

Company Registration No. 08314692 (England and Wales)

**HOLLINGWORTH LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# HOLLINGWORTH LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

J Packer  
A Moon  
M Cockcroft  
J Packer  
T Nicholson  
S Lowe  
R Ronksley

### Trustees

D Randle (Accounting Officer)  
R Ronksley  
J Packer  
M Ogden  
T Nicholson  
A Moon (Chair of Trustees)  
J Mellor  
S McDowell  
K McCarthy  
V Hutchins  
M Cockcroft  
S Lowe

### Senior management team

- Chief Executive Officer	D Randle
- Chief Operating Officer	J Hawkrigg
- Trust Finance Manager	J Cragg
- HR Manager	D Beaumont
- Compliance Manager	S Collinge
- School Service Manager	D Cairns
- Newhouse Academy Headteacher	A Burnham
- Hollingworth Academy Headteacher	D Randle
- Newhouse Deputy Headteacher	M Aspden
- Newhouse Deputy Headteacher	C Williamson
- Hollingworth Deputy Headteacher	M Morrell
- Hollingworth Deputy Headteacher	C Robbins
- Hollingworth Deputy Headteacher	A Smale
- Clerk to the Governors	J Hawkrigg

### Company registration number

08314692 (England and Wales)

### Registered office

Cornfield Street  
Milnrow  
Rochdale  
OL16 3DR

### Academies operated

Hollingworth Academy  
Newhouse Academy  
Hollingworth Learning Trust

### Location

Rochdale  
Heywood  
Rochdale

### Headteacher

Mr D Randle  
Mr A Burnham  
Mr D Randle

# HOLLINGWORTH LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Independent auditor**

RSM UK Audit LLP  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

### **Bankers**

Barclays Bank Plc  
1 Yorkshire Street  
Rochdale  
Lancashire  
OL16 1BH

Lloyds Bank  
58 Yorkshire Street  
Rochdale  
OL16 1JP

### **Solicitors**

Stoneking LLP  
13 Queen Square  
Bath  
BA1 2HJ

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

On the 1st April 2020 Hollingworth Academy Trust changed its name to Hollingworth Learning Trust and became a Multi Academy Trust. On the same day Siddal Moor Sports College converted to an academy and changed its name to Newhouse Academy.

The Trust operates two academies for pupils aged 11 to 16 serving a catchment area in the Pennine and Heywood district of Rochdale. Hollingworth Academy has a pupil capacity of 1,350 and had a roll of 1,337 in the school census on 1st October 2021. Newhouse Academy has a pupil capacity of 1,050 and had a roll of 911 in the school census on 1st October 2021.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Trust 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 Trust. The trustees for charitable activities of Hollingworth Learning Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hollingworth Learning Trust.

The Trust's three core layers of governance are Members, Trustees and Local Governing Bodies.

Details of the Trustees 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

In accordance with normal practice, the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions whilst on Trust/Academy business. The insurance provides cover up to £10,000,000 on any one loss and any one membership year.

#### Method of recruitment and appointment or election of trustees

- Up to eleven Trustees elected by the Members.
- The CEO
- Co-opted Governors elected by Trustees

#### Policies and procedures adopted for the induction and training of trustees

The induction and training of new governors will depend on their existing experience. They are asked to complete a Governors Skills Audit. The Chair meets with all new Governors and discusses the Academy objectives and activities. They have access to current policies, minutes and all relative paperwork and can request for past papers. We also buy back the Local Authority Governance service and all Governors are given training schedules for all relevant courses. All new Governors are given a tour of the Academy and a chance to meet staff and pupils.

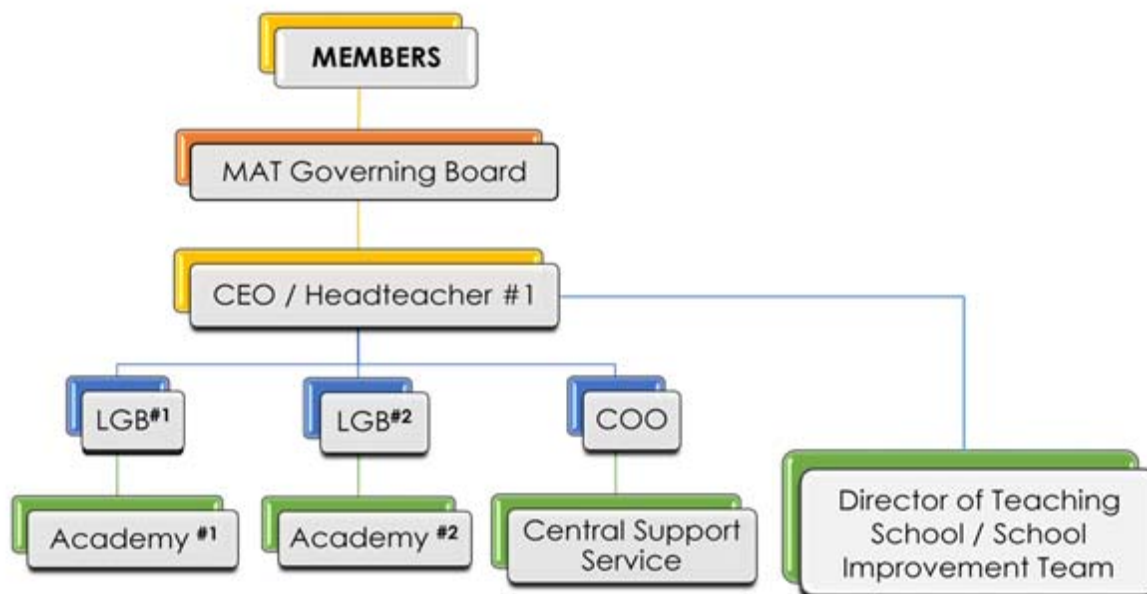
# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Organisational structure

The structure is:



The Members have overall nominal responsibility for the Trust but they exercise their functions through the Trust Board. Each Member guarantees to contribute £10 if the Trust were to become insolvent and is wound up – that is the “guarantee” implied by the term “company limited by guarantee”.

The main powers and duties of the Members in broad terms are:

1. To appoint and remove Trustees.
2. Through a collaborative process to monitor and evaluate the performance of the Trust Board.
3. To maintain the Membership and to appoint Members.
4. To approve any proposed changes to the Articles of Association.
5. To receive the annual accounts of the Trust.

The Trustees are the directors of the Trust and have a similar role to governors in a Local Authority-maintained school. As company directors their duties are to:-

- act within their powers;
- promote the success of the company;
- exercise independent judgment;
- exercise reasonable care, skill and diligence;
- avoid conflicts of interest;
- not to accept benefits from third parties; and
- declare any interest in proposed transactions or arrangements.

The Trust Board focuses on the three core functions of governance:

1. Ensuring clarity of vision, ethos and strategic direction.
2. Holding the CEO to account for the educational performance of the academies and their pupils, and the performance management of staff.
3. Overseeing the financial performance of the Trust and making sure its money is well spent.

While Trustees can serve as Members, best practice recognises that the Members are responsible for holding the Trustees to account. Therefore, there should be separation between the Members and Trustees.

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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The Trust Board is permitted to exercise all the powers of the Trust. The Trust Board will delegate to the CEO responsibility for the day-to-day operations of the Trust.

The Trustees (with the consent of the Members where changes to the Trust Board are at issue) have the right to review and adapt the Trust's governance structure at any time, which includes revoking delegation.

The Trust Board meets on a half termly (or more frequently if necessary) basis. The Trust Board also has the three core committees: School Improvement, Finance & Resources and Audit which meet on a termly (or more frequently if necessary) basis, to enable more scrutiny and healthy challenge. These committees are made up of Trustees with the relevant skills but, subject to the consent of the Trust Board, external advisors, LGB representatives, staff and parent representatives may also attend any committee meetings to make recommendations to the Trust Board. These additional attendees shall not have voting rights at committee meetings.

The Local Governing Bodies (LGBs) are Committees of the Trust Board and have delegated decision-making powers in accordance with this SoD and their Ofsted grading. The LGBs shall each hold at least three meetings in every school year.

There are eight elements to effective governance:

1. the right people around the table;
2. understanding the role and responsibilities;
3. good chairing;
4. professional clerking;
5. good relationships based on trust;
6. knowing the school – its data, staff, parents, children and community;
7. commitment to asking challenging questions; and
8. confidence to have courageous conversations in the interests of the pupils.

### **Arrangements for setting pay and remuneration of key management personnel**

The Academies have a Pay Policy in place which follows, as far as is practical, the Teachers Pay and Conditions Document for Teachers and NJC for support staff. This sets out the arrangements for setting pay and remuneration for all key management personnel. The pay and remuneration of the Headteacher is determined by the board of Governors following the guidelines set in the Pay Policy. This is independently reviewed.

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Trade union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

#### Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

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

Total cost of facility time

-

Total pay bill

12,077

Percentage of the total pay bill spent on facility time

-

#### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

### Related parties, connected charities and co-operation with other organisations

There are no connected organisations, including related party relationships.

### Risk management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. These include:

- Capital Reserves balance
- The recruitment of high quality staff
- Admission of sufficient pupils
- Fraud
- Employment Law
- IT infrastructure
- National Formula Funding
- Safeguarding
- Operational Challenges when new Academies join the Trust

### Engagement with employees

The Trust encourages the involvement of its employees in its management through regular meetings of the worker/director councils which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

### Disabled persons

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the Trust during the year was 6 (2020: 4).

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Streamlined energy and carbon reporting**

This content is included under that heading within the strategic report section.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

**Ambitious** - We have high expectations for all of our children and staff. They deserve the best we can do.

**Positive** - We will never fail to believe that people and schools can improve.

**Resilient** - We never 'give up'. We make long term commitments to pupils, families, communities and schools.

**Reflective** - We constantly evaluate what we do and improve. We are never complacent.

**Principled** - We always promote equity, equality and challenge injustice. We always act in the 'best interests' of our pupils.

In order to achieve this, we will adopt the following aims and objectives:

- We will educate the child through a broad and balanced curriculum, with each child thriving and succeeding creatively, emotionally and academically.
- To promote, for the benefit of the inhabitants of Rochdale and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances; or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.
- Education will be community based, inclusive and will respect and retain the ethos of each school. The Trust has a co-operative set of values and principles incorporating a strong ethos and upholding British Values.
- The Hollingworth Learning Trust will be underpinned by expertise developed as a (now legacy) National Teaching School and National Support School.
- The cross phase approach will maximise the opportunities for colleagues to work alongside colleagues from different phases to address the 'progress dip' that has potential to occur on all transitions.
- It will mirror existing staff terms and conditions and will recognise from the outset the importance of retaining and attracting staff of the highest calibre.
- We believe in the benefits to the community of local schools and would therefore always attempt to maintain schools subject to their viability.

#### **Public benefit**

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. Obviously as Academies are open to all this, guidance has been demonstrated to be followed.



# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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### STRATEGIC REPORT

#### Achievements and performance

The staff at both Academy's have worked tirelessly to support pupils during the Covid 19 pandemic. KS4 outcomes were determined by centre assessed grades which were robustly checked by senior leaders. Outcomes at Hollingworth were broadly in line with outcomes in 2017/18 and 2018/19 which were deemed to be outstanding. Outcomes at Newhouse Academy show an improvement on 2019. The Trust appointed a new Headteacher following the retirement of Mr White in August 2019. Mr Burnham is building on the work of his predecessor and it is clear that the Academy continues to improve on an upward trend, for example, pupil attendance during the Autumn term is exceptionally positive.

Both Academies were able to open for Key workers during January - March 2021 lockdown. Both Academies were able to utilise online learning and accessed the DFE scheme for laptops and dongles for disadvantaged pupils. They also took advantage of the Free School Meal voucher scheme to enable our disadvantaged pupils to access vouchers. Risk Assessments were shared across Academies and altered to fit both Academies approach to pupils returning in September and March, including key worker provision. This included shared practice of bubbles; reducing movement around the building; enhanced cleaning; enhanced hygiene; checking office/meeting room capacity; keeping pupils, staff and visitors safe; safe entry to the building; staggered finish times; pupil and staff well-being; recovery plan/curriculum.

#### Financial review

The Academies income is known at the beginning of the year. The main financial risk for the Academies this year was managing the changes related to Covid. The Academies made some savings on expenditure. However, additional expenditure for the September opening during Covid restrictions was realised to make the building and practices safe for all staff, pupils and third party visitors safe during the pandemic. Supply Teaching costs at Hollingworth have been high during the year compared to previous years but Newhouse Academy is less, this is due to the amount of staff having a positive test or self-isolating. There is no evidence that shows any outbreaks have occurred within the Academies premises, which demonstrates practices working well in combating the virus whilst keeping the schools open. These additional costs will depend on how long the pandemic continues. Funds at the year end are £26,080,000 (2020: £28,204,000) with a deficit of £2,124,000 being generated in the year (2020: £27,838,000 surplus - including the £28,995,000 donation generated from the conversion of Newhouse Academy).

#### Reserves policy

The governors review the reserve levels of the Academies constantly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserve.

The Trust is working towards a reserve policy that will allow changing needs to be addressed and opportunities to be grasped. The Academy's current level of net current assets is £1,550,000 (2020: £883,000). The Trust has produced forecasts which suggest that the funds surplus will see some capital outlay over the next 2/3 years as we will be investing in capital projects at Newhouse and look to align these with the proposed DFE new build to reduce impact on pupils and eventually benefit the pupils and community.

#### Investment policy

The current policy is to only invest in funds that are risk free and immediately accessible deposit accounts.

#### Going concern

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

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

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Plans for future periods

Hollingworth Learning Trust is committed to its challenging strategic goal of becoming a 'World Class' school. Plans for future periods will focus on ensuring that pupils:

- Make outstanding progress, in their learning, regardless of ability, gender, social background or ethnic origin.
- Are engaged in a curriculum suffused with memorable experiences and rich opportunities for learning.
- Learn, with teachers, in an environment which is mutually respectful and promotes a shared enjoyment of learning.
- Develop social attitudes and behaviours founded upon the principles of respect, responsibility and care.
- Develop the transferable skills and attitudes necessary to thrive in the global economy of the 21st Century.

### Principal risks and uncertainties

This will link to the risk management process that the Trust has in place. The Academy's principal risk is the full admission of pupil places. This enables us to receive funding streams matching our current operational costs.

Hollingworth Academy continues to be consistently significantly over subscribed as you can see from the Year 7 intake figures below for 2020 and 2021. These figures demonstrate the popularity of the Academy, which is mainly due to the consistently high academic performance of our pupils and our reputation for excellent standards of behaviour and school uniform. We have an ambitious "World Class" strategy to further improve all aspects of provision and practice.

One of the principal challenges facing Newhouse Academy is securing a consistent strong uptake of pupils in Year 7. The Academy has a pan of 210. Newhouse Academy also faces pressure by the opening of a new free school in the locality. The Academy is on a strong trajectory of improvement and is working strenuously to promote the successes and achievements of pupils and the Academy. Investment has been deployed to ensure that these are well publicised to the local community. The Trust is delighted that significant parts of the building will be rebuilt under a DFE scheme. It is currently proposed that they will be left with the BSF new build (Sept 2011) and all new buildings from Sept 2024.

### Hollingworth Academy

Criteria	Sept 2020 (PAN 270)		Sept 2021 (PAN 270)	
	Applications (941)	Admitted	Applications (835)	Admitted
LAC		9		3
EHCP		16		6
Medical		1		0
Siblings		91		85
Service Premium		0		0
Staff		5		5
Other		148		171

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### Newhouse Academy

Criteria	Sept 2020 (PAN 270)		Sept 2021 (PAN 210)	
	Applications (297)	Admitted	Applications (298)	Admitted
LAC		2		1
EHCP		2		3
Medical		12		44
Siblings		29		94
Service Premium		0		0
Staff		0		0
Other		147		61

### Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

### Streamlined energy and carbon reporting

	<b>2021</b>
	<b>kWh</b>
<i>Energy consumption</i>	
Aggregate of energy consumption in the year	-
- Gas consumption	1,560,249
- Electricity consumption	1,219,625
- Biomass	47,179
- Biofuel	93
	<hr/>
	2,827,146
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	<b>2021</b>
	<b>metric tonnes</b>
<i>Emissions of CO2 equivalent</i>	
Scope 1 - direct emissions	
- Gas combustion	285.78
- Fuel consumed for owned transport	0.09
- Biomass	0.71
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	286.58
Scope 2 - indirect emissions	
- Electricity purchased	258.96
Scope 3 - other indirect emissions	
- Fuel consumed for transport not owned by the Academy Trust	1.21
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Total gross emissions	546.75
	<hr/> <hr/>
<i>Intensity ratio</i>	
Tonnes CO2e per pupil	0.24
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### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

# HOLLINGWORTH LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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### *Intensity measurement*

We have chosen the intensity measurement ratio as the total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

### *Measures taken to improve energy efficiency*

Newhouse Academy is currently going through the design stage to knock down the over 10 year buildings and replace with new, this will include the boiler room. This replacement will require to be more efficient and in-line with current DFE new build. Hollingworth Academy has setup a Eco group which is made up of staff and pupils, we hope that the FM contractor and SPV can input in to this group and look at energy wastage as a whole.

### **AUDITOR**

RSM UK Audit LLP has indicated its willingness to continue in office.

### **Statement as to disclosure of information to auditor**

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on ..... and signed on its behalf by:

.....  
A Moon  
**Chair of Trustees**

# HOLLINGWORTH LEARNING TRUST

## GOVERNANCE STATEMENT

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### Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Hollingworth Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 4 times during the year, Every month financial data is shared with all Trustees electronically, ensuring effective oversight of funds. The Trust board continues to include the role of Finance and Resources which includes:

- review and monitor the annual budget
- benchmark spending
- ensure best value
- monitor budget over 3+ years
- review/approve staffing changes

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Randle (Accounting Officer)	4	4
M Ogden	4	4
A Moon (Chair of Trustees)	4	4
J Mellor	4	4
S McDowell	3	4
K McCarthy	3	4
V Hutchins	4	4
A Fallon	1	4
M Cockcroft	2	4

The Trust board has had a constant composition of trustees with no leavers, this has allowed us to develop as a board and give a constant approach to keeping children safe during the pandemic. The board has access to monthly management accounts and can track the financial performance of the Academies and central trust service. We have supported the Central Service Team on Strategic matters and challenged Improvement Plan, procedures, financial and policy. The data provided to the Trust Board is acceptable for us to carry out our roles but we intend to develop these in some areas.

# HOLLINGWORTH LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### Governance reviews

All Trustees were selected and appointed based on their experience, knowledge and skills to enable the Trust board to challenge the Central Service Team, LGB and Academies leaders. We are planning this year to carry out a more detailed skills audit to ensure any gaps can be developed by training or appointment.

Andrew Moon	Strategic leadership, governance, Finance & Business HR
Marcus Cockcroft	Education Specialist, NPQEL, School Finances, Strategic leadership, school accountability & governance, school vision and ethos, staffing recruitment, change context, teaching and learning.
Darren Randle	Education Specialist, NPQH, MA, NLE, School Finances, Strategic leadership, school accountability & governance, school vision and ethos, staffing recruitment, change context, teaching and learning
Andrea Fallon	Health and Safety, Mental Health, Public Health, Safeguarding, Strategical Leadership, Governance, Community Links
Vickie Hutchins	Strategic Leadership, Facilities, Risk Management, community links and HR
Karen McCarthy	Companies House, Director of own company, Employment Law, Safeguarding, FE, Social Worker/Residential Work, Education Social Work, Educational International Links, Strategic Leadership.
Sarah McDowell	Strategic Leadership, legal and expected requirements of boards and their trustees, community links.
Jacqui Mellor	Government policies, Ofsted requirements, governance, education, Finance, HR, H&S, teaching schools and safeguarding
Mark Ogden	Finance (CMA, CGMA & AAT), finance planning and strategies, School Governance, recruitment.

The Trustees spent an evening with the CEO and COO reviewing the Trust ethos & values and the Improvement Plan for the next 3 years, making recommendations and challenge in a number of areas.

The Trust has rolled out an agenda schedule to LGB's for the next two years with key dates for providing information to the Trust Board. It also plans to digitise all meetings and papers so the Trustees has immediate access to relevant information.

The Trust is looking to employ a Governance Compliance Manager to be trained and qualified, to further ensure the Trust and LGB's compliance.

The audit committee is a function of the Trust board and all business is carried out during these meetings. Its purpose is to:

- appoint a Responsible Officer (RO)
- report on findings of RO
- review year end accounts

These were all carried out in the meeting, in December 2020.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Randle (Accounting Officer)	1	1
A Moon (Chair of Trustees)	1	1
J Mellor	1	1
S McDowell	1	1
V Hutchins	1	1
M Cockcroft	1	1

# HOLLINGWORTH LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### **Review of value for money**

As accounting officer the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The CEO understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The CEO 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 CEO for the academy trust has delivered improved value for money during the year by:

- To start building a centralised ICT infrastructure for the Trust, allowing both Academies to access centralised systems. This has seen a cut in costs due to the larger buying power across, software renewals, hardware purchases and the sharing of expertise. We are looking to further develop this with more savings to be made on refresh, software and hardware across the Trust. This will also further protect the Academies from Cyber attacks and give Academies backup on data and internet access. The development of the ICT structure is planned in over a 3 year period to be in line with the proposed DFE new build at Newhouse. This will include a centralised team sharing expertise across the Trust with the appropriate on site provision to deal with IT Support. This infrastructure is built around the expandability of the Trust and immediate savings to be made by joining Academies.
- The use of key metric data (Integrated Curriculum Financial Planning) across the Academies has informed Trustees, LGB and SLT on areas of possible savings and using the DFE Assessment Tool to benchmark our findings against similar schools.
- The Trust continues to grow its cloud based solutions to reduce its footprint and refresh costs.
- Use of refurbished PC's has allowed the school to get high spec PC's for the classroom for a fraction of the cost. We are planning on exploring refurbished equipment for replacement servers, this will reduce the overall refresh cost and allow the school network to have high end equipment.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hollingworth Learning Trust for the period 1 September 2020 to 31 August 2021 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 year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Trust board 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.

# HOLLINGWORTH LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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The Board of Trustees has considered the need for a specific internal audit function and has decided:

The Trust board appointed an external independent reviewer to carry out the RO role. The report shows no major risk to the Trust.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis, the RO reports to the audit committee/finance 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 Headteacher 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 executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee/Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on ..... and signed on its behalf by:

D Randle  
**Accounting Officer**

A Moon  
**Chair of Trustees**



# HOLLINGWORTH LEARNING TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Hollingworth Learning Trust, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust's board of trustees 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 2020.

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

D Randle  
**Accounting Officer**

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# HOLLINGWORTH LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on ..... and signed on its behalf by:

A Moon  
**Chair of Trustees**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLLINGWORTH LEARNING TRUST

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## Opinion

We have audited the financial statements of Hollingworth Learning Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLLINGWORTH LEARNING TRUST (CONTINUED)**

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### **Opinions 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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLLINGWORTH LEARNING TRUST (CONTINUED)**

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

### **Use of our report**

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

Karen Musgrave (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE

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# HOLLINGWORTH LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	46	46	126
Donations - transfer from local authority on conversion		-	-	-	-	28,995
Charitable activities:						
- Funding for educational operations	4	-	15,750	-	15,750	11,176
Other trading activities	5	276	-	-	276	307
Investments	6	1	-	-	1	-
<b>Total</b>		<u>277</u>	<u>15,750</u>	<u>46</u>	<u>16,073</u>	<u>40,604</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	257	15,941	574	16,772	12,065
<b>Total</b>	7	<u>257</u>	<u>15,941</u>	<u>574</u>	<u>16,772</u>	<u>12,065</u>
<b>Net income/(expenditure)</b>		20	(191)	(528)	(699)	28,539
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit obligations	24	-	(1,425)	-	(1,425)	(701)
<b>Net movement in funds</b>		20	(1,616)	(528)	(2,124)	27,838
<b>Reconciliation of funds</b>						
Total funds brought forward		302	(5,127)	33,029	28,204	366
Total funds carried forward		<u>322</u>	<u>(6,743)</u>	<u>32,501</u>	<u>26,080</u>	<u>28,204</u>

**HOLLINGWORTH LEARNING TRUST****BALANCE SHEET****AS AT 31 AUGUST 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
<b>Fixed assets</b>					
Tangible assets	13		32,462		33,029
<b>Current assets</b>					
Stocks	14	-		1	
Debtors	15	449		473	
Cash at bank and in hand		1,686		1,330	
			2,135		1,804
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(585)		(921)	
<b>Net current assets</b>			1,550		883
<b>Net assets excluding pension liability</b>			34,012		33,912
Defined benefit pension scheme liability	24		(7,932)		(5,708)
<b>Total net assets</b>			26,080		28,204
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	18				
- Restricted fixed asset funds			32,501		33,029
- Restricted income funds			1,189		581
- Pension reserve			(7,932)		(5,708)
<b>Total restricted funds</b>			25,758		27,902
<b>Unrestricted income funds</b>	18		322		302
<b>Total funds</b>			26,080		28,204

The financial statements set out on pages 21 to 43 were approved by the board of trustees and authorised for issue on ..... and are signed on its behalf by:

.....  
A Moon  
Chair of Trustees

# HOLLINGWORTH LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

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		2021		2020	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		316		726
Cash funds transferred on conversion			-		267
			<u>316</u>		<u>993</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		46		126	
Purchase of tangible fixed assets		(7)		(5)	
			<u>40</u>		<u>121</u>
<b>Net cash provided by investing activities</b>			<u>40</u>		<u>121</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			356		1,114
Cash and cash equivalents at beginning of the year			1,330		216
<b>Cash and cash equivalents at end of the year</b>			<u><u>1,686</u></u>		<u><u>1,330</u></u>



# HOLLINGWORTH LEARNING TRUST

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

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### 1 Accounting policies

#### General information

Hollingworth Learning Trust is a charitable company. The address of its principal place of business is given on page 2 and the nature of its operations are set out in the trustees' report.

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

#### Basis of preparation

The financial statements of the Academy Trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. To ensure that Hollingworth Learning Trust is a going concern five year budget projections to the end of the 2024/25 financial year and monthly finance reports are reviewed regularly. The school has considerable reserves and cash position to ensure the continuation of the trust in the short term. Going forward the school is projecting increased pupil numbers year on year, this increase in pupil numbers increases funding from the ESFA and reduces the chances of an in year deficit position.

#### Income

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

#### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

#### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

#### Donated goods, facilities and services

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

#### **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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

#### **Tangible fixed assets and depreciation**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings and equipment	20% 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.

#### **Liabilities**

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

#### **Leased assets**

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

#### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

#### **Financial instruments**

The Academy Trust has chosen to adopt Sections 11 of FRS 102 in full in respect of financial instruments.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

#### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

#### **Fund accounting**

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The trustees do not consider there to be any areas of judgement that are critical to the academy trust's financial statements.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	46	46	126

The income from donations and capital grants was £46,000 (2020: £126,000) of which £46,000 was restricted fixed assets (2020: £126,000).

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	13,641	13,641	10,268
Other DfE / ESFA grants:				
- Pupil premium	-	732	732	431
- Others	-	128	128	117
	-	14,501	14,501	10,816
<b>Other government grants</b>				
Local authority grants	-	876	876	314
<b>COVID-19 additional funding (DfE / ESFA)</b>				
Catch-up premium		319	319	-
Other incoming resources	-	54	54	46
	-	15,750	15,750	11,176

The income from funding for educational operations was £15,750,000 (2020: £11,176,000) of which £15,750,000 was restricted (2020: £11,176,000).

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported within the Other DfE/ESFA grants/Other DfE Group grants line item, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under exceptional government funding.

The academy received £319,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £319,000, with the remaining £nil to be spent in 2021/22.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	11	-	11	16
Catering income	200	-	200	264
Other income	65	-	65	27
	<u>276</u>	<u>-</u>	<u>276</u>	<u>307</u>

The income from other trading activities was £276,000 (2020: £307,000) of which £276,000 was unrestricted (2020: £307,000).

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Other investment income	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The income from funding for investment income was £1,000 (2020: £Nil) of which £1,000 was unrestricted (2020: £Nil).

### 7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2021 £'000	Total 2020 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	8,208	-	971	9,179	7,195
- Allocated support costs	4,357	2,356	880	7,593	4,870
	<u>12,565</u>	<u>2,356</u>	<u>1,851</u>	<u>16,772</u>	<u>12,065</u>

#### Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Operating lease rentals	1,315	1,233
Depreciation of tangible fixed assets	574	288
Net interest on defined benefit pension liability	103	73
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	15	15
- Other services	4	3
	<u>15</u>	<u>15</u>
	<u>4</u>	<u>3</u>

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Direct costs</b>				
Educational operations	19	9,160	9,179	7,195
<b>Support costs</b>				
Educational operations	238	7,355	7,593	4,870
	<u>257</u>	<u>16,515</u>	<u>16,772</u>	<u>12,065</u>

The expenditure on charitable activities was £16,772,000 (2020: £12,065,000) of which £257,000 was unrestricted (2020: £397,000), £15,941,000 was restricted (2020: £11,259,000) and £574,000 was restricted fixed assets (2020: £409,000).

	2021 £'000	2020 £'000
<b>Analysis of support costs</b>		
Support staff costs	4,383	2,242
Depreciation	574	288
Premises costs	1,782	1,551
Legal costs	107	64
Other support costs	730	704
Governance costs	17	21
	<u>7,593</u>	<u>4,870</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	8,897	6,197
Social security costs	841	600
Pension costs	2,601	1,747
Staff costs - employees	<u>12,339</u>	<u>8,544</u>
Agency staff costs	226	98
	<u>12,565</u>	<u>8,642</u>
Staff development and other staff costs	100	73
Total staff expenditure	<u><u>12,665</u></u>	<u><u>8,715</u></u>



# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 9 Staff (Continued)

#### Staff numbers

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Teachers	151	142
Administration and support	154	93
Management	10	10
	<u>315</u>	<u>245</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Teachers	126	-
Administration and support	108	-
Management	16	-
	<u>250</u>	<u>-</u>

#### Higher paid staff

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	6	2
£70,001 - £80,000	3	1
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1
	<u>11</u>	<u>5</u>

#### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,982,686 (2020: £1,459,618).

### 10 Central services

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 10 Central services (Continued)

The Academy Trust charges for these services on the following basis:

- flat percentage of income (5% of the General Annual Grant (GAG)). This has been apportioned with reference to the conversion date where applicable.

