

**Holland Park School**

**Consolidated Annual Report and  
Financial Statements**

Year to 31 August 2022

Company Limited by Guarantee  
Registration Number  
8588099 (England and Wales)



## Contents

### Reports

Reference and administrative information	3
Governors' report	6
Governance statement	19
Statement of regularity, propriety and compliance	25
Statement of Governors' responsibilities	26
Independent auditor's report on the financial statements	27
Independent accountant's report on regularity	32

### Financial statements

Consolidated statement of financial activities	34
Balance sheets	35
Consolidated statement of cash flows	36
Principal accounting policies	38
Notes to the consolidated financial statements	44

## Reference and administrative information

### Members

Miss Margaret Allen  
Mr Vic Daniels (appointed 18 October 2021)  
Ms Jane Farrell (appointed 23 September 2021)  
Mr Howard Freed (appointed 18 October 2021)  
Mrs Elizabeth Rutherford JP

*The following Members also served during the year:*

Ms Anne Marie Carrie (resigned 15 September 2021)  
Professor Peter McCaffery (resigned 15 October 2021)  
Dr Krish Soni (resigned 11 October 2021)  
Mr Michael Tory (resigned 11 October 2021)

### Governors

Mr David Boyle (appointed 21 September 2022)  
Mr David Chappell (Academy Head)  
Ms Sam Cockcroft (appointed 10 May 2022)  
Mr Vic Daniels (appointed 27 May 2022)  
Mr Yasser el Gabry  
Mr Stephen Gough (appointed 15 November 2021)  
Rt Hon David Laws (appointed 1 April 2022)  
Dr Vanessa Ogden (Vice Chair) (appointed 28 Sept 2021)  
Mr Steve Parsons (Headteacher, Accounting Officer)  
(appointed 23 September 2022)  
Mr Adrian Percival (appointed 28 September 2021)  
Mr Ed Vainker (appointed 1 April 2022)  
Ms Melanie Juno Wolfe (appointed 13 May 2022)

*The following Governors also served during the year:*

Miss Margaret Allen (to 10 September 2021)  
Rt Hon John Bercow (to 11 March 2022)  
Mrs Sally Bercow (to 3 December 2021)  
Ms Catherine Blackler (to 31 March 2022)  
Mr Roy Blatchford (from 28 Sept. 2021 to 13 July 2022)  
Ms Anne Marie Carrie (to 10 September 2021)  
Ms Jane Farrell (from 3 Sept. 2021 to 7 June 2022)  
Mr Colin Hall (to 1 February 2022)  
Professor Peter McCaffery (to 11 October 2021)  
Ms Louisa Mitchell (to 1 September 2022)  
Mrs Elizabeth Rutherford (to 21 October 2021)  
Dr Krish Soni (to 29 September 2021)  
Mr Michael Tory (to 29 September 2021)  
Ms Teresa Tunnadine (from 27 Sept. 2021 to 7 Jun 2022)

## Reference and administrative information

<b>Clerk to the Governors</b>	Mrs Jackie Saddington (interim from 1 September 2021 to 10 November 2021) Mr Stewart Harper ACG (appointed 10 November 2021)
<b>Headteacher</b>	Colin Hall (to 31 January 2022) Arwel Jones (from 2 February to 31 August 2022) Steve Parsons (from 1 September 2022)
<b>Accounting Officer</b>	David Chappell (to 27 May 2022) Arwel Jones (from 27 May to 31 August 2022) Steve Parsons (from 1 September 2022)
<b>Academy Head</b>	David Chappell
<b>Associate Head</b>	Nicholas Robson
<b>Deputy Headteachers</b>	Ross Wilson Faye Mulholland Joseph Holloway (resigned 31 August 2022) Amanda Duggal (resigned 31 August 2022) Bash Mailk (from 1 September 2022) Faye Langley (from 1 September 2022)
<b>Assistant Headteachers</b>	Benjamin Arnold Jack May
<b>Chief Finance Officer</b>	Shamsur Rahman
<b>Registered address</b>	Airlie Gardens London W8 7AF
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank 112 Kensington High Street London W8 4SN

## Reference and administrative information

### Solicitors

Wilson Solicitors LLP  
Alexandra House  
St John Street  
Salisbury  
SP1 2SB

Bates Wells & Braithwaite London  
LLP  
10 Queen Street Place  
London  
EC4R 1BE

## **Governors' report Year to 31 August 2022**

The Governors present their annual report together with the financial statements and auditors' report of Holland Park School and the Group for the year to 31 August 2022. The Group consists of Holland Park School and HPS Trading Limited. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law (including a strategic report as required by the Companies Act 2006).

The financial statements have been prepared in accordance with the accounting policies set out on pages 38 to 43 of the attached financial statements and comply with the Academy's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Holland Park School (the "Academy Trust") operates a school for students aged 11 to 18 serving a catchment area primarily in Kensington and Chelsea. It has a student capacity of 1,430 (including a maximum of 230 in the Sixth Form) and had a roll of 1,385 (206 in the Sixth Form) on the census collection of Summer 2022.

The Academy Trust operates a subsidiary company: HPS Trading Limited (Company Registration Number 08083987). The principal activity of the company is that of operating some of the commercial activities of the Academy (see note 11).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Holland Park School is a charitable company limited by guarantee and is an exempt charity, incorporated on 27 June 2013 (company number 08588099). The Academy's Articles of Association (as revised in May 2022) and the Funding Agreement executed on 30 August 2013 are the primary governing documents of the Academy.

The Governors act as trustees of the charity and are also directors of the charitable company for the purposes of company law. The company is known as Holland Park School.

#### **Members' liability**

Every Member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a Member or within one year after he or she ceases to be a Member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves (Articles of Association section 8).

#### **Governors' indemnities**

As stated in the Academy's Articles of Association (Article 136): 'Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.'

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Governors' indemnities (continued)

The Academy Trust has an indemnity policy in place to cover the cost of any such claims up to a total of £5,000,000 in any one year for 2021/22 and £10,000,000 in 2022/23.

### Principal activities

1. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and carrying on, managing and developing a school offering a broad and balanced curriculum.
2. To be at the heart of the community promoting community cohesion and sharing facilities with other schools and this wider community.

### Membership of the Governing Body

The following Governors served throughout the period. All were in office at 31 August 2022 and up to the date of approval of this report except where shown. A list of Governors now serving is shown at the front of this document.

<b>Governor</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
Miss Margaret Allen	Resigned 10 September 2021	Members
Rt Hon John Bercow	Resigned 11 March 2022	Parent elected
Mrs Sally Bercow	Resigned 3 December 2021	Parent elected
Ms Catherine Blackler	Resigned 31 March 2022	Members
Mr Roy Blatchford	From 28 September 2021 to 13 July 2022	Members
Mr David Boyle	Appointed 21 September 2022	Members
Ms Anne Marie Carrie	Resigned 10 September 2021	Members
Mr David Chappell		ex-officio
Ms Sam Cockcroft	Appointed 10 May 2022	Parent elected
Mr Vic Daniels	Appointed 27 May 2022	Co-opted
Mr Yasser el Gabry		Members
Ms Jane Farrell	From 23 September 2021 to 7 June 2022	Members
Mr Stephen Gough	Appointed 15 November 2021	Members
Mr Colin Hall	Resigned 1 February 2022	Members
Rt Hon David Laws	Appointed 1 April 2022	Co-opted
Professor Peter McCaffery	Resigned 11 October 2021	Members
Ms Louisa Mitchell	From 21 March to 1 September 2022	Members
Dr Vanessa Ogden	Appointed 28 September 2021	Members
Mr Steve Parsons	Appointed 23 September 2022	Ex-officio
Mr Adrian Percival	Appointed 28 September 2021	Members
Mrs Elizabeth Rutherford	Resigned 21 October 2021	Members
Dr Krish Soni	Resigned 29 September 2021	Members
Mr Michael Tory	Resigned 29 September 2021	Members
Ms Teresa Tunnadine	From 27 September 2021 to 7 June 2022	Members
Mr Ed Vainker	Appointed 1 April 2022	Co-opted
Ms Melanie Juno Wolfe	Appointed 13 May 2022	Parent elected

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Notice to Improve**

As noted in the Governance Statement below, during the year the Trust received a Notice to Improve (Ntl) from the Education and Skills Funding Agency (ESFA). Whilst the Governing Body were disappointed to receive an Ntl, efforts were focussed on addressing the concerns raised, and moving forwards in a positive manner in the interests of the School and the children, staff and community we serve.

The first steps taken included refreshing the two levels of governance, with new Members and Governors joining the Governing Body. We remained in positive communication with the ESFA throughout the year to demonstrate the work that is being done to address each of the specific concerns raised in the Ntl.

### **Composition of the Governing Body**

The Members, of whom there must be a minimum of three, may appoint up to six Governors. The Governing Body may co-opt additional Governors as necessary.

In addition, there shall be a minimum of two parent Governors, elected by the parent body. The Headteacher may be appointed to the Governing Body by resolution of the Members. The Academy Head was an ex-officio member of the Governing Body as a result of the previous Articles of Association, and has remained such on adoption of the new Articles.

The total number of Governors who are employees of the Academy Trust must not exceed one third of the total number of Governors. The parent Governors are elected by parents of registered students at the Academy and should be a parent of a student at the Academy Trust at the time when they are elected. If this is not reasonably practical, then a person who is a parent of a child of compulsory school age may be appointed.

The term of office for any Governor is four years except for:

- ◆ The Governing Body has managed a period of transition over the course of the year, and a substantive review of the effectiveness of governance undertaken, which started before (but is connected to the circumstances behind) the receipt of a Notice to Improve from the ESFA (see above). The Review has included, inter alia, a review of the Articles of Association, the development of a new committee structure, the revision of the Scheme of Delegation, and the development of processes and procedures which enhance governance practice.

A skills audit has been put in place, to ensure that any gaps in skills and knowledge within the Governing Body can be identified and rectified by training, or to recruit new Governors with specific skills.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Organisational structure**

The Academy Trust's organisational leadership involves the Governors and the Leadership Team.

The Governors are responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring financial and operational performance, making strategic decisions about the direction of the Academy, approving major items of expenditure and making appointments of senior staff. The full Governing Body meets a minimum of three times per year.

In 2021/22, the Academy Trust operated with the following committees of the Governing Body:

- ◆ Finance and Resources, incorporating responsibility for Audit
- ◆ Standards
- ◆ Staffing

Governors fulfil their audit function and responsibilities through the work of the Finance and Resources Committee. Governors are mindful of, and adhere to, the guidance issued by the ESFA, in their annual publication, the Academies Trust Handbook. Governors appointed UHY Hacker Young LLP to carry out a supplementary programme of internal financial scrutiny, throughout the year, looking specifically at purchases, VAT, income, control accounts, payroll and the operational management of HPS Trading Limited.

All committees have approved terms of reference. Within these terms of reference authority and responsibility for decisions is delegated where appropriate. A scheme of delegation is in place but is currently under review.

In addition ad-hoc panels are convened as necessary, including:

- ◆ Staff and student disciplinary matters
- ◆ Grievances
- ◆ Complaints

---

The overall scheme of financial delegation and the finance policies incorporate the Academy Trust Handbook 2022.

Day to day management of the Academy is delegated to the Headteacher.

HPS Trading Ltd (Company Registration Number: 08083987) is a wholly owned subsidiary of Holland Park School, an Academy Trust and a charitable company registered in England and Wales (Company Registration Number 08588099).

The principal activity of HPS Trading Ltd for the period under review was the provision of lettings of facilities of the Holland Park School.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

The interim Headteacher undertook a review of the Pay Policy insofar as it related to the key management personnel, and presented proposals to the Staffing Committee during the year. Following consideration by that Committee and approval by the Governing Body, a new Pay Policy was implemented.

**Trade union facility time**

During the period in 2021/22 three employees acted as union officials. They were allowed time off timetable to attend to union activities on an ad hoc basis.

**Relevant union officials**

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
3	3

**Percentage of time spent on facility time**

Percentage of time	Number of employees
1% - 50%	3

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

Total cost of facility time	£2600
Total pay bill	£6,946,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.04%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
--	------

**Connected organisations, including related party relationships**

Holland Park School has long established links with The Holland Park School Trust, an independent charity which supports the student enrichment activities of the school such as the Duke of Edinburgh award scheme, and sports and fitness coaching. Additionally, the school provides regular use of its facilities to community user groups, amounting to some 800 users per week, including weekends.

## OBJECTIVES AND ACTIVITIES

### Objects and aims

Holland Park is a large co-educational comprehensive school in West London which serves a very diverse community. The school achieves outcomes which are well above national averages and has a strong academic reputation in the local community. The academic year 2021-22 was a difficult time for the school as it saw the departure of the previous Headteacher who had been in post for around 20 years, and the school was also subjected to the publication of a report which suggested a long history of poor practices in relation to staff and students wellbeing. In April the school was visited by Ofsted who removed the 'Outstanding' grading that the school had held for many years and judged it to be inadequate. The interim Headteacher and the Governing body took steps to address the issues raised before the end of the academic year.

The school has high expectations of its students, and despite the difficulties last year the results were strong at both key stage 4 and key stage 5. Staff development is a key focus for the school and there is a real drive and determination to ensure that teachers are creative and that students experience the best possible learning opportunities.

### Public Benefit

In setting the Academy Trust's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

## STRATEGIC REPORT

### Achievements and performance

#### Results

The school's GCSE results this year were strong, although it should be noted that the Progress 8 and Attainment 8 scores cannot be compared with other schools due to the nature of the early entry exam system that the school operates.

#### KS4 Exam Results GCSE 2022

YEAR 11	2021	National 2019	2022
% 5-9 including Maths and English Language	75	43.2%	66%
EBacc points score	6.02	4.07%	5.9
% 4-9 English	97	74.1%	92%
% 5-9 English	92		81%
% 4-9 Maths	91	71.5%	81%
% 5-9 Maths	76		61%

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Results** (continued)

The results at A Level were also very strong with results performing very well compared with previous years, if you take out the previous two years of CAGs and TAGs. The A\*/A and A\*/B figures are well above national average as they have been previously.

**KS5 Exam Results A2 2022**

	2016	2017	2018	2019	2020	2021	2022	National 2022
Pass rate (%)	98.8	98.2	99.1	96.4	100	100	100	98
A-C (%)	92.2	90.2	93.3	79.3	98	95.5	90	82
A-B (%)	77.3	73.3	80.0	61.3	96	83.9	77	62
A-A* (%)	53.1	45.6	46.7	35.7	55	60.0	55	35
A* (%)	18.8	17.5	15.1	11.8	19	28.7	26	14

**University Destinations 2022**

This year there were 107 applicants to UCAS from Holland Park School students. The final UCAS report shows the following:

	2021 number of students	2021 % of total	2022 number of students	2022 % of total
Students with places at Russell Group Universities	57	53%	48	45%
Students with places at universities that are not Russell Group	29	27%	42	39%
Total number of students placed	86	80%	90	85%
Total number of students not placed (inc. gap years)	21	20%	16	15%

As is always the case, the vast majority of our Year 13 students went on to University with a significant proportion attending Russell Group Universities.

**Ofsted**

Ofsted inspected Holland Park School in April 2022 and judged the school to be 'inadequate.' The 6<sup>th</sup> Form was graded as good. Leadership and Management and Behaviour were rated as Inadequate, and Personal development and the Quality of Education were graded as 'Requires improvement.'

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Key financial performance indicators***

- ◆ setting a balanced budget against delegated funds, without the need for recourse to the school's substantial reserves;
- ◆ ensuring that staff costs, including agency and other temporary staffing, remain below 70% of the school's total delegated budget (excluding other unrestricted income);
- ◆ utilising the school's trading subsidiary to facilitate additional resourcing to enhance the students' experience;
- ◆ maintain a sufficient level of reserves to undertake remedial works to rectify building defects and implement a thorough maintenance programme;
- ◆ manage trust finances to enable the school to set balanced budgets for the next three years.

***Going concern***

During 2021/22, the Board has been in discussion with the Education and Skills Funding Agency (ESFA) regarding the potential transfer of the Holland Park School to another Trust. Following the completion of the Judicial review, this has been confirmed as going ahead in early 2023. As a single Academy Trust, it is expected that the transfer will include moving all of the assets and liabilities of the Trust to the new organisation, with the subsequent winding up and closure of the Holland Park School legal entity thereafter.

The Board has considered whether or not the Trust will be able to meet its liabilities as they fall due for a period of 12 months from the signing of the accounts. The date of winding up has not been set, and as such, although a process to close the entity will be expedited, we have assumed the legal entity will remain in existence for at least twelve months in some limited form. The basis of the transfer is that all assets and liabilities will transfer, and so no current liabilities will remain to be settled by the Trust. Only those liabilities that may subsequently crystallize, will be the responsibility of this organisation, the risk of which will be mitigated through the closure of the company.

---

In addition to the insurance policy that the Board holds for a number of such liabilities, it has had assurances from the Department for Education (DfE) on behalf of the Secretary of State (SoS) that the final liquidation will be solvent, and so by definition, the organisation will be supported in meeting any and all liabilities up to the point of closure.

**STRATEGIC REPORT (continued)**

***Achievements and performance (continued)***

***Going concern (continued)***

However, FRS102 states that an entity is a going concern unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, we have taken into account all available information about the future, which is at least, but is not limited to, 12 months from the date when these financial statements are authorised for issue. As noted above, following transfer, and conclusion of all relevant matters, it is the Boards current intention to cease all activities and liquidate the company.

As such, although a solvent liquidation is expected, in line with accounting standards, the board has prepared these accounts on a basis other than going concern. No adjustments have been required as a result of this change in basis.

***Financial review***

***Financial report for the period***

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the ESFA and other government bodies during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the Group for the year was £11,053,000 (2021 – £10,968,000).

Total expenditure for the Group in the year including depreciation of £1,398,000 (2021 – £1,397,000) was £12,367,000 (2021 – £11,677,000). Included within total expenditure is £7,624,000 (2021: £6,970,000) of staff costs.

Taking into account the actuarial gain of £3,560,000 (2021 – loss of £457,000) on the revaluation of the Local Government Pension Scheme deficit, the net movement in funds for the year ended 31 August 2022 was an increase of £2,246,000 (2021 – decrease of £1,166,000).

The operational surplus for the year excluding fixed asset purchases was £657,000 (2021 – operational surplus of £245,000). This figure excludes movements on the tangible fixed assets, the defined benefit pension liability, fixed asset purchases from revenue funds, and other non-recurring items.

The total funds of the Academy at 31 August 2022 were £50,821,000 (2021 – £48,575,000).

**STRATEGIC REPORT** (continued)

***Achievements and performance (continued)***

*Reserves policy*

The net reserve at 31 August 2021 is £3,915,000. (2021: £3,258,000) These funds are available for the day-to-day operation of the school.

The school's reserves policy is designed to ensure that the Academy is able to guarantee the stability of its operations so that it has the ability to adjust quickly to unforeseen or unplanned changes in financial circumstances or expenditure, whilst also enabling the longer-term cyclical needs of planned improvements and capital investment.

Under FRS 102 Section 28: Employee benefits it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for support staff to a specific restricted reserve. As at 31 August 2022 the surplus on this reserve amounted to £1,348,000 (2021 – £2,909,000 deficit). The surplus has not been recognized at 31 August 2022 on the grounds that this cannot be recovered so the actuarial gain recognised has been limited to the amount necessary to show a £nil liability. The Academy takes into account LGPS reserve liabilities and the likelihood of the liability crystallising in full over a 3-year budget forecasting cycle. This is balanced against more immediate objectives of the academy.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Investment policy***

To ensure the best possible return on balances the Academy holds, Governors opened a 32-day investment account with the Academy's bankers, Lloyds Bank Ltd. This is managed day to day by the Chief Finance Officer and reported to the Finance and Resources Committee (previously the Resources & Audit Committee).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The risks to the Academy have been identified and a financial risk register established which was reviewed regularly during the previous year by the Finance and Resources Committee and by the Governing Body.

The highest financial risks identified are as follows. They are each being closely monitored by Governors and expert advice will be obtained as required.

- ◆ significant costs arising from existing building defects and maintenance programme;
- ◆ a drop in funding in 2023/24 arising from a falling school roll given the current and sustained negative media attention on the school;
- ◆ unfunded teachers' pay award in excess of 3% in 2022/23;
- ◆ sustained upward movement in the cost of utilities at the expiry of the price cap in March 2023;
- ◆ liabilities arising from the potential signing of a 125-year full repairing lease (currently a Tenancy at Will), given known building defects and potential 'unknown' and unquantifiable defects;
- ◆ reduction of school generated income from lettings due to the swimming pool being not operational;

The school, with the Royal Borough, has identified significant defects in the school building that require considerable cost to rectify in future accounting periods. The school has been working in collaboration with the Royal Borough to rectify these problems and actively seeking solutions. The Royal Borough have completed work to resolve issues with the school's façade and fire barriers at their own expense. However, Royal Borough have withdrawn from its previous offer of a financial settlement agreement to enable the school to undertake work to replace defective fire doors and install permanent pumps into the swimming pool void to help mitigate the continual ingress of water in consideration of entering a 125-year full repairing lease.

**FUNDRAISING**

The academy is not directly involved in fundraising and has no plans to undertake such practice. The Holland Park School Trust is the working name of "The Holland Park School Charity" (Registered Charity number 1108984). The Charity is independent of the school but was formed to support Holland Park School in its aim of improving the performance and opportunities of the students who attend this richly diverse, inner-city comprehensive school. The Trust takes a broad approach to helping the school - not only supporting better academic achievement but also funding initiatives which improve behaviour in and out of school. Grants are awarded to projects proposed by the school for activities that would not be possible without funding from the Trust. The Trust does not remove any funding responsibility from the state or local authority but enhances what is already provided. The Trust has a number of established patrons, benefactors and friends, who donate annually to the charity.

**PLANS FOR FUTURE PERIODS**

The key priorities for the year are published in our school improvement plan which is issued to all staff. In summary these are:

Focus area	Aims / intended outcomes
Safeguarding	To ensure that our safeguarding provision is of the highest quality in all aspects of school life and that our systems are clear and effective
SEND	To grow and develop our SEND provision to ensure our curriculum and teaching is accessible to all students. To ensure that all SEND students have the appropriate level of support in lessons
Teaching and Learning	To ensure our curriculum is broad and balanced and that it is accessible to all students regardless of abilities or starting points. To ensure we are delivering consistently high quality teaching in the classroom.
Staff Development	To provide appropriate training for staff at all levels to ensure they feel able to develop and grow as professionals. This includes both teaching and support staff
Leadership at all levels	To provide support and training for our newly appointed Heads of Department and Heads of Year to develop our middle leadership capacity
Building the community	To ensure that all members of the school and local community feel part of the school and to ensure we are fully inclusive in all that we do
6th Form growth and development	To review and grow our 6th Form to enable more of our own internal students to stay with us at post 16 level
Behaviour management	To ensure students and staff are clear about our behaviour expectations and that our policies are applied consistently across the school.
Data and tracking	To carry out a review of our data and tracking systems will ensure that our assessment and reporting cycle is fit for purpose.
Careers provision	A careers adviser will be appointed to develop and grow our careers provision across the school
Learning beyond the classroom	To review our extra-curricular provision to ensure that there are opportunities for all students to get involved in activities outside the classroom, both sporting and cultural.

**PLANS FOR FUTURE PERIODS** (continued)

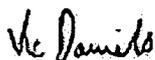
The Department for Education has commenced a process whereby the School would join United Learning Trust (UL) (a Multi-Academy Trust (MAT)). This process is currently subject to Judicial Review and is paused awaiting the outcome of that Review.

**AUDITOR**

In so far as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by the Governing Body on 14 December 2022 and signed on their behalf by:



Vic Daniels

Chair of Governors

Date: 14 December 2022

## Governance statement Year to 31 August 2022

### **Scope of responsibility**

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

The Governing Body have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring that 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 the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **Governance**

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. All calendared meetings convened have been conducted over a digital platform and more latterly in a hybrid arrangement dependent upon the individual preference and requirement of Governors.

Prior to the end of the financial year 2020/21, Governors were in receipt of a 'dossier' that raised numerous concerns regarding the efficacy of leadership in the school. An independent investigation has been conducted and has reported to the Governing Body

A number of changes to governance have taken place since September 2021 to strengthen provision and the strategic oversight of the school. A number of new governors are education specialists, and the newly appointed chair is highly experienced and a specialist in inclusive leadership and organisational change. The changes are recorded on above. In addition, the Academy's Articles of Association were amended in May 2022.

In November 2021, a Notice to Improve was received from the Education and Skills Funding Agency (ESFA) which sets a number of conditions, relating predominantly to governance and compliance. Further details are given below, under the risk and control section of this report. The Governing Body takes this Notice extremely seriously and is committed to rectifying the governance and oversight arrangements that are in place.

## Governance statement Year to 31 August 2022

### Governance (continued)

Attendance at Governing Body meetings during the year 2021/22 was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms Margaret Allen	3	3
Rt Hon John Bercow	10	13
Ms Sally Bercow	5	5
Ms Catherine Blackler	13	15
Mr Roy Blatchford	16	19
Ms Anne Marie Carrie*	1	1
Mr David Chappell	9	22
Ms Sam Cockcroft	4	4
Mr Vic Daniels*	3	3
Mr Yasser el Gabry	21	22
Ms Jane Farrell*	18	18
Mr Stephen Gough	11	15
Mr Colin Hall	7	9
Rt Hon David Laws	7	7
Professor Peter McCaffery	3	3
Ms Louisa Mitchell	7	8
Dr Vanessa Ogden	20	20
Mr Adrian Percival	18	20
Ms Elizabeth Rutherford	4	4
Dr Krish Soni	3	3
Mr Michael Tory	3	3
Ms Teresa Tunnadine	14	18
Mr Ed Vainker	5	7
Ms Melanie Juno Wolfe	3	4

\* The Chair of the Governing Body was held by Anne Marie Carrie until 10 September 2021. Following her resignation the Chair was taken by Jane Farrell on 23 September 2021 until her resignation on 7 June 2022. The Chair was then taken by Vic Daniels.

Given the volume of work required of the Governing Body during the course of 2021/22 it met on 22 occasions.

Attendance at Committee meetings in the year was as follows:

### **Finance & Resources Committee**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms Catherine Blackler	3	3
Mr Roy Blatchford	0	1
Mr David Chappell	3	4
Mr Steve Gough	4	4
Mr Colin Hall	2	2
Mr Adrian Percival (Chair)	4	4
Mr Bruce Powell (co-opted)	4	4

## Governance statement Year to 31 August 2022

### Governance (continued)

#### Staffing Committee

Governor	Meetings attended	Out of a possible
Mr Yasser el Gabry	2	2
Ms Jane Farrell	1	1
Rt Hon David Laws	1	1
Dr Vanessa Ogden (Chair)	2	2
Ms Teresa Tunnadine	1	1

#### Standards Committee

Governor	Meetings attended	Out of a possible
Rt Hon John Bercow	2	2
Mr Roy Blatchford	1	1
Mr David Chappell	1	1
Ms Jane Farrell	2	2
Dr Vanessa Ogden	2	2
Ms Teresa Tunnadine (Chair)	2	2

#### Conflicts of interest

The school maintains a register of interests by members of the senior leadership team, governors and Members. Declarations of any potentials for conflict of interest are also sought at the start of meetings of the Governing Body and its committees.

Potential for conflict of interest arising and the process for dealing with such conflict is highlighted in a number of policies including the Governors Code of Conduct, Anti-Fraud and Corruption and the policy on Hospitality, Gifts and Expenditure.

#### Review of value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ bringing Thorpe Lodge into use to provide additional administrative and student work space
- ◆ reconfiguring spaces in the main school building to provide additional teaching spaces.
- ◆ leadership team salaries,

**Review of value for Money (continued)**

- ◆ introducing middle management tier,
- ◆ utilising the Trading Company to manage additional income generated through lettings,
- ◆ investment in mobile IT resources and the Google platform to deliver a wider curriculum and more flexible teaching.

The effectiveness of these, and other non-costed initiatives, can be seen in the Academy's outstanding examination performance and national analysis in the Academy's national performance documents.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. In accordance with revised requirements to deliver internal scrutiny in the way most appropriate to its circumstances, the Governors use a bought-in internal audit service. This complies with the Financial Reporting Council's revised Ethical Standard and differ to the firm providing external audit.

**Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The risk and control framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- ◆ regular reviews by the Finance and Resources Committee (or previously the Resources and Audit Committee) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

**The risk and control framework** (continued)

- ◆ the feedback from the internal auditor visits;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ monthly account reporting to Governors;
- ◆ benchmarking against other similar schools; and
- ◆ identification and management of risks.

The Governors considered the need for a specific internal audit function and appointed UHY Hacker Young LLP to undertake this role during 2020/21.

On 2 November 2021 the school was issued with a Notice to Improve (Ntl) by the Education and Skills Funding Agency (ESFA) for compliance concerns<sup>1</sup>. In the Ntl, the ESFA detailed continued concerns relating to the governance and oversight of financial management by the Governors and Members in September 2021. Specifically, the Ntl was issued due to the Governing Body:

- ◆ failing to ensure regularity and propriety in use of the trust's funds as required in paragraph 1.14 of the Academy Financial Handbook 2020 (AFH);
- ◆ incurring significant expenditure with two companies whilst failing to follow the correct procurement process as required in paragraph 2.28 of the AFH; and
- ◆ failing to seek prior approval from the ESFA of 'novel and contentious' expenditure as required in paragraph 5.5 of the AFH.

The trust has complied with the conditions set by the ESFA. The ESFA were satisfied with progress made and the Ntl was lifted on 23 November 2022<sup>2</sup>.

In addition, there have been significant changes made to the composition of Trust governance at both Governor and Member level, and a strengthening of Governors on the (newly constituted) Finance and Resources Committee with the appointment to the Governing Body of highly experienced finance personnel, and Governors with significant educational and change-management experience (as noted above).

---

<sup>1</sup> See

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1033930/Notice\\_to\\_improve\\_Holland\\_Park\\_School.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033930/Notice_to_improve_Holland_Park_School.pdf)

<sup>2</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1119767/Letter\\_to\\_lift\\_a\\_notice\\_to\\_improve\\_Holland\\_Park\\_School.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1119767/Letter_to_lift_a_notice_to_improve_Holland_Park_School.pdf)

**Governance statement** Year to 31 August 2022

**Review of effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- ◆ the internal assurance work of UHY Hacker Young LLP;
- ◆ the work of the external auditor Buzzacott LLP;
- ◆ the financial management and governance self-assessment process; and
- ◆ the recent Notice to Improve issued by the ESFA.

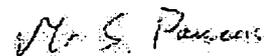
The Accounting Officer has advised the Resources and Audit Committee, during 2021/22, of the implications arising from reviews of the system of internal control. Following the internal reviews by Hacker Young, no significant control issues were identified. All recommendations for improved practice have been acted upon and are now in place.

Approved by order of the Governors on 14 December 2022 and signed on their behalf by:



Vic Daniels

Chair of Governors



Steve Parsons

Accounting Officer

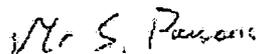
## Statement of regularity, propriety and compliance 31 August 2022

### Statement of the Accounting Officer

As Accounting Officer, I have considered my responsibility to notify the Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance and took such action in August 2021 in relation to concerns regarding Governors' procurement practice and failure to seek appropriate advance approvals from the ESFA. As part of my consideration to issue such a concern, I gave due consideration to the requirements of the Academy Trust Handbook 2021.

Going forward I can confidently confirm that I and the new Governing Body are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the conditions set in the Ntl and the terms and conditions of the academy's funding agreement and the Academy Trust Handbook 2021.

During the year, a number of changes in the Academy Trust's Governance structure occurred and the Academy Trust will be joining a MAT on 1 January 2023. Further details are provided on pages 13 and 14 of the Trustees' Report. Other than this and the points highlighted above on page 23 I confirm that no additional instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and to the ESFA.



Steve Parsons

Accounting Officer

Date: 14 December 2022

## Statement of Governors' responsibilities 31 August 2022

### Statement of Governors' responsibilities

The Governors (who act as trustees of the Academy for the purposes of charity law and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2021 to 2022;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 Academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by the Governors on 14 December 2022 and signed on their behalf by:



Vic Daniels  
Chair of Governors

## Independent auditor's report to Members of Holland Park School

### Opinion

We have audited the financial statements of Holland Park School (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS 102)) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and the charitable parent company's affairs as at 31 August 2022 and of the group's income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and Academies Accounts Direction 2021 to 2022.

### 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 group 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.~~

### Emphasis of Matter – basis of preparation

We draw attention to the principal accounting policies on page 38 which explain that the activities of the group and charitable parent company will be transferred to another education provider on 1 January 2023. The board therefore do not consider that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

**Matters on which we are required to report by exception (continued)**

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 by the group and the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the group and the charitable parent company 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 trustees' responsibilities statement, the trustees (who are also the directors 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 parent 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 trustees either intend to liquidate the group or the charitable parent 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and the charitable parent company and determined that the most significant are the Companies Act 2006, the Charities SORP (FRS 102), the Academies Accounts Direction 2021 to 2022, the Academies Financial Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees; and
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorization of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

7

## Independent auditor's report on the financial statements 31 August 2022

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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



Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 20 December 2022

## **Independent reporting accountant's assurance report on regularity 31 August 2022**

### **Independent reporting accountant's assurance report on regularity to Holland Park School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holland Park School during the year from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Holland Park School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Holland Park School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Holland Park School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Holland Park School's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Holland Park School's funding agreement with the Secretary of State for Education and the Academies Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

## Independent reporting accountant's assurance report on regularity 31 August 2022

### Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

Other than the matters detailed on pages 13 and 14 which led the ESFA to issue a Notice to Improve on 2 November 2021 which was subsequently lifted on 23 November 2022, nothing has come to our attention in the course of our work which suggests that in all material respects the expenditure disbursed and income received during year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

Buzzacott LLP Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 20 December 2022

**Consolidated statement of financial activities (including income and expenditure account) Year to 31 August 2022**

	Notes	Restricted Funds			2022 Total funds £'000	2021 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000		
<b>Income from:</b>						
Donations and capital grants	1	15	—	44	59	32
Charitable activities						
Funding for the academy's educational operations	4	—	10,894	—	10,894	10,700
Other trading activities	2	98	—	—	98	235
Investments	3	2	—	—	2	1
<b>Total income</b>		<b>115</b>	<b>10,894</b>	<b>44</b>	<b>11,053</b>	<b>10,968</b>
<b>Expenditure on:</b>						
Raising funds	5	3	—	—	3	47
Academy's educational operations	6	—	10,966	1,398	12,364	11,630
<b>Total expenditure</b>	5	<b>3</b>	<b>10,966</b>	<b>1,398</b>	<b>12,367</b>	<b>11,677</b>
Net income / (expenditure)	5	112	(72)	(1,354)	(1,314)	(709)
<b>Transfers between funds</b>	15	—	(34)	34	—	—
<b>Other recognised gains</b>						
Actuarial gains/(losses) on defined benefit pension scheme	20	—	3,560	—	3,560	(457)
<b>Net movement in funds</b>		<b>112</b>	<b>3,454</b>	<b>(1,320)</b>	<b>2,246</b>	<b>(1,166)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2021		879	(530)	48,226	48,575	49,741
<b>Total fund balances carried forward at 31 August 2022</b>		<b>991</b>	<b>2,924</b>	<b>46,906</b>	<b>50,821</b>	<b>48,575</b>

All of the Academy Trust's activities derived from operations which commenced during the above two periods.

All recognised gains and losses are included in the statement of financial activities.

Balance sheets 31 August 2022

	Notes	2022		2021	
		Group £'000	Holland Park School £'000	Group £'000	Holland Park School £'000
<b>Fixed assets</b>					
Tangible fixed assets	12	<b>46,906</b>	<b>46,906</b>	48,226	48,226
<b>Current assets</b>					
Debtors	13	<b>330</b>	<b>321</b>	265	272
Cash at bank and in hand		<b>4,422</b>	<b>4,382</b>	4,162	4,155
		<b>4,752</b>	<b>4,703</b>	4,427	4,427
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<b>(837)</b>	<b>(837)</b>	(1,169)	(1,169)
<b>Net current assets</b>		<b>3,915</b>	<b>3,866</b>	3,258	3,258
<b>Net assets excluding pension scheme liability</b>		<b>50,821</b>	<b>50,772</b>	51,484	51,484
Pension scheme liability		—	—	(2,909)	(2,909)
<b>Total net assets</b>		<b>50,821</b>	<b>50,772</b>	48,575	48,575
<b>Funds of the Academy</b>					
Restricted funds					
. Fixed assets fund		<b>46,906</b>	<b>46,906</b>	48,226	48,226
. Restricted income funds		<b>2,924</b>	<b>2,924</b>	2,379	2,379
. Pension reserve		—	—	(2,909)	(2,909)
<b>Total restricted funds</b>	15	<b>49,830</b>	<b>49,830</b>	47,696	47,696
<b>Unrestricted income funds</b>					
General fund		<b>942</b>	<b>942</b>	879	879
Funds retained with subsidiary		<b>49</b>	—	—	—
<b>Total unrestricted funds</b>		<b>991</b>	<b>942</b>	879	879
<b>Total funds</b>	15	<b>50,821</b>	<b>50,772</b>	48,575	48,575

The financial statements on page 34 to 61 were approved by the Governors, and authorised for issue on 14 December 2022 and are signed on their behalf by:



Vic Daniels

Chair of Governors Holland Park School

Company Limited by Guarantee

Registration Number: 8588099 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
<b>Net cash inflow from operating activities</b>			
Net cash provided by operating activities	A	292	1,385
<b>Cash flows from investing activities</b>			
	B	(32)	(788)
<b>Change in cash and cash equivalents in the year</b>		<u>260</u>	<u>597</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2021		4,162	3,565
Cash and cash equivalents at 31 August 2022	C	<u>4,422</u>	<u>4,162</u>
<b>A Reconciliation of net expenditure to net cash flow from operating activities</b>			
		2022 £'000	2021 £'000
<b>Net expenditure for the year (as per the statement of financial activities)</b>			
		(1,314)	(709)
<b>Adjusted for:</b>			
Depreciation charges (note 12)		1,398	1,397
Capital grants from DfE and other capital income		(44)	(28)
Interest receivable (note 3)		(2)	(1)
Defined benefit pension scheme cost less contributions payable (note 20)		598	338
Defined benefit pension scheme finance cost (note 20)		53	36
Increase in debtors		(65)	(50)
(Decrease)/increase in creditors		(332)	402
<b>Net cash provided by operating activities</b>		<u>292</u>	<u>1,385</u>
<b>B Cash flows from investing activities</b>			
		2022 £'000	2021 £'000
Dividends, interest and rents from investments		2	1
Purchase of tangible fixed assets		(78)	(817)
Capital grants from DfE/ESFA		44	28
<b>Net cash used in investing activities</b>		<u>(32)</u>	<u>(788)</u>
<b>C Analysis of cash and cash equivalents</b>			
		2022 £'000	2021 £'000
Cash at bank and in hand		4,422	4,162
<b>Total cash and cash equivalents</b>		<u>4,422</u>	<u>4,162</u>

**Consolidated statement of cash flows** Year to 31 August 2022

**D Analysis of changes in net debt**

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
<b>Total: cash</b>	<b>4,162</b>	<b>259</b>	<b>4,421</b>

## Principal accounting policies 31 August 2022

### **Statement of accounting policies**

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

### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holland Park School meets the definition of a public benefit entity under FRS 102.

### **Basis of consolidation**

The consolidated statement of financial activities and group balance sheets consolidate the financial statements of the company and those of its subsidiary made up at the balancesheet date. No separate statement of financial activities has been prepared for Holland Park School, as permitted by section 408 of the Companies Act 2006 and SORP 2019.

### **Going concern**

The Governors assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors have made this assessment and have concluded, given that the activities, assets and liabilities of the School will be transferred to another education provider on 1 January 2023 these financial statements should be prepared on a basis other than that of going concern. The preparation of the financial statements on a basis other than going concern has not led to any adjustments to the carrying value of assets or liabilities.

### **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.

**Income (continued)**

***Grants (continued)***

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. 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 in the period it is receivable and to the extent the academy trust has provided the goods or services.

**Expenditure**

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

***Expenditure on raising funds***

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

***Charitable activities***

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

All resources expended are stated net of recoverable VAT.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

## Principal accounting policies 31 August 2022

### Tangible fixed assets (continued)

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

◆ Long leasehold buildings	2% per annum
◆ Fixtures, fittings and equipment	10% per annum
◆ IT equipment	33% per annum
◆ Motor vehicles	20% per annum reducing balance

A full year's depreciation is charged in the year of acquisition. None is charged in the year of disposal.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

### Financial instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

**Financial instruments (continued)**

Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Taxation**

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

**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'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme, and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

**Pensions benefits** (continued)

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

The LGPS surplus is not carried on the balance sheet in accordance with the requirements of FRS 102. Accordingly, a corresponding adjustment against the actuarial gain has been made to bring the net LGPS position to £nil on the balance sheet.

**Fund accounting**

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

Designated funds represent resources that have been set aside by Governors for specific future purposes.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency. Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, the Royal Borough of Kensington and Chelsea.

**Critical accounting estimates and areas of judgement**

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

***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 useful economic lives of tangible fixed assets have been estimated in accordance with the policy.
- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2022. 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 accounting estimates and areas of judgement (continued)**

***Critical areas of judgement***

The only significant judgement made in the preparation of these financial statements that is considered to have had a significant impact on the amounts recognized is the treatment of the site occupied by the School. The lease for the site has not been finalised with the Royal Borough of Kensington and Chelsea as there are ongoing discussions regarding the condition of the building and the School occupies the site under a license to occupy. However the value of the land and buildings have been recognised within fixed assets as in substance the school has occupied the site on a long term basis and the intention is to resolve the lease in the future.

Notes to the consolidated financial statements 31 August 2022

**1 Donations and capital grants**

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	—	44	44	28
Other donations	15	—	15	4
	15	44	59	32

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	28	
Other donations	4	—	4
	4	28	32

**2 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Lettings income	—	—	—	82
Trip income	16	—	16	1
Miscellaneous income	30	—	30	105
HPS Trading Limited activity	52	—	52	47
	98	—	98	235

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Lettings income	82	—	82
Trip income	1	—	1
Miscellaneous income	105	—	105
HPS Trading Limited activity	47	—	47
	235	—	235

**3 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	<b>2022 Total funds £'000</b>	2021 Total funds £'000
Interest receivable	2	—	<b>2</b>	1
	<b>2</b>	<b>—</b>	<b>2</b>	<b>1</b>

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>Interest receivable</i>	1	—	1
	<b>1</b>	<b>—</b>	<b>1</b>

**4 Funding for academy's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	<b>2022 Total funds £'000</b>	2021 Total funds £'000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	—	9,766	<b>9,766</b>	9,737
Other DfE / ESFA	—	268	<b>268</b>	60
Pupil Premium	—	325	<b>325</b>	328
	<b>—</b>	<b>10,359</b>	<b>10,359</b>	<b>10,125</b>
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	—	—	<b>—</b>	107
Other DfE/ESFA COVID-19 funding	—	51	<b>51</b>	61
	<b>—</b>	<b>51</b>	<b>51</b>	<b>168</b>
<b>Other government grants</b>				
Local Authority grants	—	484	<b>484</b>	407
<b>2022 Total funds</b>	<b>—</b>	<b>10,894</b>	<b>10,894</b>	<b>10,700</b>

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 Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**4 Funding for academy's educational operations (continued)**

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>DfE / ESFA grants</i>			
General Annual Grant (GAG)	—	9,737	9,737
Other DfE / ESFA	—	60	60
Pupil Premium	—	328	328
	—	10,125	10,125
<i>COVID-19 additional funding (DfE/ESFA)</i>			
Catch-up premium	—	107	107
Other DfE/ESFA COVID-19 funding	—	61	61
	—	168	168
<i>Other government grants</i>			
Local Authority grants	—	407	407
<b>2021 Total funds</b>	<b>—</b>	<b>10,700</b>	<b>10,700</b>

**5 Expenditure**

	Staff costs £'000	Non pay expenditure		<b>2022 Total funds £'000</b>	2021 Total funds £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds:					
.. Direct costs	—	—	3	3	47
Charitable activities					
.. Academy's educational operations					
.. Direct costs	5,980	1,118	706	7,804	7,229
.. Allocated support costs	966	1,693	1,250	3,909	4,401
	6,946	2,811	1,959	11,716	11,677

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds:				
Direct costs		—	—	47
Charitable activities				
.. Academy's educational operations				
.. Direct costs	5,668	1,118	443	7,229
.. Allocated support costs	1,302	2,184	915	4,401
	6,970	3,302	1,405	11,677

**5 Expenditure (continued)**

	<b>2022</b>	2021
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£'000</b>	£'000
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	<b>21</b>	8
Depreciation	<b>1,398</b>	1,397
Fees payable to auditor		
. Audit		
.. Current year	<b>12</b>	11
.. Prior year	—	2
. Other services		
.. Current year	<b>8</b>	3
.. Prior year	—	7

**6 Charitable activities - academy's educational operations**

	<b>2022</b>	2021
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£'000</b>	£'000
Direct costs	<b>8,455</b>	7,229
Support costs	<b>3,909</b>	4,401
	<b>12,367</b>	11,630

	<b>2022</b>	2021
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£'000</b>	£'000
<b>Analysis of support costs</b>		
Support staff costs	<b>966</b>	1,302
Depreciation (note 12)	<b>280</b>	279
Technology costs	<b>238</b>	212
Premises costs	<b>1,413</b>	1,905
Legal costs	<b>215</b>	151
Other support costs	<b>495</b>	482
Governance costs	<b>302</b>	70
<b>Total support costs</b>	<b>3,909</b>	4,401

**7 Comparative information**

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

	Notes	Restricted Funds			2021 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000	
<i>Income from:</i>					
Donations and capital grants	1	4	—	28	32
<i>Charitable activities</i>					
Funding for the academy's educational operations	4	—	10,700	—	10,700
Other trading activities	2	235	—	—	235
Investments	3	1	—	—	1
<b>Total income</b>		<b>240</b>	<b>10,700</b>	<b>28</b>	<b>10,968</b>
<i>Expenditure on:</i>					
Raising funds	5	47	—	—	47
Academy's educational operations	6	—	10,233	1,397	11,630
<b>Total expenditure</b>	5	<b>47</b>	<b>10,233</b>	<b>1,397</b>	<b>11,677</b>
<i>Net income/(expenditure)</i>	5	193	467	(1,369)	(709)
Transfers between funds	15	(602)	(187)	789	—
Other recognised gains					
Actuarial (losses) gains on defined benefit pension scheme	20	—	(457)	—	(457)
<b>Net movement in funds</b>		<b>(409)</b>	<b>(177)</b>	<b>(580)</b>	<b>(1,166)</b>
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2020		1,288	(353)	48,806	49,741
<b>Total fund balances carried forward at 31 August 2021</b>		<b>879</b>	<b>(530)</b>	<b>48,226</b>	<b>48,575</b>

**8 Staff**

**(a) Staff costs**

Staff costs during the period were:

	<b>2022</b>	2021
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£'000</b>	£'000
Wages and salaries	<b>5,093</b>	5,002
Social security costs	<b>573</b>	545
Pension costs	<b>1,485</b>	1,154
	<b>7,151</b>	6,701
Supply staff costs	<b>413</b>	269
Staff restructuring costs	<b>60</b>	—
	<b>7,624</b>	6,970

**(b) Severance payments**

The academy trust made 3 severance payments in the year, disclosed in the following band:

	<b>2022</b>
	<b>No.</b>
£0 - £25,000	<b>2</b>
£25,001 - £50,000	<b>1</b>

**(c) Special staff severance payments**

During the year, non-contractual severance payments totaling £60,000 (2021 – £nil) were made to 3 members of staff (2021 – none).

**(d) Staff numbers**

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 was as follows:

	<b>2022</b>	2021
	<b>No.</b>	No.
<b>Charitable activities</b>		
Teachers	<b>82</b>	82
Administration and support	<b>26</b>	26
Management	<b>10</b>	10
	<b>118</b>	118

**8 Staff (continued)**

**(e) Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	2022 No.	2021 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	2	2
£80,001 - £90,000	2	3
£90,001 - £100,000	2	2
£110,001 - £120,000	1	—
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1
£180,001 - £190,000	1	—
£190,001 - £200,000	1	1
£280,001 - £290,000	—	1

During the year ended 31 August 2022 employer's pension contributions for these staff amounted to £134,244 (2021 – £141,585).

**(f) Key management personnel**

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £1,545,807 (2021 – £1,398,000)

**8 Governors' remuneration and expenses**

Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

	2022 £'000	2021 £'000
C Hall, Head and Governor		
· Remuneration	185 – 190	280 – 285
· Employer's pension contributions	—	—
D Chappell, Academy Head and Governor		
· Remuneration	190 – 195	190 – 195
· Employer's pension contributions	—	—

During the year ended 31 August 2022, no expenses were reimbursed to Governors (2021 - none). Other related party transactions involving the Governors are set out in note 22.

**9 Governors' and Officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m on any one claim and is included as part of a wider insurance package. The cost in relation to the Governors and officers is not separately identifiable.

**10 Commercial trading operations**

The charity has a wholly owned trading subsidiary, HPS Trading Limited which is incorporated in the UK. The company managed and operated lettings.

	2022 £'000	2021 £'000
Turnover	52	47
Costs of sales	(3)	(34)
Gross profit	49	13
Administration expenses	—	(6)
Operating profit	49	7
Distribution to Parent Company	—	(7)
Profit on ordinary activities before taxation	49	—
Tax	—	—
Profit on ordinary activities after taxation	49	—

The assets and liabilities of the trading subsidiary were:

	2022 £	2021 £
Current assets	49	7
Creditors: amounts falling due within one year	—	(7)
Total assets less current liabilities	49	—

**11 Tangible fixed assets**

<b>Group and Holland Park School</b>	<b>Leasehold land and buildings £'000</b>	<b>Furniture and equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total funds £'000</b>
<b>Cost/valuation</b>					
At 1 September 2021	56,063	1,637	1,473	41	<b>59,214</b>
Additions	-	3	75	-	<b>78</b>
At 31 August 2022	<b>56,063</b>	<b>1,640</b>	<b>1,548</b>	<b>41</b>	<b>59,292</b>
<b>Depreciation</b>					
At 1 September 2021	8,400	1,204	1,348	36	<b>10,988</b>
Charge in year	1,121	170	106	1	<b>1,398</b>
At 31 August 2022	<b>9,521</b>	<b>1,374</b>	<b>1,454</b>	<b>37</b>	<b>12,386</b>
<b>Net book value</b>					
At 31 August 2022	<b>46,542</b>	<b>266</b>	<b>94</b>	<b>4</b>	<b>46,906</b>
At 31 August 2021	<b>47,663</b>	<b>433</b>	<b>125</b>	<b>5</b>	<b>48,226</b>

The lease for the land and buildings has not yet been finalised. However, the School is occupying and using the land and buildings, and hence their value has been included above.

**12 Debtors**

	<b>Group 2022 £'000</b>	<b>Holland Park School 2022 £'000</b>	<b>Group 2021 £'000</b>	<b>Holland Park School 2021 £'000</b>
Trade debtors	18	9	64	64
VAT recoverable	208	208	82	82
Prepayments and accrued income	104	104	116	116
Other debtors	—	—	3	3
Amounts owed from HPS Trading Limited	—	—	—	7
	<b>330</b>	<b>321</b>	<b>265</b>	<b>272</b>

**13 Creditors: amounts falling due within one year**

	<b>Group 2022 £'000</b>	<b>Holland Park School 2022 £'000</b>	<b>Group 2021 £'000</b>	<b>Holland Park School 2022 £'000</b>
Trade creditors	230	230	367	367
Taxation and social security	141	141	149	149
Other creditors	3	3	32	32
Accruals and deferred income	463	463	621	621
	<b>837</b>	<b>837</b>	<b>1,169</b>	<b>1,169</b>
<b>Deferred income</b>				
Deferred income at 1 September 2021	—	—	110	110
Released during the year	—	—	(110)	(110)
Resources deferred in the year	16	16	—	—
Deferred income at 31 August 2022	<b>16</b>	<b>16</b>	<b>—</b>	<b>—</b>

**14 Funds**

Group	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,285	9,766	(9,093)	(34)	2,924
Pupil Premium	—	325	(325)	—	—
Catch-up premium	94	—	(94)	—	—
Other DfE/ESFA COVID-19 funding	—	51	(51)	—	—
Other grants	—	752	(752)	—	—
Pension reserve	(2,909)	—	(651)	3,560	—
	<u>(530)</u>	<u>10,894</u>	<u>(10,966)</u>	<u>3,526</u>	<u>2,924</u>
<b>Restricted fixed assets fund</b>					
Transfer on conversion	43,953	—	(1,274)	—	42,679
DfE/ESFA capital grants	210	44	(6)	—	248
Capital expenditure from GAG	4,063	—	(118)	34	3,979
	<u>48,226</u>	<u>44</u>	<u>(1,398)</u>	<u>34</u>	<u>46,906</u>
<b>Total restricted funds</b>	<u>47,696</u>	<u>10,938</u>	<u>(12,364)</u>	<u>—</u>	<u>49,830</u>
<b>Unrestricted funds</b>					
General funds	879	63	—	—	942
HPS Trading Limited	—	52	(3)	—	49
<b>Total unrestricted funds</b>	<u>879</u>	<u>115</u>	<u>(3)</u>	<u>—</u>	<u>991</u>
<b>Total funds</b>	<u>48,575</u>	<u>11,053</u>	<u>(12,367)</u>	<u>3,560</u>	<u>50,821</u>

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

***ESFA revenue grant fund and other restricted funds******General Annual Grant (GAG)***

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

***Catch-up premium***

The school was in receipt of catch-up funding to support students who missed learning caused by coronavirus. The school carried forward some of this funding, as permitted. The action plan for the use of these funds is available on the website.

***Fixed assets fund***

These grants relate to capital funding to carry out works of a capital nature. The transfer between funds related to the purchase of capital items using ESFA restricted or unrestricted general funds.

***Pension reserve***

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

14 Funds (continued)

**ESFA revenue grant fund and other restricted funds (continued)**

*Designated funds*

The designated funds were resources that the Governors set aside to meet the costs of work on the refurbishment of Thorpe Lodge, which was completed in the year.

**Comparative information**

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

<i>Group</i>	<i>Balance at 1 September 2020 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2021 £'000</i>
<i>Restricted general funds</i>					
<i>General Annual Grant (GAG)</i>	1,725	9,737	(8,990)	(187)	2,285
<i>Pupil Premium</i>	—	328	(328)	—	—
<i>Catch-up premium</i>	—	107	(13)	—	94
<i>Other DfE/ESFA COVID-19 funding</i>	—	61	(61)	—	—
<i>Other grants</i>	—	60	(60)	—	—
<i>Local Authority grants</i>	—	407	(407)	—	—
<i>Pension reserve</i>	(2,078)	—	(374)	(457)	(2,909)
	<u>(353)</u>	<u>10,700</u>	<u>(10,233)</u>	<u>(644)</u>	<u>(530)</u>
<i>Restricted fixed assets fund</i>					
<i>Transfer on conversion</i>	45,249	—	(1,296)	—	43,953
<i>DfE/ESFA capital grants</i>	187	28	(5)	—	210
<i>Capital expenditure from GAG</i>	3,370	—	(96)	789	4,063
	<u>48,806</u>	<u>28</u>	<u>(1,397)</u>	<u>789</u>	<u>48,226</u>
<i>Total restricted funds</i>	<u>48,453</u>	<u>10,728</u>	<u>(11,630)</u>	<u>145</u>	<u>47,696</u>
<i>Unrestricted funds</i>					
<i>General funds</i>	686	193	—	—	879
<i>HPS Trading Limited</i>	—	47	(47)	—	—
<i>Designated funds</i>	602	—	—	(602)	—
<i>Total unrestricted funds</i>	<u>1,288</u>	<u>240</u>	<u>(47)</u>	<u>(602)</u>	<u>879</u>
<i>Total funds</i>	<u>49,741</u>	<u>10,968</u>	<u>(11,677)</u>	<u>(457)</u>	<u>48,575</u>

14 Funds (continued)

**Comparative information (continued)**

<i>Holland Park School</i>	<i>Balance at 1 September 2020 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2021 £'000</i>
<i>Restricted general funds</i>					
<i>General Annual Grant (GAG)</i>	1,725	9,737	(8,990)	(187)	2,285
<i>Pupil Premium</i>	—	328	(328)	—	—
<i>Catch-up premium</i>	—	107	(13)	—	94
<i>Other DfE/ESFA COVID-19 funding</i>	—	61	(61)	—	—
<i>Other grants</i>	—	60	(60)	—	—
<i>Local Authority grants</i>	—	407	(407)	—	—
<i>Pension reserve</i>	(2,078)	—	(374)	(457)	(2,909)
	<u>(353)</u>	<u>10,700</u>	<u>(10,233)</u>	<u>(644)</u>	<u>(530)</u>
<i>Restricted fixed assets fund</i>					
<i>Transfer on conversion</i>	45,249	—	(1,296)	—	43,953
<i>DfE/ESFA capital grants</i>	187	28	(5)	—	210
<i>Capital expenditure from GAG</i>	3,370	—	(96)	789	4,063
	<u>48,806</u>	<u>28</u>	<u>(1,397)</u>	<u>789</u>	<u>48,226</u>
<i>Total restricted funds</i>	<u>48,453</u>	<u>10,728</u>	<u>(11,630)</u>	<u>145</u>	<u>47,696</u>
<i>Unrestricted funds</i>					
<i>General funds</i>	686	193	—	—	879
<i>Designated funds</i>	602	—	—	(602)	—
<i>Total unrestricted funds</i>	<u>1,288</u>	<u>193</u>	<u>—</u>	<u>(602)</u>	<u>879</u>
<i>Total funds</i>	<u>49,741</u>	<u>10,921</u>	<u>(11,630)</u>	<u>(457)</u>	<u>48,575</u>

15 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2022 £'000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	—	—	46,906	46,906
Current assets	942	3,810	—	4,752
Current liabilities	—	(837)	—	(837)
Pension scheme liability	—	—	—	—
<b>Total net assets</b>	<b>942</b>	<b>2,973</b>	<b>46,906</b>	<b>50,821</b>

Holland Park School	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2022 £'000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	—	—	46,906	46,906
Current assets	942	3,761	—	4,703
Current liabilities	—	(837)	—	(837)
Pension scheme liability	—	—	—	—
<b>Total net assets</b>	<b>942</b>	<b>2,924</b>	<b>46,906</b>	<b>50,772</b>

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2021 £'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	—	—	48,226	48,226
Current assets	879	3,548	—	4,427
Current liabilities	—	(1,169)	—	(1,169)
Pension scheme liability	—	(2,909)	—	(2,909)
<b>Total net assets</b>	<b>879</b>	<b>(530)</b>	<b>48,226</b>	<b>48,575</b>

Holland Park School	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2021 £'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	—	—	48,226	48,226
Current assets	879	3,548	—	4,427
Current liabilities	—	(1,169)	—	(1,169)
Pension scheme liability	—	(2,909)	—	(2,909)
<b>Total net assets</b>	<b>879</b>	<b>(530)</b>	<b>48,226</b>	<b>48,575</b>

**16 Commitments under operating leases**

***Operating leases***

At 31 August 2022, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

<b>Group and Holland Park School</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Amounts due within one year	16	16
Amounts due between one and five years	8	20
	<b>24</b>	<b>36</b>

**17 Members' liability**

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

**18 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 the Royal Borough of Kensington and Chelsea. Both are multi-employer defined benefit schemes.

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

No contributions were payable to the schemes at 31 August 2022 (2021 – no contributions payable at the year end and included within creditors).

***The Teachers' Pension Scheme***

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

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

## 18 Pension and similar obligations (continued)

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £667,000 (2021 – £632,000).

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

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

### ***Local Government Pension Scheme (LGPS)***

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £239,000 (2021 – £260,000), of which employer's contributions totalled £ 168,000 (2021 – £184,000) and employees' contributions totalled £71,000 (2021 – £76,000).

**18 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS) (continued)***

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

Principal Actuarial Assumptions	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.05%	3.85%
Rate of increase for pensions in payment / inflation	3.05%	2.85%
Discount rate for scheme liabilities	4.25%	1.70%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.4	21.6
Females	24.1	24.3
<i>Retiring in 20 years</i>		
Males	22.9	22.9
Females	26.1	25.7

	At 31 August 2022 £'000	At 31 August 2021 £'000
Discount rate +0.1%	132	627
Discount rate -0.1%	(132)	(681)
Mortality assumption – 1 year increase	146	681
Mortality assumption – 1 year decrease	(146)	(627)
Salary +0.1%	22	654
Salary -0.1%	(22)	(653)
Pension +0.1%	111	680
Pension -0.1%	(111)	(627)

**18 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

As the LGPS surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil by adjusting the actuarial gain. The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	3,802	3,910
Property	401	254
Cash and other liquid assets	800	23
Other	—	643
<b>Total market value of assets</b>	<b>5,003</b>	<b>4,830</b>
<b>Present value of scheme</b>		
Funded	(3,655)	(7,739)
<b>Surplus/(deficit) in the scheme</b>	<b>1,348</b>	<b>(2,909)</b>
<b>Recognised in the financial statements</b>	<b>—</b>	<b>(2,909)</b>

	2022 £'000	2021 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	430	338
Interest income	(83)	(67)
Net interest cost	136	100
Admin expenses	—	3
<b>Total amount recognised in the SOFA</b>	<b>483</b>	<b>374</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	2022 £'000	2021 £'000
At 1 September 2021	7,739	6,045
Current service cost	598	522
Interest cost	136	100
Employee contributions	71	76
Actuarial (gain)/loss recognized in financial statements	(3,560)	1,083
Actuarial (gain)/loss not recognized in financial statements	(1,240)	—
Benefits paid	(89)	(87)
<b>At 31 August 2022</b>	<b>3,655</b>	<b>7,739</b>

**18 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

Changes in the fair value of the Academy's share of scheme assets:	2022 £'000	2021 £'000
At 1 September 2021	4,830	3,967
Interest income	83	67
Actuarial (loss)/gain	(60)	626
Employer contributions	168	184
Employee contributions	71	76
Administration expenses	—	(3)
Benefits paid	(89)	(87)
<b>At 31 August 2022</b>	<b>5,003</b>	<b>4,830</b>

**19 Contingent liability**

The school, with the Royal Borough, has identified significant defects in the school building that will require considerable cost to rectify in future accounting periods. The school is working in collaboration with the Royal Borough to rectify these problems and actively seeking solutions. First, a continual ingress of water into the basement, which is causing flooding and potential irreparable damage to the swimming pool – this is compounded by concerns about the potential for unquantifiable structural damage within the basement; and second, concerns regarding the internal fire doors and their failure to meet safety standards. At the date of approval of these accounts, the school does not have a reliable estimate as to how much this will ultimately cost and it is also unclear at what point in time the work will be required.

The matter is further complicated by the lease status of the school and discussions are ongoing with a view to determining who bears responsibility for carrying out this work. As a result, no adjustments have been made to the financial statements to recognise this future cost however at present discussions have been paused pending resolution of the situation with regard to the potential transfer of the School into a multi-academy trust

**20 Related party transactions**

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The academy trust did not enter into any other related party transactions in the year (2021 – none).

**21 Post balance sheet event**

On 23 November 2022 the Notice to Improve (NI) from the Education and Skills Funding Agency which had been put in place on 2 November 2021 was removed. In addition the result from the judicial review regarding the transfer to another MAT was received on 9 December 2022 so that transfer will now proceed.

Registrar of Companies  
Companies House  
Crown Way  
Maindy  
Cardiff  
CF14 3UZ

17 April 2023

**Our ref H0350/CHB/GER**

Dear Registrar of Companies

**Holland Park School**

**Company registration number: 8588099**

We enclose, on behalf of our above named client, the report and accounts for the year ended 31 August 2022.

We enclose a copy of this letter for you to barcode and return to us in the reply paid envelope.

Yours faithfully

*Buzzacott LLP*

Enclosures