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Holyhead School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number
07698296 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR



Holyhead School
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2018

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Reference and Administrative Details

Members

Michael Jameson - Resigned 31/08/2018
Dominic Bradley Appointed 01/09/2018
Samantha Hulson
Peter Slough

Trustees

Ross Trafford – Principal
Nasar Ahmed - Governor
Andrew Blundell - Governor
Andrew Bowen – Staff Governor
Dominic Bradley – Governor – Resigned 31/08/2018
Dominic Bradley – Chair of Governors - Appointed
01/09/2018
Lucy Butler – Governor – Appointed 06/12/2017 Resigned
20/03/2018
Sukhdeep Briaah – Staff Governor
Samantha Hulson – Governor
Michael Jameson – Chair of Governors – Resigned
31/08/2018
Sandra Jones – Parent Governor – Resigned 31/08/2018
Sandra Jones – Staff Governor 01/09/2018
Seema Seema – Parent Governor – Appointed 23/01/2018
Sophie Llewelin – Governor - Resigned 02/11/2017
Ian Simms – Governor
Peter Slough – Governor
Cllr Sybil Spence – Governor – Resigned 21/11/2018
Isabel Churcher – Governor

Company secretary

Harinder Sidhu – Appointed 01/09/2017

Senior management team

- Principal
- Senior Vice principal
- Vice principal
- Vice principal
- Vice principal
- Vice principal
- Vice principal
- Associate Vice principal
- Associate Vice principal
- Associate Vice principal
- Associate Vice principal
- Associate Vice principal

Ross Trafford
Samirah Roberts
Neil Glasspool
Shammin Blake
Adrian Mclean
Tracey Wharton
Dave Knox
Andrew Bowen
Sadash Banger
Jennifer Campbell
Kelli Robinson – appointed 01/01/2018
Harinder Sidhu – Appointed 01/09/2017

Company name

Holyhead School

Principal and registered office

Milestone Lane
Holyhead Road
Handsworth
Birmingham B21 0HN

Company registration number

07698296

Holyhead School
(A Company Limited by Guarantee)

Independent auditor

Feltons
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Bankers

Royal Bank of Scotland
Stephenson Way
Wavertree
Liverpool L13 1HE

Solicitors

Stone King
13 Queen Square
Bath BA1 2HJ

**Holyhead School
(A Company Limited by Guarantee)**

Trustees' report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Handsworth Birmingham. It has a pupil capacity of 1300 and had a roll of 1316 in the school census on Autumn 2018.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Holyhead School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Holyhead School.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a Community Governor is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust.

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Trustees' report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body has a service level agreement with Birmingham City Council – School and Governor Support to provide training, advice and support to the Governing Body.

Newly elected Governors attend induction training for new trustees, and in addition select specific training provided by Governor support in accordance with their needs.

One of the Staff Governors is appointed as link trustee for training, attends relevant training opportunities and disseminates information to trustees following such training.

The Vice Principal is the leader for Professional Development in school, and she ensures that the Governing Body are provided with opportunities to receive training in accordance with their role, and the school's training plan. The Principal /Senior Vice Principal discuss Governor Training as a standing item at the Finance and General Purposes Committee.

Organisational structure

The Governing Body has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and General Purposes Committee
- Human Resources Committee
- Quality and Standards Committee

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

Terms of Reference and Schemes of Delegation are described in the Governors Committee Booklet

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Academy's key management personnel are reviewed by the HR and Finance and General Purposes Committees and approved by the Full Governing Body. THE Academy follows the pay arrangement for maintained schools in England and Wales for Teachers and Associate staff. The Academy's pay policy is based on the national agreed pay scale outlined in the School Teachers Pay and Conditions Document. The Academy adheres to Local Government pay arrangements for Associate staff and follows the National Joint Council pay spine.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017 is as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
0	0

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Trustees' report (continued)

Trade union facility time (continued)

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£4299.36
Total pay bill	£4299.36
Facility time as percentage of total pay bill	100%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
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Related parties and other Connected Charities and Organisations

Holyhead is one of 600 member schools of the Partners in Excellence (PiXL) Club - this school improvement network focused on raising outcomes and meeting the needs of learners through the sharing of good practice.

Holyhead is heavily involved in Initial Teacher Training (ITT) through a number of partners including the Titan SCITT, Worcester, Wolverhampton, Warwick, Newman and Birmingham Universities, Birmingham City University, Perry Beeches and Ninestiles taking trainees from each institution annually. Holyhead is an active participant in all three teacher training and development organisations Teach First and Teaching Leaders with participants on all three programmes currently employed in the school.

We currently run two courses - NPQSL and NPQML in conjunction with the Alliance of Leading Learners providing further professional development for aspiring middle and senior leaders. We also host a national Governor Development Programme.

Holyhead is a member of the Princes Teaching Institute and the Principal is a member of the PTI's Schools Leadership Programme. The school has achieved the PTI's Leadership Mark and currently the Mathematics, Science, Art, MFL, History and English departments are benefitting from attending subject seminars. In addition, Newly Qualified Teachers benefit from subject specific training sessions.

Holyhead was awarded Full International School status by the British Council in September 2015. We are also a National Teaching School.

Objectives and activities

Objects and aims

The strategic goal of Holyhead School is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

Objectives, strategies and activities

The main objectives for the year are:

- Improve the achievement of Black Caribbean boys;
- Further develop our quality of Student Support;
- Re-focus the teaching and learning strategy and curriculum to include a particular emphasis on literacy.

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Trustees' report (continued)

The strategies adopted for achieving these objectives are:

- Improve data tracking, provide positive role models and improve early intervention;
- Improve our provision for students struggling to access the curriculum;
- Revise our current strategy and re-launch with staff and Governors.

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Inclusion in 3 SSIF bids with Birmingham Education Partnership;
- Increasing our School to School support activity;
- Re-designation as a National Teaching School.

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Holyhead School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

Data releases from the Department for Education place the GCSE (or equivalent) Progress 8 score at 0.33 and our A levels Value Added Score at 0. This means students are meeting attainment targets and exceeding them in many subjects at the end of Key Stage Four. We have an average Attainment 8 Score per student of 44.40. All targets for the last academic year were met.

Key Performance Indicators

The school received a no notice Inspection of behaviour and student attitudes in December 2017. Following this inspection, Her Majesty's Inspectorate confirmed that leaders and managers were continuing to maintain the high standards set out during the last inspection. There was no challenges to the school's 'Outstanding' Ofsted status.

We are continuing to be oversubscribed with 320 applications made for an intake of 210 places in September 2018. There are no spaces for in-year admissions and we have reached our PAN in every year group.

Pupil attendance is at 96% which is in line with National Average.

Over time, the school continues to achieve Progress 8 data equivalent to the top 25% of national performance and despite changes to how the +16 data is reported, we continue to add value during our 16-19 programmes which are fully recruited to.

Our Self-Evaluation form continues to categorise the achievement of students at the school as outstanding.

53% of students achieved Grade 4 or above in GCSE English and Mathematics.

34% of students achieved the same measure at Grade 5 or above.

Both results were improvements upon the previous year.

- Direct costs as a percentage of total costs were 72.5% (2017 : 70.1%)
- Support costs as a percentage of total costs were 27.5% (2017 : 29.9%)
- Total payroll costs as a percentage of recurring income were 82.9% (2017 : 77.04%)

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Trustees' report (continued)

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The financial results of Holyhead School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2018 total resources expended were £9,336,000 and the deficit of income over expenditure was £473,000 which included depreciation of £511,000.

Reserves Policy

The Governing Body continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2018 of £12,984,000 which included £629,000 restricted funds not available for general purposes of the academy trust, £nil of free reserves defined as unrestricted funds available for general purposes and £14,886,000 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £629,000.

In addition, the deficit on the restricted pension fund of £2,531,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The Governing Body regularly review the level of reserves and aim to maintain them at a minimum of 1 months of expenditure. Budgeted expenditure for 2018/19 is £8.6m.

Investment Policy

Any surplus funds are invested with held in a deposit account.

Principal Risks and Uncertainties

The Governing Body have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

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Trustees' report (continued)

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Fundraising

Holyhead carries out a limited amount of fundraising, mindful of its community within which it operates. All funds raised are for a number of registered charities. These funds are raised through sponsorship and donations; there is no obligation for any child/parent to donate. All funds/donations collected are given to the relevant charity in a timely manner.

In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

Plans for Future Periods

The school continues to consider building a Multi-Academy Trust but needs to ensure it has the leadership capacity and financial sustainability to ensure a smooth transition that poses no risk to Holyhead as the lead school.

The school is also considering how to expand its vocational offer in order to offer a broader and more diverse curriculum. In order to sustain the funding linked to our pupil numbers between 16-19, we are continually reviewing both the curriculum and entry requirements in order to ensure it remains financially viable.

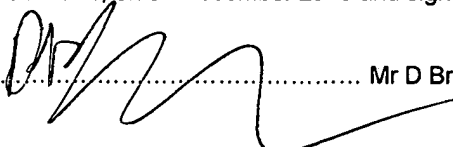
We are also looking to protect and improve our fixed assets through a programme of CIF bids, careful management of our Asset plans and future proofing the site by updating/modernising facilities that are no longer fit for purpose.

Auditor

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5th December 2018 and signed on the board's behalf by:

 Mr D Bradley - Chair of Governors

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Governance statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Governing Body and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ross Trafford – Principal	4	4
Nasar Ahmed - Governor	4	4
Andrew Blundell - Governor	2	4
Andrew Bowen – Staff Governor	4	4
Dominic Bradley – Governor – Resigned 31/08/2018	2	4
Lucilla Butler – Governor – Appointed 06/12/2017 Resigned 20/03/2018	0	1
Sukhdeep Briaah – Staff Governor	4	4
Samantha Hulson – Governor	1	4
Michael Jameson – Chair of Governors – Resigned 31/08/2018	4	4
Sandra Jones – Parent Governor – Resigned 31/08/2018	3	4
Seema Seema – Parent Governor – Appointed 23/01/2018	2	2
Sophie Llewellyn – Governor - Resigned 02/11/2017	0	1
Ian Simms – Governor	3	4
Peter Slough – Governor	2	4
Cllr Sybil Spence – Governor	2	4
Isabel Churcher – Governor	4	4

A review of governance was undertaken during the year which found that Governors met the standards and expectations set out in the Governance Competency Framework. The annual skills audit revealed a meaningful understanding of data analysis. A bespoke programme of Governor training has included Data training.

The trust intends to conduct its next self-evaluation/external review in July 2019.

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Governance statement (continued)

The **Finance and General Purposes Committee** is a sub-committee of the main Governing Body. Its purpose is to be responsible for the preparation and approval of the Annual Budget. It will establish formal procedures and timetable for planning the budget and will require the Principal / Vice Principal to produce estimates expenditure and income sufficiently in advance of each financial year, even if the details of the school's funding have not been finalised, so it can determine priorities in accordance with the School Improvement Plan. It is the responsibility of the Committee, in preparing the Draft Annual Budget, to work within the indicative budget, for the forthcoming year and for it to indicate clearly any use that it is proposing to make of contingency reserves, so that where appropriate, the Governing Body is fully informed of the final decision.

Trustee	Meetings attended	Out of a possible
Ross Trafford – Principal	3	3
Andrew Blundell - Governor	3	3
Sukhdeep Briah – Staff Governor	1	3
Samantha Hulson – Governor	0	3
Michael Jameson – Chair of Governors – Resigned 31/08/2018	3	3
Sandra Jones – Parent Governor – Resigned 31/08/2018	2	3

Review of value for money

As accounting officer, the Principal 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 each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reducing the number of full time staff
- Reducing leadership costs
- Reviewing all services and contracts

The Purpose of the System of Internal Control

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

Governance statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided to appoint the services of Feltons to undertake the external financial governance reviews.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On a termly/quarterly basis, the School Business Manager reports to the Full Governing Body, through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.


Governance statement (continued)

Review of Effectiveness

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

- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the Governing Body on 5th December 2018 and signed on its behalf by:



Mr D Bradley
Chair of the Governing Body



Mr R Trafford
Accounting Officer

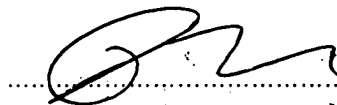
Holyhead School
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Statement of regularity, propriety and compliance

As accounting officer of Holyhead School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr R Trafford – Accounting Officer

5th December 2018

**Holyhead School
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Statement of Trustees' Responsibilities

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

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

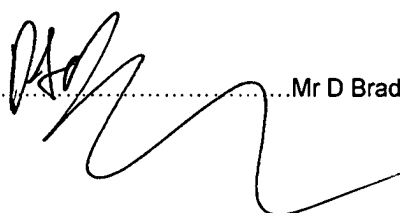
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 5th December 2018 and signed on its behalf by:


.....Mr D Bradley – Chair of the Governing Body

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

Opinion

We have audited the financial statements of Holyhead School (A Company Limited by Guarantee) for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its 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 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

(continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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

(continued)

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 14), the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

Holyhead School
(A Company Limited by Guarantee)

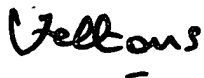
Independent Auditor's Report on the Financial Statements to the Members of Holyhead School

(continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

10 December 2018

Holyhead School
(A Company Limited by Guarantee)

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

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

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

Respective responsibilities of Holyhead School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Holyhead School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Holyhead School
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Holyhead School and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

10 December 2018

Holyhead School
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2018
(including income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted pension fund £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2017/18 £'000	Total 2016/17 £'000
Income from :							
Donations and capital grants	2	-	-	-	363	363	42
Funding for the academy trust's educational operations	3	323	-	8,173	-	8,496	8,603
Teaching schools		-	-	-	-	-	303
Investments	5	4	-	-	-	4	4
Total		327	-	8,173	363	8,863	8,952
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6	327	278	8,220	511	9,336	9,142
Teaching schools		-	-	-	-	-	260
Total		327	278	8,220	511	9,336	9,402
Net income/(expenditure) before transfers		-	(278)	(47)	(148)	(473)	(450)
Transfers between funds	14	-	-	(180)	180	-	-
Net income/(expenditure) after transfers		-	(278)	(227)	32	(473)	(450)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	702	-	-	702	208
Net movement in funds		-	424	(227)	32	229	(242)
Reconciliation of funds							
Total funds brought forward	14	-	(2,955)	856	14,854	12,755	12,997
Total funds carried forward		-	(2,531)	629	14,886	12,984	12,755

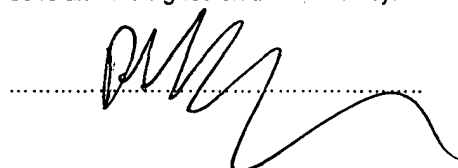
All of the Academy's activities derive from continuing operations during the above two financial periods.

Holyhead School
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Company number : 07698296
Balance sheet as at 31 August 2018

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		14,886		14,854
Current assets					
Debtors	12	130		96	
Cash at bank and in hand		<u>1,054</u>		<u>1,233</u>	
		1,184		1,329	
Liabilities					
Creditors: amounts falling due within one year	13	<u>555</u>		<u>473</u>	
Net current assets			629		856
Net assets excluding pension liability			<u>15,515</u>		<u>15,710</u>
Defined benefit pension scheme liability	22		(2,531)		(2,955)
Total net assets			<u><u>12,984</u></u>		<u><u>12,755</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	14,886		14,854	
General fund	14	629		856	
Pension reserve	14	<u>(2,531)</u>		<u>(2,955)</u>	
Total restricted funds			12,984		12,755
Unrestricted income funds	14		-		-
Total funds			<u><u>12,984</u></u>		<u><u>12,755</u></u>

The financial statements on pages 21 to 44 were approved by the trustees, and authorised for issue on 5 December 2018 and are signed on their behalf by:



Mr D Bradley - Chair of Trustees

Holyhead School
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	(3)	253
Cash flows from investing activities	19	(176)	(92)
Change in cash and cash equivalents in the reporting period		<hr/> (179)	<hr/> 161
Cash and cash equivalents at 1 September 2017		1,233	1,072
Cash and cash equivalents at 31 August 2018	20	<hr/> 1,054	<hr/> 1,233

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018

1. 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Holyhead School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Plant and machinery	- 4% straight line
Computer hardware	- 10% to 33% straight line

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

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

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 by 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.

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

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Financial instruments (continued)

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.

Taxation

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

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

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

Fund accounting

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

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

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

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust has paid 100% of its allocation as disbursements to students. The funds received and paid and any balances held are disclosed in note 24.

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

2. General annual grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2018.

3. Donations and capital grants

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	Total 2017/18 £'000	Total 2016/17 £'000
Capital grants	-	-	363	363	42
	-	-	363	363	42
2017 total	-	-	42	42	

4. Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	Total 2017/18 £'000	Total 2016/17 £'000
DfE/ESFA grants					
General Annual Grant (GAG)	-	7,570	-	7,570	7,691
Other DfE Group grants	-	583	-	583	611
	-	8,153	-	8,153	8,302
Other government grants					
Local authority grants	-	18	-	18	19
Other government funding	-	2	-	2	-
	-	20	-	20	19
Other income from the academy trust's educational operations					
	323	-	-	323	282
	323	20	-	343	301
	323	8,173	-	8,496	8,603
2017 total	282	8,321	-	8,603	

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

5. Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017/18 £'000	Total 2016/17 £'000
Short term deposits	4	-	4	4
2017 total	4	-	4	

6. Expenditure

	Staff costs £'000	Non pay expenditure Premises Other £'000 £'000		Total 2017/18 £'000	Total 2016/17 £'000
Academy's educational operations					
Direct costs	5,838	302	632	6,772	6,586
Allocated support costs	1,224	918	422	2,564	2,556
Teaching school	-	-	-	-	260
	<u>7,062</u>	<u>1,220</u>	<u>1,054</u>	<u>9,336</u>	<u>9,402</u>
2017 total	6,897	1,011	1,494	9,402	

Net income/(expenditure) for the period includes :

		2017/18 £'000	2016/17 £'000
Operating leases	- plant and machinery	51	221
Depreciation		511	519
Fees payable to auditor	- audit	7	7
	- other services	<u>2</u>	<u>2</u>

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

7. Charitable activities

	Unrestricted funds £'000	Restricted pension fund £'000	Other restricted funds £'000	Total 2017/18 £'000	Total 2016/17 £'000
Educational operations					
Direct costs	144	-	6,628	6,772	6,586
Support costs	183	278	2,103	2,564	2,556
	<u>327</u>	<u>278</u>	<u>8,731</u>	<u>9,336</u>	<u>9,142</u>
2017 total	<u>286</u>	<u>230</u>	<u>8,626</u>	<u>9,142</u>	
Analysis of support costs					
Support staff costs	59	278	887	1,224	1,229
Depreciation	-	-	209	209	198
Technology costs	-	-	15	15	23
Premises costs	34	-	692	726	696
Other support costs	90	-	289	379	401
Governance costs	-	-	11	11	9
Total support costs	<u>183</u>	<u>278</u>	<u>2,103</u>	<u>2,564</u>	<u>2,556</u>
2017 total	<u>237</u>	<u>230</u>	<u>2,089</u>	<u>2,556</u>	

8. Staff

a) Staff costs

Staff costs during the period were:

	Total 2017/18 £'000	Total 2016/17 £'000
Wages and salaries	5,192	5,150
Social security costs	482	482
Pension costs	<u>1,140</u>	<u>1,061</u>
	6,814	6,693
Agency staff costs	190	180
Staff restructuring costs	47	24
	<u>7,051</u>	<u>6,897</u>

Holyhead School
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Notes to the financial statements for the year ended 31 August 2018 (continued)

8. Staff (continued)

	Total 2017/18 £'000	Total 2016/17 £'000
a) Staff costs (continued)		
Staff restructuring costs comprise :		
Redundancy payments	25	-
Severance payments	22	24
	<u>47</u>	<u>24</u>

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21,525 (2017: £24,000). Individually, the payments was £21,525 made on 28 August 2018.

c) Staff numbers

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

	2017/18 Number	2016/17 Number
Teachers	87	91
Administration and support	64	60
Management	12	11
	<u>163</u>	<u>162</u>

d) Higher paid staff

	2017/18 Number	2016/17 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,052,761 (2017: £1,012,629).

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Mr R Trafford (staff trustee, appointed 01/01/17)	
Remuneration	£100,000 - £105,000 (2017 : £65,000 - £70,000)
Employer's pension contributions paid	£15,000 - £20,000 (2017 : £10,000 - £15,000)
Mr A Bowen (staff trustee)	
Remuneration	£50,000 - £55,000 (2017 : £45,000 - £50,000)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £5,000 - £10,000)
Mr Sukhdeep Bria (staff trustee)	
Remuneration	£45,000 - £50,000 (2017 : £45,000 - £50,000)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £5,000 - £10,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 : £nil) were reimbursed or paid directly to nil (2017 : nil) trustees.

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2018 was £300 (2017 : £286). The cost of this insurance is included in the total insurance cost.

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Notes to the financial statements for the year ended 31 August 2018 (continued)

11. Tangible fixed assets

	Freehold land and buildings £'000	Fittings and equipment £'000	Plant and machinery £'000	Computer hardware £'000	Total £'000
Cost or valuation					
At 1 September 2017	15,897	595	282	960	17,734
Additions	392	94	-	57	543
At 31 August 2018	<u>16,289</u>	<u>689</u>	<u>282</u>	<u>1,017</u>	<u>18,277</u>
Depreciation					
At 1 September 2017	1,605	348	57	870	2,880
Charge for the year	328	118	4	61	511
At 31 August 2018	<u>1,933</u>	<u>466</u>	<u>61</u>	<u>931</u>	<u>3,391</u>
Net book values					
At 31 August 2018	<u>14,356</u>	<u>223</u>	<u>221</u>	<u>86</u>	<u>14,886</u>
At 31 August 2017	<u>14,292</u>	<u>247</u>	<u>225</u>	<u>90</u>	<u>14,854</u>

Freehold property was valued at June 2012 by M Swallow MRICS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost. Included in freehold property is land of £1,691,000 (2017: £1,691,000) which is not depreciated.

Cost or valuation at 31 August 2018 is represented by :

	Freehold land and buildings £'000	Fittings and equipment £'000	Plant & Machinery £'000	Computer hardware £'000	Total £'000
Valuation in 2012	13,388	26	-	428	13,842
Cost	2,901	663	282	589	4,435
	<u>16,289</u>	<u>689</u>	<u>282</u>	<u>1,017</u>	<u>18,277</u>

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Notes to the financial statements for the year ended 31 August 2018 (continued)

12. Debtors

	Total 2018 £'000	Total 2017 £'000
VAT recoverable	73	10
Prepayments and accrued income	57	86
	<u>130</u>	<u>96</u>

13. Creditors

	Total 2018 £'000	Total 2017 £'000
Amounts falling due within one year :		
Creditors from operations	40	42
Other taxation and social security	132	129
Accruals and deferred income	383	302
Other creditors	-	-
	<u>555</u>	<u>473</u>

Deferred income

Deferred income at 1 September 2017	-	23
Resources deferred in the year	24	-
Amounts released from previous years	-	(23)
Deferred income at 31 August 2018	<u>24</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for relief against business rates payable in the following year.

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Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	856	7,570	(7,617)	(180)	629
Pupil Premium	-	583	(583)	-	-
Other grants	-	20	(20)	-	-
	<u>856</u>	<u>8,173</u>	<u>(8,220)</u>	<u>(180)</u>	<u>629</u>
Restricted fixed asset funds					
Transfer on conversion	12,075	-	(234)	-	11,841
DfE Group capital grants	2,405	363	(231)	-	2,537
Capital expenditure from GAG	374	-	(46)	180	508
	<u>14,854</u>	<u>363</u>	<u>(511)</u>	<u>180</u>	<u>14,886</u>
Pension reserve	<u>(2,955)</u>	<u>-</u>	<u>(278)</u>	<u>702</u>	<u>(2,531)</u>
Total restricted funds	<u>12,755</u>	<u>8,536</u>	<u>(9,009)</u>	<u>702</u>	<u>12,984</u>
Unrestricted funds					
Other income	-	327	(327)	-	-
Total unrestricted funds	<u>-</u>	<u>327</u>	<u>(327)</u>	<u>-</u>	<u>-</u>
Total funds	<u>12,755</u>	<u>8,863</u>	<u>(9,336)</u>	<u>702</u>	<u>12,984</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

As described in note 2, under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Funds (continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	682	7,691	(7,477)	(95)	801
Pupil Premium	-	611	(611)	-	-
Other grants	-	19	(19)	-	-
Teaching school	-	303	(260)	12	55
	<u>682</u>	<u>8,624</u>	<u>(8,367)</u>	<u>(83)</u>	<u>856</u>
Restricted fixed asset funds					
Transfer on conversion	12,308	-	(233)	-	12,075
DfE Group capital grants	2,608	42	(245)	-	2,405
Capital expenditure from GAG	332	-	(41)	83	374
	<u>15,248</u>	<u>42</u>	<u>(519)</u>	<u>83</u>	<u>14,854</u>
Pension reserve	<u>(2,933)</u>	<u>-</u>	<u>(230)</u>	<u>208</u>	<u>(2,955)</u>
Total restricted funds	<u>12,997</u>	<u>8,666</u>	<u>(9,116)</u>	<u>-</u>	<u>12,755</u>
Unrestricted funds					
Other income	-	286	(286)	-	-
Total unrestricted funds	<u>-</u>	<u>286</u>	<u>(286)</u>	<u>-</u>	<u>-</u>
Total funds	<u>12,997</u>	<u>8,952</u>	<u>(9,402)</u>	<u>208</u>	<u>12,755</u>

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Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows :

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	682	15,261	(15,094)	(275)	574
Pupil Premium	-	1,194	(1,194)	-	-
Other grants	-	39	(39)	-	-
Teaching school	-	303	(260)	12	55
	<u>682</u>	<u>16,797</u>	<u>(16,587)</u>	<u>(263)</u>	<u>629</u>
Restricted fixed asset funds					
Transfer on conversion	12,308	-	(467)	-	11,841
DfE Group capital grants	2,608	405	(476)	-	2,537
Capital expenditure from GAG	332	-	(87)	263	508
	<u>15,248</u>	<u>405</u>	<u>(1,030)</u>	<u>263</u>	<u>14,886</u>
Pension reserve	<u>(2,933)</u>	<u>-</u>	<u>(508)</u>	<u>910</u>	<u>(2,531)</u>
Total restricted funds	<u>12,997</u>	<u>17,202</u>	<u>(18,125)</u>	<u>702</u>	<u>12,984</u>
Unrestricted funds					
Other income	-	613	(613)	-	-
Total unrestricted funds	<u>-</u>	<u>613</u>	<u>(613)</u>	<u>-</u>	<u>-</u>
Total funds	<u>12,997</u>	<u>17,815</u>	<u>(18,738)</u>	<u>702</u>	<u>12,984</u>

15. Analysis of net assets between funds

Fund balances at 31 August 2018
are represented by:

	Unrestricted funds £'000	Restricted pension funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	-	14,886	14,886
Current assets	-	-	1,184	-	1,184
Current liabilities	-	-	(555)	-	(555)
	-	-	629	14,886	15,515
Pension scheme liability	-	(2,531)	-	-	(2,531)
Total net assets	<u>-</u>	<u>(2,531)</u>	<u>629</u>	<u>14,886</u>	<u>12,984</u>

