

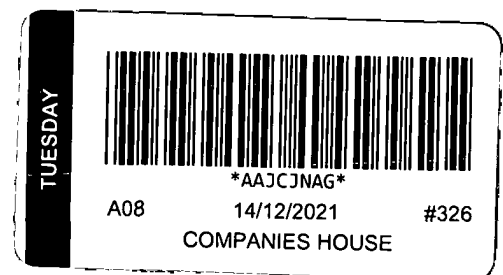
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Holyhead School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

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 2021

Contents	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	11
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18
Independent Reporting Accountant's Report on Regularity	22
Statement of Financial Activities incorporating Income & Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26
Notes forming part of the Financial Statements, incorporating :	
Statement of Accounting Policies	27
Other Notes to the Financial Statements	32

Holyhead School
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Anthony McCool – Resigned 10/12/2020 Satpal Dass Dominic Bradley Samantha Hulson Isabel Churcher – Resigned 18/07/2021 Michael Jameson – Appointed 03/02/2021 Tracey Wharton – Appointed 03/02/2021 Rachel Chiu – Appointed 03/02/2021
Trustees	Ross Trafford – Principal / Accounting Officer Nasar Ahmed – Governor Andrew Blundell – Governor Andrew Bowen – Staff Governor Dominic Bradley – Chair of Governors Sukhdeep Bria – Staff Governor – Resigned 30/09/2021 Samantha Hulson – