

## Holland Park School

### Consolidated Annual Report and Financial Statements

Year to 31 August 2021

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

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## 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 John Bercow (appointed 26 November 2020)  
Ms Catherine Blackler  
Mr Roy Blatchford (appointed 28 September 2021)  
Mr David Chappell (Accounting Officer)  
Ms Jane Farrell (Chair) (appointed 23 September 2021)  
Mr Yasser el Gabry  
Mr Steve Gough (appointed 14 November 2021)  
Mr Colin Hall (Head)  
Dr Vanessa Ogden (appointed 28 September 2021)  
Mr Adrian Percival (appointed 28 September 2021)  
Ms Teresa Tunnadine (appointed 28 September 2021)

*The following Governors also served during the year:*

Mrs Sally Bercow (term ended 3 December 2021)  
Miss Margaret Allen (resigned 30 September 2021)  
Ms Anne Marie Carrie (Chair) (resigned 15 September 2021)  
Professor Peter McCaffery (resigned 11 October 2021)  
Mrs Elizabeth Rutherford (resigned 1 October 2021)  
Dr Krish Soni (resigned 29 September 2021)  
Mr Michael Tory (resigned 29 September 2021)

### Clerk to the Governors

Mrs Lyn Stanton (to 31 August 2021)  
Mrs Jackie Saddington (interim from 1 September 2021 to 10 November 2021)  
Mr Stewart Harper (appointed 10 November 2021)

### Company Secretary

Wilsons Solicitors LLP

## Reference and administrative information

<b>Leadership Team</b>	2021/21
<b>Head</b>	Colin Hall
<b>Academy Head</b>	David Chappell (Accounting Officer)
<b>Associate Head</b>	Nicholas Robson
<b>Deputy Heads</b>	Ross Wilson Faye Mulholland Joseph Holloway Amanda Duggal
<b>Assistant Headteachers</b>	Simon Dobson (resigned 31 August 2021) Benjamin Arnold Louise Mabley (appointed 1 May 2021) 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
<b>Solicitors</b>	Wilsons Solicitors LLP Alexandra House St John Street Salisbury SP1 2SB  Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH

## **Governors' report** Year to 31 August 2021

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 2021. 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 36 to 41 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 1,396 (220 in the Sixth Form) on the census collection of Summer 2021.

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 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).

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

### **Governors' indemnities**

As stated in the Academy's Articles of Association (Clause 133): '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.'

The Academy Trust has an indemnity policy in place to cover the cost of any such claims upto a total of £5,000,000 in any one year.

### **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 were in office at 31 August 2021 and served throughout the period except where shown.

<b>Governor</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
Mr John Bercow	Appointed 26 October 2020	Parent elected
Mrs Sally Bercow		
Ms Catherine Blackler		
Ms Anne Marie Carrie*		
Mr David Chappell		
Mr Yasser el Gabry		
Mr Colin Hall		
Prof Peter McCaffery*		
Mrs Elizabeth Rutherford JP*		
Dr Krish Soni*		
Mr Michael Tory*		

\*These Governors have resigned since 31 August 2021. A list of Governors now serving is shown at the front of this document.

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

### **Notice to Improve**

As noted in the Governance Statement below, following the end of the financial year the Trust received a Notice to Improve (Ntl) from the Education and Skills Funding Agency (ESFA). Whilst the Governing Body are understandably disappointed to receive an Ntl, we are 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 main levels of governance, with new Members and Governors joining the Governing Body. We are in detailed communication with the ESFA 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 eight Governors.

In addition, there shall be a minimum of two parent Governors, elected by the parent body. The Head and Academy Head are, by virtue of the current Articles of Association, ex-officio members of the Governing Body

The Governing Body may co-opt additional Governors as necessary.

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:

- ◆ Parent Governors who cease to be Governors when they are no longer a parent of a student at the Academy Trust or four years, whichever is the shorter; and
- ◆ Staff Governors who will only hold office for so long as they continue to be employed as a member of staff.

The Governing Body is in a period of transition, and a substantive review of the effectiveness of governance is being undertaken, which started before (but is connected to the circumstances behind) the receipt of a Notice to Improve from the ESFA (see below). The Review will include *inter alia* a review of the Articles of Association, the development of a new committee structure, the development of a new Scheme of Delegation, and the development of processes and procedures which enhance governance practice.

A skills audit has been put in place, since the year end, 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. observe staff and students at work.

## **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 senior staff appointments. The full Governing Body meets a minimum of four times per year.

In 2020/21, the Academy Trust operated with the following committees of the Governing Body:

- ◆ Remuneration;
- ◆ Personnel; and
- ◆ Resources & Audit.

For 2021/22 the Governing Body has established three committees:

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

In 2020/21, Governors fulfilled their audit function and responsibilities through the work of the Resources and Audit Committee, and this will be carried through to 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 Hacker Young 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 2020/21 there were also a number of panels which are convened as necessary, including:

- ◆ Staff discipline appeals;
- ◆ Student discipline;
- ◆ Staff performance appeals.

In 2021/22 a similar approach is likely to be adopted.



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

### **Organisational structure (continued)**

The overall scheme of financial delegation and the finance policies incorporate the Academies Trust Handbook 2021. These policies were reviewed previously by the Resources & Audit Committee for approval by the full Governing Body. The Finance and Resources Committee is now reviewing these more substantially.

Day to day management of the Academy is delegated to the Head and the Academy Head.

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

The Governing Body recognises the importance of a consistent and recognised pay and conditions framework and is committed to abiding by or bettering those national terms and conditions for teachers. In addition, the Governing Body acknowledges that it should recognise national guidance and local agreements on pay scales for all staff and will be mindful of any national developments in support staff conditions of service. It also takes account of the school budget and the overall staffing structure of the school. The Academy's Pay Policy provides detailed guidance. All pay decisions are based on outcomes from annual performance reviews and considered in accordance with the school's Performance Management Policy. Performance targets were previously set by the Remuneration Committee for executive employees paid above £100,000. Since September 2019, these salaries have been fixed and safeguarded (from April 2021) for a period of three years in accordance with STP&C entitlements.

### **Trade union facility time**

During the period 2020/21 no employees acted as union officials and therefore no time was allocated as facility time.

### **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, sports and fitness coaching, science activities, visits and trips, as well as contributing towards the cost of the free breakfast provision for students. Additionally, the school provides regular use of its facilities to community user groups, amounting to some 800 users per week, including weekends. During the taught day, once a week, a local primary school use the school's swimming pool without charge. Many of these activities were unfortunately suspended during restrictions related to Covid and school closure.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

Holland Park School is a highly successful and over-subscribed comprehensive school in the heart of west central London. It is recognised as "an outstanding school" by Ofsted (2011, 2014), recorded as one of the country's highest performing schools and praised in the Good Schools Guide.

## OBJECTIVES AND ACTIVITIES (continued)

### Objects and aims (continued)

The school is committed to exacting high standards, to formality and to demanding creative excellence from its staff and students. It is a driven institution where students' success lies at the core of all planning. It seeks to be ambitious and to be bold for students' futures. Seeing people's potential and making detailed plans for its realisation is at the centre of its approach.

Career planning for staff and students is intentionally diverse and personalised, building on capacity and believing that aspiration is for all. Very little at Holland Park School happens by chance or accident: this is a planned, well-articulated institution which relishes its responsibility for driving forwards fast and is passionate about equality of opportunity and its secularity.

### 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

In 2021, 75% of students achieved grades 5 to 9 GCSEs, in both English and Mathematics. In 2020, 71% of students achieved 5 or more grades 5 to 9 GCSEs, including English and Mathematics. The national average in 2019 was 43%.

In 2020 and 2021 **Progress 8 scores** were not calculated for schools. This was due to the replacement of examinations with teacher-assessed grades. In 2019 (the last national publication) this score placed the school in the top 10% nationally and placed the school in the DfE's *well above average* (highest) category. In 2019 our Progress 8 score was 0.54.

In 2021 our **Attainment 8 score** was 61.28 points. The England average in 2019 was 46.7 points. In 2019 our Attainment 8 score was 61.3 points.

#### KS4 Exam Results GCSE 2021

YEAR 11	2019	National 2019	2021
% 5-9 including Maths and English Language	66.0	43	75
EBacc points score	5.86	4.07	6.02
% 4-9 English	92.5	75	97
% 5-9 English	85.8	70	92
% 4-9 Maths	92.0	75	91
% 5-9 Maths	68.1	49	76

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Results** (continued)

**KS5 Exam Results A2 2021**

	2015	2016	2017	2018	2019	2020	2021	National 2021
Pass rate (%)	99.6	98.8	98.2	99.1	96.4	100	100	99.5
A-C (%)	93.0	92.2	90.2	93.3	79.3	98	95.5	88.5
A-B (%)	72.6	77.3	73.3	80.0	61.3	96	83.9	70.3
A-A* (%)	39.6	53.1	45.6	46.7	35.7	55	60.0	44.8
A* (%)	11.7	18.8	17.5	15.1	11.8	19	28.7	19.1

**University Destinations 2021**

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

	2020 number of students	2020 % of total	2021 number of students	2021 % of total
Students with places at Russell Group Universities	62	58%	57	53%
Students with places at universities that are not Russell Group	21	20%	29	27%
Total number of students placed	84	80%	86	80%
Total number of students not placed (inc. gap years)	23	20%	21	20%

**Ofsted**

The Ofsted inspection in 2014 considered Holland Park School to be **outstanding** in all categories. A monitoring visit undertaken in January 2020, without notice and under section 8 of the Education Act 2005 to consider safeguarding matters concluded that safeguarding was effective.

**Key financial performance indicators**

The key financial performance indicators currently used by the Academy are:

- ◆ setting a balanced budget against delegated funds, without the need for recourse to the school's substantial reserves;

## **STRATEGIC REPORT** (continued)

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

#### **Key financial performance indicators** (continued)

- ◆ 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;
- ◆ extending the use of the school's facilities by local users and documentary/film makersto generate additional income to the trading subsidiary;
- ◆ completing, under budget, refurbishment and development work to Thorpe Lodge (July 2021) – this asset will enable future income for the school through hire;
- ◆ a clear reserves policy;
- ◆ having a detailed financial risk register, monitored termly by the Finance and Resources Committee;
- ◆ oversubscription of the Sixth Form to achieve its published capacity of 230; and
- ◆ having an agreed financial plan for the next three years that places no requirement on the school's reserves.

The newly constituted Finance and Resources Committee will review these indicators during the course of the year and may recommend revised KPIs to the Governing Body

#### **Covid-19**

The school provided virtual lessons to all students throughout the periods of school closure. These were primarily live lessons in which the students could participate and interact. All students were provided with appropriate IT facilities (utilising the government grant and school's budget) where these were absent in the family home or to avoid sharing, and to ensure that students were not reliant on the use of a mobile phone to access our Google learning platform. The Covid Catch-up premium allocation (£93,720) has been carried forward into the 2021-2022 academic year and will be utilised to close any gaps, created by enforced closure, as specified in our published funding plan.

#### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future; in particular for a period of not less than one year from the date of approval of these financial statements. It continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the principal accounting policies.

The continued provision of education is dependent on the ongoing funding by the Education and Skills Funding Agency (ESFA) of the Department for Education of which there is reasonable expectation of it continuing for the foreseeable future.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***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 £10,968,000 (2020 – £10,417,000).

Total expenditure for the Group in the year including depreciation of £1,397,000 (2020 - £1,357,000) was £11,677,000 (2020 - £11,227,000). Included within total expenditure is £6,970,000 (2020: £6,809,000) of staff costs.

Taking into account the actuarial loss of £457,000 (2020 – loss of £107,000) on the revaluation of the Local Government Pension Scheme deficit, the net movement in funds for the year ended 31 August 2021 was a decrease of £1,166,000 (2020 – decrease of £703,000).