The amounts charged during the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Hollingworth Academy	386	156
Newhouse Academy	266	47
Hollingworth Learning Trust	-	-
	<u>652</u>	<u>203</u>

### 11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

	<b>2021</b>	<b>2020</b>
D Randle		
Remuneration	£119,721	£116,535
Employer's pension contributions	£28,416	£27,595

During the current or prior year no expenses were paid to trustees.

### 12 Trustees and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 is not separately identifiable, but is included within the total insurance cost.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 September 2020	33,464	567	15	34,046
Additions	-	3	4	7
Disposals	-	(378)	-	(378)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2021	33,464	192	19	33,675
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 1 September 2020	461	548	8	1,017
On disposals	-	(378)	-	(378)
Charge for the year	563	9	2	574
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2021	1,024	179	10	1,213
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 31 August 2021	32,440	13	9	32,462
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2020	33,003	19	7	33,029
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 14 Stocks

	2021 £'000	2020 £'000
Stock	-	1
	<u>          </u>	<u>          </u>

### 15 Debtors

	2021 £'000	2020 £'000
Trade debtors	16	10
VAT recoverable	176	38
Other debtors	34	227
Prepayments and accrued income	223	198
	<u>          </u>	<u>          </u>
	449	473
	<u>          </u>	<u>          </u>

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 16 Creditors: amounts falling due within one year

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	234	301
Other taxation and social security	229	201
Other creditors	5	207
Accruals and deferred income (see note 17)	117	212
	<u>585</u>	<u>921</u>
	<u><u>585</u></u>	<u><u>921</u></u>

### 17 Deferred income

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	28	102
	<u>28</u>	<u>102</u>
Deferred income at 1 September 2020	102	78
Released from previous years	(102)	(78)
Resources deferred in the year	28	102
	<u>28</u>	<u>102</u>
<b>Deferred income at 31 August 2021</b>	<u><u>28</u></u>	<u><u>102</u></u>

At the balance sheet date, the academy trust was holding funds received in advance for rates relief.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	581	13,641	(13,033)	-	1,189
Other DfE / ESFA grants:					
- Pupil premium	-	732	(732)	-	-
- Others	-	128	(128)	-	-
Catch-up premium	-	319	(319)	-	-
Other government grants	-	876	(876)	-	-
Other restricted funds	-	54	(54)	-	-
Pension reserve	(5,708)	-	(799)	(1,425)	(7,932)
	<u>(5,127)</u>	<u>15,750</u>	<u>(15,941)</u>	<u>(1,425)</u>	<u>(6,743)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	29,817	-	(518)	-	29,299
DfE group capital grants	870	46	(16)	-	900
Capital expenditure from GAG	2,088	-	(36)	-	2,052
Other capital grants	8	-	-	-	8
Amounts transferred from local authority on conversion	246	-	(4)	-	242
	<u>33,029</u>	<u>46</u>	<u>(574)</u>	<u>-</u>	<u>32,501</u>
<b>Total restricted funds</b>	<u>27,902</u>	<u>15,796</u>	<u>(16,515)</u>	<u>(1,425)</u>	<u>25,758</u>
<b>Unrestricted funds</b>					
General funds	302	277	(257)	-	322
<b>Total funds</b>	<u>28,204</u>	<u>16,073</u>	<u>(16,772)</u>	<u>(1,425)</u>	<u>26,080</u>

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

#### *Restricted general fund*

This fund represents grants received for the Academy's operational activities and development.

#### *Fixed assets fund*

These grants relate to funding from the DfE, ESFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

#### *Other restricted funds*

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

#### *Unrestricted funds*

This fund primarily relates to income from lettings and catering.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds (Continued)

#### Funds prior year

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	185	10,268	(9,872)	-	581
Other DfE / ESFA grants:					
- Universal infant free school meals	-	-	-	-	-
- Pupil premium	-	431	(431)	-	-
- Others	-	117	(117)	-	-
Other government grants	-	314	(314)	-	-
Other restricted funds	-	46	(46)	-	-
Pension reserve	(3,231)	(1,297)	(479)	(701)	(5,708)
	<u>(3,046)</u>	<u>9,879</u>	<u>(11,259)</u>	<u>(701)</u>	<u>(5,127)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	-	30,025	(208)	-	29,817
DfE group capital grants	887	126	(143)	-	870
Capital expenditure from GAG	2,140	-	(52)	-	2,088
Other capital grants	8	-	-	-	8
Amounts transferred from local authority on conversion	252	-	(6)	-	246
	<u>3,287</u>	<u>30,151</u>	<u>(409)</u>	<u>-</u>	<u>33,029</u>
<b>Total restricted funds</b>	<u>241</u>	<u>40,030</u>	<u>(11,668)</u>	<u>(701)</u>	<u>27,902</u>
<b>Unrestricted funds</b>					
General funds	125	574	(397)	-	302
<b>Total funds</b>	<u>366</u>	<u>40,604</u>	<u>(12,065)</u>	<u>(701)</u>	<u>28,204</u>

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds (Continued)

#### Total funds analysis by academy

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fund balances at 31 August 2021 were allocated as follows:		
Hollingworth Academy	280	267
Newhouse Academy	247	616
Hollingworth Learning Trust	1,031	-
	<u>1,558</u>	<u>883</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	32,501	33,029
Pension reserve	(7,932)	(5,708)
	<u>26,127</u>	<u>28,204</u>
Total funds	<u><u>26,127</u></u>	<u><u>28,204</u></u>