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Notes to the financial statements for the year ended 31 August 2018 (continued)

15. Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	14,854	14,854
Current assets	-	-	1,329	-	1,329
Current liabilities	-	-	(473)	-	(473)
	-	-	856	14,854	15,710
Pension scheme liability	-	(2,955)	-	-	(2,955)
Total net assets	-	(2,955)	856	14,854	12,755

16. Capital commitments

	2018 £'000	2017 £'000
Contracted for but not provided in the financial statements	-	-

17. Commitments under operating leases

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

	Total 2018 £'000	Other Total 2017 £'000
Amounts due within one year	-	51
	-	51

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total 2018 £'000	Total 2017 £'000
Net income/(expenditure) for reporting period (as per the SoFA)	(473)	(450)
Adjusted for :		
Depreciation (note 11)	511	519
Capital grants from DfE and other capital income	(363)	(42)
Interest receivable (note 5)	(4)	(4)
Defined benefit pension scheme cost less contributions payable	204	167
Defined benefit pension scheme finance cost/(income) (note 22)	74	63
Decrease / (increase) in debtors	(34)	(14)
Increase / (decrease) in creditors	82	14
Net cash provided by / (used in) operating activities	(3)	253

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Notes to the financial statements for the year ended 31 August 2018 (continued)

19. Cash flows from investing activities

	Total 2018 £'000	Total 2017 £'000
Interest received	4	4
Purchase of tangible fixed assets	(543)	(138)
Capital grants from DfE Group	363	42
Net cash provided by / (used in) investing activities	(176)	(92)

20. Analysis of cash and cash equivalents

	At 31 August 2018 £'000	At 31 August 2017 £'000
Cash at bank and in hand	1,054	1,233
	1,054	1,233

21. 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.

22. 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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are :

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

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

The employer's pension costs paid to TPS in the year amounted to £613,478 (2017 : £619,577).

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

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

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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £299,000 (2017 : £283,000), of which employer's contributions totalled £232,000 (2017 : £195,000) and employees' contributions totalled £67,000 (2017 : £88,000). The agreed contribution rates for future years are 17.5% for employers and between 5.5% and 8.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 25 years.

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	6,294	6,142	6,423	6,499
Projected service cost	380	371	390	392
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	6,294	6,450	6,168	6,095
Projected service cost	380	390	371	368

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 2018	At 31 August 2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	2,382	2,176
Government bonds	271	252
Other bonds	139	133
Property	305	251
Cash/liquidity	141	171
Other	525	457
Total market value of assets	3,763	3,440

The actual return on scheme assets was £41,000 (2017 : £479,000).

	2017/18 £'000	2016/17 £'000
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	435	361
Net interest cost	74	63
Administration expenses	1	1
Total amount recognised in the SoFA	510	425

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

	2017/18 £'000	2016/17 £'000
At 1 September 2017	6,395	5,592
Current service cost	435	361
Interest cost	167	124
Changes in financial assumptions	(754)	247
Change in demographic assumptions	-	(80)
Experience (gain) on defined benefit obligation	-	77
Benefits paid net of transfers in	(16)	(14)
Contributions by participants	67	88
At 31 August 2018	6,294	6,395

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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017/18 £'000	2016/17 £'000
At 1 September 2017	3,440	2,659
Interest income	93	61
Return on assets less interest	(52)	418
Other actuarial (losses)	-	34
Administration expenses	(1)	(1)
Employer contributions	232	195
Contributions by participants	67	88
Benefits paid net of transfers in	(16)	(14)
At 31 August 2018	3,763	3,440
Net pension scheme liability	2,531	2,955

23. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures relating to connected parties and related party transactions.

The following related party transactions took place during the period:

Birch HR

Company in which trustee Samantha Hulson is a director	2018 £'000	2017 £'000
Services recharged to related company during the year	9	-
Amount due to related company at year end	9	-

The trust conducted this transaction at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Samantha Hulson neither participated in, nor influenced.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.

24. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £50,160 and disbursed £50,152 from the fund. An amount of £8 is included in other creditors relating to undistributed funds that is repayable to ESFA.