The operational surplus for the year excluding fixed asset purchases was £1,034,000 (2020 – operational surplus of £852,000). 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 2021 were £48,575,000 (2020: £49,471,000).

In the year to 31 August 2020, this included a designation of £602,000 of General funds in respect of anticipated capital work on the Thorpe Lodge. The Thorpe Lodge project was completed in the year to 31 August 2021 and the funds fully utilised.

The steps taken by the school to comply with government guidance during the nationwide lockdown from January 2021 and for the subsequent reopening in April 2021 led to additional expenditure in 2020/21. The additional cost was funded from in-year budgeted contingency funds. The Covid Catch-up premium received in this period has been carried forward into the coming financial year.

Part of this expenditure was on IT equipment (laptops, Chromebooks and peripherals) and technical implementation services which enabled more than 110 teaching and support staff to continue to work remotely and provide 'live' lessons for students. In addition, we ensured that all students had access to a computer or tablet and were not reliant on sharing with a sibling or accessing lessons on a mobile phone. This further investment in additional equipment following the first national lockdown in March 2020, enabled an enhanced delivery of the full curriculum to all students.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Financial review** (continued)

*Financial report for the period (continued)*

There was also expenditure on continuing to ensure that the school building and its grounds remained Covid-19 compliant in preparation for the return of students in April 2021. This involved redeployment of signage, hand sanitisation stations and enhanced sanitisation services. The school also invested in additional groundworks and CCTV monitoring facilities to accommodate year-group bubbles. Both the groundworks and the CCTV projects were part of an existing multi-year Premises Plan which were brought forward to take advantage of site access during lockdown.

The school has undertaken a review of its Risk Register and Reserves Policy in light of the continued financial impact of Covid-19. It is confident that it has sufficient financial resources to continue to deliver balanced budgets in future years.

The school lost approximately 50% of its anticipated income from hire and letting agreements. There was no requirement on the school to make any unplanned expenditure on its reserves during this period. In the 2021/2022 academic year there are no significant key factors that are likely to affect the Academy's financial performance or position.

The results for the Group for the period are shown on page 33.

*Reserves policy*

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

Following the delayed (due to Covid) completion of Thorpe Lodge the school will undertake in 2021/2022 a complete review of its IT infrastructure and hardware systems with a view to updating provision within all classrooms and offices. Subject to Governing Body approval this will include new interactive teaching boards and a cloud-based Google platform.

The school's reserves policy ensures 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 deficit on the Local Government Pension Scheme that is provided for support staff to a specific restricted reserve. As at 31 August 2021 the deficit on this reserve amounted to £2,909,000 (2020 – £2,078,000). 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 termly during the previous year by the Resources & Audit Committee and annually by the Governing Body as part of the overall risk register, although the processes for managing risk are currently under review. This year particular consideration was given to the economic impact of Covid-19 on existing risks and identifying Covid-19 specific risks. Into the 2021/2022 academic year, existing risks are largely unaffected by Covid-19.

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

- ◆ a significant drop in funding resulting from unexpected change in the National Funding Formula;
- ◆ significant costs arising from existing building defects;
- ◆ a drop in funding in 2022/2023 arising from a falling school roll given the current and sustained negative media attention on the school;
- ◆ 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;
- ◆ loss of the Sixth Form due to reduction in funding for small sixth forms;
- ◆ future repayment requirements arising from the Local Government Pension Scheme (LGPS) deficit; and
- ◆ potential reduction of school generated income from lettings, donations and investments because of Covid impact on the wider economy.

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 undertaken work to resolve issues with the school's façade and fire barriers at their own expense. Additionally, the Royal Borough have proposed a financial settlement agreement that the Governing Body are considering. If agreed, this will 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. Finalising the settlement agreement, scheduled for early 2022, will coincide with the 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" - Charity Commission 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:

#### **The Quality of Education**

- ◆ Refine teachers' responses to reading age data and embed the promotion of reading in lessons across all subject teams and beyond lessons, in order that the gaps created by school disruption are closed.
- ◆ Further increase the opportunities for focus on the development of subject knowledge in subject meetings, to enhance achievement of the most able students even further.
- ◆ Embed subject specific 'principles of pedagogy' as part of staff CPD, to refine expertise and make staff development increasingly subject specific.
- ◆ Strengthen the effectiveness of 'revisiting learning' so that it consistently promotes fluency and support students' recall of past content to respond to gaps in long-term learning, as a result of the pandemic.
- ◆ In response to COVID-19, reinforce the quality and challenge of independent study, particularly in the Sixth Form, to promote greater independence and personal organisation.
- ◆ In response to COVID-19, evaluate the effectiveness of adaptations made to the curriculum in subject meetings, in response to the pandemic and respond as necessary to ensure that the curriculum remains accessible to all and is considerate of students' different starting points.

#### **Behaviour and Attitudes**

- ◆ Further improve attendance and punctuality rates of all year groups. Deploy the Student Support Team, the Resilience Coordinator and the Registrar's Team to work intensively with targeted students.



**PLANS FOR FUTURE PERIODS (continued)**

**Behaviour and Attitudes (continued)**

- ◆ Extend further the provision for students in developing resilience and mental well-being.
- ◆ Refine students' self-regulation in relation to punctuality.

**Personal Development**

- ◆ Extend collaboration with different stakeholders in working towards strengthening our offering in relation to the Gatsby Benchmarks.
- ◆ Post Covid-19, reinvigorate the school's extra-curricular provision.
- ◆ Post Covid-19, use CPD to support teachers in addressing key strands of students' personal development through the curriculum (resilience, confidence, personal organisation, oracy and literacy, independent thought).
- ◆ Post Covid-19, further prioritise mental health and self-confidence in PSHCE and further promote the work of our Resilience Coordinator.
- ◆ Increase the scope of the Student Leadership Team's responsibility and impact, particularly in relation to promoting student voice.

**Leadership and Management**

- ◆ Monitor the impact of strategies implemented in relation to staff welfare and well-being, through surveys and response to such.
- ◆ Monitor the effective implementation and impact of the ECT programme in school.
- ◆ Reengage the wider community and draw on external speakers and resources as we build back a programme of extracurricular towards pre-pandemic levels.
- ◆ Embed opportunities and strategies to facilitate collaborative planning and the prioritisation of subject knowledge as part of CPD.
- ◆ Students with SEND make improved progress as a result of teachers better understanding of learning needs.

**The Quality of the Sixth Form**

- ◆ Develop the careers guidance and experience programme available to Sixth Form students so that all students select appropriate yet ambitious pathways.
- ◆ Work alongside teachers of A level to refine their subject knowledge to achieve greater consistency of A level teaching.

**PLANS FOR FUTURE PERIODS** (continued)

**The Quality of the Sixth Form** (continued)

- ◆ Improve the programme of independent study, enhancing the activities on offer and resources available, so that students can take ownership of their own study and boost their performance.

**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 Governors on and signed on their behalf by:



Chair of Governors

Date: 23 December 2021

## **Governance statement Year to 31 August 2021**

### **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 Academy Head, 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 Academy Head 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 governance and leadership in the school. Whilst it was acknowledged that many of these complaints were historic and had previously been reviewed by the ESFA, primarily in 2019, a learning review by The Local Safeguarding Children Partnership (LSCP) has commenced (late 2021). A three-month timescale is expected for the review and an independent person has been appointed to lead the process. If additional issues come to light during the review, these will be investigated in accordance with statutory guidance. In addition, the Governing Body have commissioned their own, independent, investigation into the complaints.

A number of changes to governance have taken place since September 2021 to strengthen this 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 in Governors are recorded on page 3. In addition, the Academy's Articles of Association are in the process of being updated.

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 2021

### **Governance** (continued)

Attendance at Governing Body meetings during the year 2020/21 was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms Anne Marie Carrie (Chair)	4	4
Mrs Elizabeth Rutherford JP	4	4
Miss Margaret Allen	4	4
Ms Catherine Blackler	4	4
Mr John Bercow	3	3
Mrs Sally Bercow	4	4
Mr David Chappell	4	4
Mr Yasser el Gabry	4	4
Mr Colin Hall	4	4
Professor Peter McCaffery	3	4
Dr Krish Soni	4	4
Mr Michael Tory	4	4

Attendance at Committee meetings in the year was as follows:

#### **Resources and Audit Committee**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ms Catherine Blackler	4	4
Mr David Chappell	4	4
Mr Yasser el Gabry	4	4
Dr Krish Soni (Chair)	4	4

#### **Personnel Committee**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Miss Margaret Allen	3	3
Mr Colin Hall	3	3
Professor Peter McCaffery	3	3
Mrs Elizabeth Rutherford JP (Chair)	3	3

#### **Remuneration Committee**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Elizabeth Rutherford JP	1	1
Dr Krish Soni	1	1
Mr Michael Tory (Chair)	1	1

## **Governance statement Year to 31 August 2021**

### **Review of value for Money**

As Accounting Officer, the Academy Head 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:

- ◆ retendering the cleaning contract, to achieve a reduction in cost, fixed for the next three years;
- ◆ awarding a new print management contract, reducing the cost by over 50% for a period of three years;
- ◆ completing the refurbishment of Thorpe Lodge £32,000 under budget – this facility will provide additional teaching, administration and exhibition space;
- ◆ deletion of an assistant headteacher post following the resignation of the post holder and absorption of these responsibilities by the remaining leadership team members;
- ◆ restructuring the duties of, and extending the number of, Leading Practitioners to enhance the quality of teaching and to support the line management of teaching colleagues;
- ◆ carrying the Covid Catch-up funding into 2021/2022 to enable additional payment to teachers to provide an additional learning period across all subjects each week to targeted students;
- ◆ utilising the newly established Trading Company to manage additional income generated through lettings, short term film contracts and hire income;
- ◆ investment in mobile IT resources and the Google platform to deliver lessons remotely during closure or periods of Covid related absence, will benefit on-going provision in future years; and
- ◆ a weekly in-house professional development programme, over a period of 37 weeks for 70 teachers.

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.

## **Governance statement Year to 31 August 2021**

### **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 2021 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 2021 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 Resources and Audit Committee (as was, now the Finance and Resources Committee) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ the feedback from the internal auditor visits (twice annually);
- ◆ 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 in the financial year. This function replaces the work undertaken previously by Buzzacott LLP.

## Governance statement Year to 31 August 2021

### The risk and control framework (continued)

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. 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 is now required to comply with the conditions set by the ESFA. The Governing Body has agreed an action plan to ensure that the timescale required to meet these conditions is met in full.

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).

### Review of effectiveness

As Accounting Officer, the Academy Head 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 2020/21, 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 23 December 2021 and signed on their behalf by:



Chair of Governors



Accounting Officer

## **Statement of regularity, propriety and compliance 31 August 2021**

### **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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

Other than 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.



Accounting Officer

Date: 23 December 2021



## Statement of Governors' responsibilities 31 August 2021

### 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 2020 to 2021;
- ◆ 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 23 December 2021 and signed on their behalf by:



Chair of Governors

## **Independent auditor's report on the financial statements 31 August 2021**

### **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 2021 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 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2021, 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 2019 and Academies Accounts Direction 2020 to 2021.

#### **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.

#### **Conclusions relating to going concern**

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

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

## **Independent auditor's report on the financial statements 31 August 2021**

### **Conclusions relating to going concern (continued)**

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

### **Other information**

The Governors 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 Governors' 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 Governors' 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 Governors' report including the strategic report.

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

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or

## **Independent auditor's report on the financial statements 31 August 2021**

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

- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the group's and 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 Governors 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 partner 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;

## **Independent auditor's report on the financial statements 31 August 2021**

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

- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ 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 Governors' meetings and the subsidiary company directors' meetings and papers provided to the Governors and directors.
- ◆ 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 authorisation 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.

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 Governors' meetings and subsidiary company directors' meetings;

## Independent auditor's report on the financial statements 31 August 2021

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

- ◆ 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 Governors 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.

*Buzzacott LLP*

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

Date: 23 December 2021

## **Independent reporting accountant's assurance report on regularity 31 August 2021**

### **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 27 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holland Park School during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 accountant**

The Accounting Officer is responsible, under the requirements of Holland Park School's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

## **Independent reporting accountant's assurance report on regularity 31 August 2021**

### **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 page 23 which led the ESFA to issue a Notice to Improve, 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 the year from

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

*Buzzacott LLP*

Buzzacott LLP Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 23 December 2021



**Consolidated statement of financial activities** Year to 31 August 2021  
(including income and expenditure account)

	Notes	Restricted Funds			2021 Total funds £'000	2020 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000		
<b>Income from:</b>						
Donations and capital grants	1	4	—	28	32	92
Charitable activities						
Funding for the academy's educational operations	4	—	10,700	—	10,700	10,235
Other trading activities	2	235	—	—	235	78
Investments	3	1	—	—	1	12
<b>Total income</b>		<b>240</b>	<b>10,700</b>	<b>28</b>	<b>10,968</b>	<b>10,417</b>
<b>Expenditure on:</b>						
Raising funds	5	47	—	—	47	—
Academy's educational operations	6	—	10,233	1,397	11,630	11,227
<b>Total expenditure</b>	5	<b>47</b>	<b>10,233</b>	<b>1,397</b>	<b>11,677</b>	<b>11,227</b>
Net (expenditure) income	5	193	467	(1,369)	(709)	(810)
<b>Transfers between funds</b>	15	(602)	(187)	789	—	—
<b>Other recognised gains</b>						
Actuarial (losses) gains on defined benefit pension scheme	20	—	(457)	—	(457)	107
<b>Net movement in funds</b>		<b>(409)</b>	<b>(177)</b>	<b>(580)</b>	<b>(1,166)</b>	<b>(703)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2020		1,288	(353)	48,806	49,741	50,444
<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>	<b>49,741</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 2021

	Notes	2021		2020	
		Group £'000	Holland Park School £'000	Group £'000	Holland Park School £'000
<b>Fixed assets</b>					
Tangible fixed assets	12	48,226	48,226	48,806	48,806
<b>Current assets</b>					
Debtors	13	265	272	215	257
Cash at bank and in hand		4,162	4,155	3,565	3,523
		4,427	4,427	3,780	3,780
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(1,169)	(1,169)	(767)	(767)
<b>Net current assets</b>		3,258	3,258	3,013	3,013
<b>Net assets excluding pension scheme liability</b>		51,484	51,484	51,819	51,819
Pension scheme liability		(2,909)	(2,909)	(2,078)	(2,078)
<b>Total net assets</b>		48,575	48,575	49,741	49,741
<b>Funds of the Academy</b>					
Restricted funds					
Fixed assets fund		48,226	48,226	48,806	48,806
Restricted income funds		2,379	2,379	1,725	1,725
Pension reserve		(2,909)	(2,909)	(2,078)	(2,078)
<b>Total restricted funds</b>	15	47,696	47,696	48,453	48,453
<b>Unrestricted income funds</b>					
General fund		879	879	686	686
Designated fund		—	—	602	602
<b>Total funds</b>	15	48,575	48,575	49,741	49,741

The financial statements on page 33 to 61 were approved by the Governors, and authorised for issue on 23 December 2021 and are signed on their behalf by:



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 2021

		2021 £'000	2020 £'000
<b>Net cash inflow from operating activities</b>			
Net cash provided by operating activities	A	1,385	405
<b>Cash flows from investing activities</b>			
	B	(788)	(1,439)
<b>Change in cash and cash equivalents in the year</b>		<b>597</b>	<b>(1,034)</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2020		3,565	4,599
<b>Cash and cash equivalents at 31 August 2021</b>	<b>C</b>	<b>4,162</b>	<b>3,565</b>
<b>A Reconciliation of net expenditure to net cash flow from operating activities</b>			
		2021 £'000	2020 £'000
<b>Net expenditure for the year (as per the statement of financial activities)</b>			
		(709)	(810)
<b>Adjusted for:</b>			
Depreciation charges (note 12)		1,397	1,357
Capital grants from DfE and other capital income		(28)	(29)
Interest receivable (note 3)		(1)	(12)
Defined benefit pension scheme cost less contributions payable (note 21)		338	299
Defined benefit pension scheme finance cost (note 21)		36	35
(Increase) decrease in debtors		(50)	150
Increase (decrease) in creditors		402	(585)
<b>Net cash provided by operating activities</b>		<b>1,385</b>	<b>405</b>
<b>B Cash flows from investing activities</b>			
		2021 £'000	2020 £'000
Dividends, interest and rents from investments		1	12
Purchase of tangible fixed assets		(817)	(1,480)
Capital grants from DfE/ESFA		28	29
<b>Net cash used in investing activities</b>		<b>(788)</b>	<b>(1,439)</b>
<b>C Analysis of cash and cash equivalents</b>			
		2021 £'000	2020 £'000
Cash at bank and in hand		4,162	3,565
<b>Total cash and cash equivalents</b>		<b>4,162</b>	<b>3,565</b>
<b>D Analysis of changes in net debt</b>			
	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
<b>Total: cash</b>	<b>3,565</b>	<b>597</b>	<b>4,162</b>

**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 2020 to 2021 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 balance sheet 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 make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**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.

**Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable, and it can be measured reliably.

**Donations**

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

**Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

**Donated goods, facilities and services**

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

**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 (continued)**

***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.

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.

## Principal accounting policies 31 August 2021

### **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. 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.

## **Principal accounting policies 31 August 2021**

### **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.

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

### **Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- ◆ The Academy Trust has estimated the impact of the Covid-19 pandemic on the future income and expenditure flows of the charity and on its short to medium term financial stability in assessing going concern.

***Critical areas of judgement***

There have been no judgements made in the preparation of these financial statements that are considered to have had a significant impact on the amounts recognised.

Notes to the consolidated financial statements 31 August 2021

**1 Donations and capital grants**

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Capital grants	—	28	28	29
Other donations	4	—	4	63
	4	28	32	92

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Capital grants	—	29	29
Other donations	63	—	63
	63	29	92

**2 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Lettings income	82	—	82	39
Trip income	1	—	1	27
Miscellaneous income	105	—	105	12
HPS Trading Limited activity	47	—	47	—
	235	—	235	78

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Lettings income	39	—	39
Trip income	—	27	27
Miscellaneous income	12	—	12
	51	27	78

**3 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Interest receivable	1	—	1	12
	1	—	1	12

  

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Interest receivable	12	—	12
	12	—	12

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

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	—	9,737	9,737	9,510
Other DfE / ESFA	—	60	60	52
Pupil Premium	—	328	328	335
Teaching School Grants	—	—	—	1
	—	10,125	10,125	9,898
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	—	107	107	—
Other DfE/ESFA COVID-19 funding	—	61	61	—
	—	168	168	—
<b>Other government grants</b>				
Local Authority grants	—	407	407	337
<b>2021 Total funds</b>	—	10,700	10,700	10,235

The trust received £107,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £13,000, with the remaining £94,000 to be spent in 2021/22.

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.

**Notes to the consolidated financial statements 31 August 2021**

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

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	9,510	9,510
. Other DfE / ESFA	—	52	52
. Pupil Premium		335	335
. Teaching School Grants	—	1	1
	<u>—</u>	<u>9,898</u>	<u>9,898</u>
<i>Other government grants</i>			
. Local Authority grants	—	337	337
<b>2020 Total funds</b>	<u>—</u>	<u>10,235</u>	<u>10,235</u>

# Notes to the consolidated financial statements 31 August 2021

## 5 Expenditure

	Non pay expenditure			2021 Total funds £'000	2020 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Expenditure on raising funds:					
.. Direct costs	—	—	47	47	—
Charitable activities					
.. Academy's educational operations					
.. Direct costs	5,668	1,118	443	7,229	7,191
.. Allocated support costs	1,302	2,184	915	4,401	4,036
	6,970	3,302	1,405	11,677	11,227

	Non pay expenditure			2020 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000	
Charitable activities				
.. Academy's educational operations				
.. Direct costs	5,528	1,086	577	7,191
.. Allocated support costs	1,281	2,014	741	4,036
	6,809	3,100	1,318	11,227

	2021 Total funds £'000	2020 Total funds £'000
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	8	93
Depreciation	1,397	1,357
Fees payable to auditor		
.. Audit		
.. Current year	11	10
.. Prior year	2	—
.. Other services		
.. Current year	3	14
.. Prior year	7	—

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

	<b>2021 Total funds £'000</b>	<b>2020 Total funds £'000</b>
Direct costs	<b>7,229</b>	7,191
Support costs	<b>4,401</b>	4,036
	<b>11,630</b>	11,227
	<b>2021 Total funds £'000</b>	<b>2020 Total funds £'000</b>
<b>Analysis of support costs</b>		
Support staff costs	<b>1,302</b>	1,281
Depreciation (note 12)	<b>279</b>	271
Technology costs	<b>212</b>	221
Premises costs	<b>1,905</b>	1,743
Legal costs	<b>151</b>	45
Other support costs	<b>482</b>	439
Governance costs	<b>70</b>	36
<b>Total support costs</b>	<b>4,401</b>	4,036

## Notes to the consolidated financial statements 31 August 2021

### 7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

		Unrestricted	Restricted funds		2020
	Notes	general fund £'000	General funds £'000	Fixed assets fund £'000	Total funds £'000
<b>Income from:</b>					
Donations and capital grants	1	63	—	29	92
Charitable activities					
· Funding for the academy's educational operations	4	—	10,235	—	10,235
Other trading activities	2	51	27	—	78
Investments	3	12	—	—	12
<b>Total income</b>		<b>126</b>	<b>10,262</b>	<b>29</b>	<b>10,417</b>
<b>Expenditure on:</b>					
Academy's educational operations	6	39	9,831	1,357	11,227
Teaching School	23	—	—	—	—
<b>Total expenditure</b>	5	<b>39</b>	<b>9,831</b>	<b>1,357</b>	<b>11,227</b>
<b>Net (expenditure) income</b>	5	<b>87</b>	<b>431</b>	<b>(1,328)</b>	<b>(810)</b>
<b>Transfers between funds</b>	16	<b>(791)</b>	<b>(339)</b>	<b>1,130</b>	<b>—</b>
<b>Other recognised gains</b>					
Actuarial gains on defined benefit pensionscheme	21	—	107	—	107
<b>Net movement in funds</b>		<b>(704)</b>	<b>199</b>	<b>(198)</b>	<b>(703)</b>
<b>Reconciliation of funds</b>					
Total fund balances brought forward at 1 September 2019		1,992	(552)	49,004	50,444
<b>Total fund balances carried forward at 31 August 2020</b>		<b>1,288</b>	<b>(353)</b>	<b>48,806</b>	<b>49,741</b>

## 8 Staff

### (a) Staff costs

Staff costs during the period were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	5,002	4,934
Social security costs	545	555
Pension costs	1,154	1,084
	6,701	6,573
Supply staff costs	269	236
	6,970	6,809

### (b) Staff severance payments

There were no non-statutory/non-contractual severance payments in the year to 31 August 2021 (2020 – £nil).

### (c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2021 expressed as full-time equivalents was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	82	79
Administration and support	26	27
Management	10	10
	118	116

### (d) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	2	1
£80,001 - £90,000	3	3
£90,001 - £100,000	2	2
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1
£190,001 - £200,000	1	1
£280,001 - £290,000	1	1

During the year ended 31 August 2021 employer's pension contributions for these staff amounted to £141,585 (2020 - £161,606).



**8 Staff (continued)**

**(e) Key management personnel**

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 4. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £1,398,000 (2020 - £1,134,000)

**9 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:

	2021 £'000	2020 £'000
C Hall, Head and Governor		
Remuneration	280 – 285	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 2021, no expenses were reimbursed to Governors (2020 - none). Other related party transactions involving the Governors are set out in note 22.

**10 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.

**11 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.

	2021 £'000	2020 £'000
Turnover	47	39
Costs of sales	(34)	(3)
Gross profit	13	36
Administration expenses	(6)	—
Operating profit	7	36
Distribution to Parent Company	(7)	(36)
Profit on ordinary activities before taxation	—	—
Tax	—	—
Profit on ordinary activities after taxation	—	—

# 11 Commercial trading operations (continued)

The assets and liabilities of the trading subsidiary were:

	2021 £	2020 £
Current assets	7	42
Creditors: amounts falling due within one year	(7)	(42)
Total assets less current liabilities	—	—

HPS Trading Limited was dormant until it became active on 1 September 2019.

# 12 Tangible fixed assets

Group and Holland Park School	Assets under construction £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
<b>Cost/valuation</b>						
At 1 September 2020	2,935	52,502	1,568	1,351	41	58,397
Additions	626	—	69	122	—	817
Transfers	(3,561)	3,561	—	—	—	—
At 31 August 2021	—	56,063	1,637	1,473	41	59,214
<b>Depreciation</b>						
At 1 September 2020	—	7,350	1,040	1,167	34	9,591
Charge in year	—	1,050	164	181	2	1,397
At 31 August 2021	—	8,400	1,204	1,348	36	10,988
<b>Net book value</b>						
At 31 August 2021	—	47,663	433	125	5	48,226
At 31 August 2020	2,935	45,152	528	184	7	48,806

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.

# 13 Debtors

	Group 2021 £'000	Holland Park School 2021 £'000	Group 2020 £'000	Holland Park School 2020 £'000
Trade debtors	64	64	1	1
VAT recoverable	82	82	104	104
Prepayments and accrued income	116	116	110	110
Other debtors	3	3	—	—
Amounts owed from HPS Trading Limited	—	7	—	42
	265	272	215	257

# Notes to the consolidated financial statements 31 August 2021

## 14 Creditors: amounts falling due within one year

	Group 2021 £'000	Holland Park School 2021 £'000	Group 2020 £'000	Holland Park School 2020 £'000
Trade creditors	367	367	92	92
Taxation and social security	149	149	150	150
Other creditors	32	32	—	—
Accruals and deferred income	621	621	525	525
	<b>1,169</b>	<b>1,169</b>	<b>767</b>	<b>767</b>
<b>Deferred income</b>				
Deferred income at 1 September 2020	110	110	100	100
Released during the year	(110)	(110)	(100)	(100)
Resources deferred in the year	—	—	110	110
Deferred income at 31 August 2021	—	—	110	110

## 15 Funds

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

# Notes to the consolidated financial statements 31 August 2021

## 15 Funds (continued)

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

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 2021.

#### *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.

## 15 Funds (continued)

### *Pension reserve*

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

### *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:

<b>Group</b>	<i>Balance at 1 September 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2020 £'000</i>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,002	9,510	(8,448)	(339)	1,725
Pupil Premium	—	335	(335)	—	—
Other grants	59	80	(139)	—	—
Local Authority grants	238	337	(575)	—	—
Pension reserve	(1,851)	—	(334)	107	(2,078)
	<u>(552)</u>	<u>10,262</u>	<u>(9,831)</u>	<u>(232)</u>	<u>(353)</u>
<b>Restricted fixed assets fund</b>					
Transfer on conversion	46,538	—	(1,289)	—	45,249
DfE/ESFA capital grants	162	29	(4)	—	187
Capital expenditure from GAG	2,304	—	(64)	1,130	3,370
	<u>49,004</u>	<u>29</u>	<u>(1,357)</u>	<u>1,130</u>	<u>48,806</u>
<b>Total restricted funds</b>	<u>48,452</u>	<u>10,291</u>	<u>(11,188)</u>	<u>898</u>	<u>48,453</u>
<b>Unrestricted funds</b>					
General funds	599	87	—	—	686
HPS Trading Limited	—	39	(39)	—	—
Designated funds	1,393	—	—	(791)	602
<b>Total unrestricted funds</b>	<u>1,992</u>	<u>126</u>	<u>(39)</u>	<u>(791)</u>	<u>1,288</u>
<b>Total funds</b>	<u>50,444</u>	<u>10,417</u>	<u>(11,227)</u>	<u>107</u>	<u>49,741</u>

Notes to the consolidated financial statements 31 August 2021

15 Funds (continued)

Comparative information (continued)

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Holland Park School</b>					
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,002	9,510	(8,448)	(339)	1,725
Pupil Premium	—	335	(335)	—	—
Other grants	59	80	(139)	—	—
Local Authority grants	238	337	(575)	—	—
Pension reserve	(1,851)	—	(334)	107	(2,078)
	(552)	10,262	(9,831)	(232)	(353)
<b>Restricted fixed assets fund</b>					
Transfer on conversion	46,538	—	(1,289)	—	45,249
DfE/ESFA capital grants	162	29	(4)	—	187
Capital expenditure from GAG	2,304	—	(64)	1,130	3,370
	49,004	29	(1,357)	1,130	48,806
<b>Total restricted funds</b>	<b>48,452</b>	<b>10,291</b>	<b>(11,188)</b>	<b>898</b>	<b>48,453</b>
<b>Unrestricted funds</b>					
General funds	599	87	—	—	686
Designated funds	1,393	—	—	(791)	602
<b>Total unrestricted funds</b>	<b>1,992</b>	<b>87</b>	<b>—</b>	<b>(791)</b>	<b>1,288</b>
<b>Total funds</b>	<b>50,444</b>	<b>10,378</b>	<b>(11,188)</b>	<b>107</b>	<b>49,741</b>

# Notes to the consolidated financial statements 31 August 2021

## 16 Analysis of net assets between funds

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>

Group	Designated fund £'000	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2020 £'000
<b>Fund balances at 31 August 2020 are represented by:</b>					
Tangible fixed assets	—	—	—	48,806	48,806
Current assets	602	686	2,492	—	3,780
Current liabilities	—	—	(767)	—	(767)
Pension scheme liability	—	—	(2,078)	—	(2,078)
<b>Total net assets</b>	<b>602</b>	<b>686</b>	<b>(353)</b>	<b>48,806</b>	<b>49,471</b>

Holland Park School	Designated fund £'000	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2020 £'000
<b>Fund balances at 31 August 2020 are represented by:</b>					
Tangible fixed assets	—	—	—	48,806	48,806
Current assets	602	686	2,492	—	3,780
Current liabilities	—	—	(767)	—	(767)
Pension scheme liability	—	—	(2,078)	—	(2,078)
<b>Total net assets</b>	<b>602</b>	<b>686</b>	<b>(353)</b>	<b>48,806</b>	<b>49,471</b>

## 17 Capital commitments

	2021 £'000	2020 £'000
<b>Group and Holland Park School</b>		
Contracted for, but not provided in the financial statements	—	602

The capital commitment included above at 31 August 2020 represents amounts to be used to complete the redevelopment of Thorpe Lodge.

## 18 Commitments under operating leases

### *Operating leases*

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

	2021 £'000	2020 £'000
<b>Group and Holland Park School</b>		
Amounts due within one year	16	23
Amounts due between one and five years	20	—
	<b>36</b>	<b>23</b>

## 19 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.

## 20 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 2021 (2020 – 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.



## 20 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 £632,000 (2020 - £602,000).

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 2021 was £260,000 (2020 - £258,000), of which employer's contributions totalled £184,000 (2020 - £183,000) and employees' contributions totalled £76,000 (2020 - £75,000).

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.

**20 Pension and similar obligations (continued)*****Local Government Pension Scheme (LGPS) (continued)***

	At 31 August 2021	At 31 August 2020
<b>Principal Actuarial Assumptions</b>		
Rate of increase in salaries	3.85%	3.20%
Rate of increase for pensions in payment / inflation	2.85%	2.20%
Discount rate for scheme liabilities	1.70%	1.65%

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 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.7	25.9

	At 31 August 2021 £'000	At 31 August 2020 £'000
Discount rate +0.1%	627	486
Discount rate -0.1%	(681)	(524)
Mortality assumption – 1 year increase	681	523
Mortality assumption – 1 year decrease	(627)	(488)
Salary +0.1%	654	505
Salary -0.1%	(653)	(505)
Pension +0.1%	680	524
Pension -0.1%	(627)	(487)

## 20 Pension and similar obligations (continued)

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

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	3,910	3,043
Property	254	199
Cash and other liquid assets	23	23
Other	643	702
<b>Total market value of assets</b>	<b>4,830</b>	<b>3,967</b>
<b>Present value of scheme</b>		
Funded	(7,739)	(6,045)
<b>Deficit in the scheme</b>	<b>(2,909)</b>	<b>(2,078)</b>
	2021 £'000	2020 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	338	299
Interest income	(67)	(66)
Net interest cost	100	99
Admin expenses	3	2
<b>Total amount recognised in the SOFA</b>	<b>374</b>	<b>334</b>
	2021 £'000	2020 £'000
<b>Changes in the present value of defined benefit obligations were as follows:</b>		
At 1 September 2020	6,045	5,182
Current service cost	522	482
Interest cost	100	99
Employee contributions	76	75
Actuarial loss (gain)	1,083	210
Benefits paid	(87)	(3)
<b>At 31 August 2021</b>	<b>7,739</b>	<b>6,045</b>

## 20 Pension and similar obligations (continued)

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

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September 2020	3,967	3,331
Interest income	67	66
Actuarial gain	626	317
Employer contributions	184	183
Employee contributions	76	75
Administration expenses	(3)	(2)
Benefits paid	(87)	(3)
<b>At 31 August 2021</b>	<b>4,830</b>	<b>3,967</b>

## 21 Contingent liability

The school and the Royal Borough have been in prolonged dialogue about significant defects identified in the school building. To rectify these will require considerable cost in future accounting periods. The Governors and the Royal Borough have agreed to a financial settlement agreement to enable the school to implement required solutions. First, to address a continual ingress of water into the basement, which is causing damage to the swimming pool, permanent pumps will be installed; and second, the failure of the internal fire doors to meet required safety standards, will be resolved with complete replacement. This agreement also includes the academy entering into a 125-year lease, thereby replacing the current tenancy at will. Throughout these discussions, the DfE and the ESFA have been involved in dialogue between the school and the Royal Borough.

## 22 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 Holland Park School Trust (charity registration number 1108984) was formed to support the Academy by funding initiatives which improve behaviour in and out of school and increase the performance and opportunities of the students. During the year, Anne Marie Carrie and Michael Tory, who were Governors of the Academy (resigning after the year end), were also trustees of the Holland Park School Trust. During the year, the Academy received no donations from the Holland Park School Trust (2020 - £62,652). In the year to 31 August 2020, this funded a range of extra-curricular activities (including the Breakfast Club and Fitness 300 Club) that the Academy would have otherwise been unable to run.

The academy trust did not enter into any other related party transactions in the year (2020 – none).

**23 Post balance sheet event**

As noted in our Governance statement, following the year end, the Academy Trust received a Notice to Improve (Ntl) from the Education and Skills Funding Agency. It detailed a number of requirements that the Academy Trust is now working to meet. It was felt that an important way to move forward was to refresh memberships of the main two levels of Trust governance, being the Academy Trust's Members, and the Governors. Accordingly, a number of changes to both of these groups has been made and will support the Academy Trust going forwards. These changes are detailed on page 3. There has been no amendment to the amounts presented in these financial statements as a result of this post balance sheet event.