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Hollingworth Academy	4,548	2,047	587	2,149	9,331	8,876
Newhouse Academy	3,703	1,680	290	696	6,369	2,215
Hollingworth Learning Trust	-	455	22	21	498	207
	<u>8,251</u>	<u>4,182</u>	<u>899</u>	<u>2,866</u>	<u>16,198</u>	<u>11,298</u>
	<u><u>8,251</u></u>	<u><u>4,182</u></u>	<u><u>899</u></u>	<u><u>2,866</u></u>	<u><u>16,198</u></u>	<u><u>11,298</u></u>

### 19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	32,462	32,462
Current assets	322	1,774	39	2,135
Creditors falling due within one year	-	(585)	-	(585)
Defined benefit pension liability	-	(7,932)	-	(7,932)
	<u>322</u>	<u>(6,743)</u>	<u>32,501</u>	<u>26,080</u>
<b>Total net assets</b>	<u><u>322</u></u>	<u><u>(6,743)</u></u>	<u><u>32,501</u></u>	<u><u>26,080</u></u>

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	33,029	33,029
Current assets	302	1,502	-	1,805
Creditors falling due within one year	-	(921)	-	(921)
Defined benefit pension liability	-	(5,708)	-	(5,708)
<b>Total net assets</b>	<u>302</u>	<u>(5,127)</u>	<u>33,029</u>	<u>28,205</u>

### 20 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	705	778
Amounts due between one and five years	299	2,593
Amounts due after five years	6,256	6,882
	<u>7,260</u>	<u>10,253</u>



# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2021	2020
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(699)	28,540
Adjusted for:		
Net surplus on conversion to academy	-	(28,995)
Capital grants from DfE and other capital income	(46)	(126)
Interest receivable	(1)	-
Pension costs less contributions payable	696	406
Pension scheme finance costs	103	73
Depreciation of tangible fixed assets	574	288
<b>Movements in working capital:</b>		
Decrease in stocks	1	9
Decrease in debtors	24	229
(Decrease)/increase in creditors	(336)	302
<b>Net cash provided by operating activities</b>	<b>316</b>	<b>726</b>

22 Analysis of changes in net funds	1 September	Cash flows	31 August
	2020		2021
	£'000	£'000	£'000
Cash	1,330	356	1,686

### 23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 24 Pension and similar obligations

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

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2021 (2020: £204,433) and are included within creditors.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 24 Pension and similar obligations (Continued)

#### Teachers' Pension Scheme

##### Introduction

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

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. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016.

The valuation report was published in 5 March 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20).

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

The employer's pension costs paid to the TPS in the period amounted to £1,231,000 (2020: £973,000).

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £682,000 (2020 - £438,000), of which employer's contributions totalled £523,000 (2020 - £336,000) and employees' contributions totalled £159,000 (2020 - £102,000). The agreed contribution rates for future years are 16.5% for employers and 5.5% to 12.5% 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.

The past service cost of £12,000 (2020: £Nil) recognised in the year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 24 Pension and similar obligations (Continued)

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	523	336
Employees' contributions	159	102
Total contributions	682	438

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

	2021 %	2020 %
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0

#### The Academy Trust's share of the assets in the scheme

	2021 Fair value £'000	2020 Fair value £'000
Equities	7,509	5,653
Bonds	1,586	1,330
Cash	741	748
Property	740	582
Total fair value of assets	10,576	8,313

The actual return on scheme assets was £1,702,000 (2020: £(53,000)).

# HOLLINGWORTH LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 24 Pension and similar obligations (Continued)

<b>Amount recognised in the statement of financial activities</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Current service cost	1,207	742
Net interest cost	103	73
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	12	-
Total operating charge	<u>1,322</u>	<u>815</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	14,021	9,173
Obligations acquired on conversion	-	3,398
Current service cost	1,207	742
Interest cost	249	202
Employee contributions	159	102
Actuarial loss	2,981	519
Benefits paid	(121)	(115)
Past service cost	12	-
At 31 August 2021	<u>18,508</u>	<u>14,021</u>
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 September 2020	8,313	5,942
Assets acquired on conversion	-	2,101
Interest income	146	129
Return on plan assets (excluding net interest on the net defined pension liability)	1,556	(182)
Employer contributions	523	336
Employee contributions	159	102
Benefits paid	(121)	(115)
At 31 August 2021	<u>10,576</u>	<u>8,313</u>

### 25 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 12.

Key management personnel disclosure is included in note 9.

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLLINGWORTH LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 25 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Hollingworth Learning Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Hollingworth Learning Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of Hollingworth Learning Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of Hollingworth Learning Trust's funding agreement with the Secretary of State for Education dated 26 September 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Hollingworth Learning Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2020 to 31 August 2021 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLLINGWORTH LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

## **Use of our report**

This report is made solely to Hollingworth Learning Trust and the ESFA in accordance with the terms of our engagement letter dated 25 July 2017. Our work has been undertaken so that we might state to the Hollingworth Learning Trust 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 Hollingworth Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

## **RSM UK Audit LLP**

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Dated: .....

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