the Trust had authorised and contracted for future capital expenditure amounting to £780,000 in respect of the expansion project. The project has been fully funded, the total income for which is included in note 2 to these accounts and unspent capital funding included in the table at note 18.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**23. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £211,000 (2017 - £205,000).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION COMMITMENTS (continued)**

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2018 was £129,000 (2017 - £126,000), of which employer's contributions totalled £101,000 (2017 - £98,000) and employees' contributions totalled £28,000 (2017 - £28,000). The agreed contribution rates for future years are 21.3 - 21.8% for employers and 5.5 - 8.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.2	26.2

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	55,000	48,000
Discount rate -0.1%	(55,000)	(48,000)
Mortality assumption - 1 year increase	52,000	52,000
Mortality assumption - 1 year decrease	(52,000)	(52,000)
CPI rate +0.1%	7,000	19,000
CPI rate -0.1%	-	(7,000)



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	915,000	789,000
Corporate bonds	221,000	208,000
Property	142,000	125,000
Cash and other liquid assets	299,000	263,000
Total market value of assets	<u>1,577,000</u>	<u>1,385,000</u>

The actual return on scheme assets was £36,000 (2017 - £22,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(195,000)	(181,000)
Net interest cost	(18,000)	(16,000)
Total	<u>(213,000)</u>	<u>(197,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	2,047,000	1,723,000
Current service cost	195,000	181,000
Interest cost	54,000	38,000
Employee contributions	28,000	28,000
Actuarial (gains)/losses	(226,000)	82,000
Benefits paid	(11,000)	(5,000)
Closing defined benefit obligation	<u>2,087,000</u>	<u>2,047,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION COMMITMENTS (continued)**

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,385,000	965,000
Interest income	36,000	22,000
Actuarial gains	38,000	277,000
Employer contributions	101,000	98,000
Employee contributions	28,000	28,000
Benefits paid	(11,000)	(5,000)
Closing fair value of scheme assets	<u>1,577,000</u>	<u>1,385,000</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	4,609	6,146
Between 1 and 5 years	-	3,073
Total	<u>4,609</u>	<u>8,046</u>

**25. MEMBERS' LIABILITY**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**26. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

During the year the Academy hired facilities on behalf of the school and others from K A Facilities Ltd, a company in which Isabel Turner, a governor is employed, at a cost (before contributions from other users) of £312 (2017: £165). Other schools using the facility contributed towards the cost of this hire.

**27. CONTROLLING PARTY**

The members of the academy trust as a body have ultimate control of the academy.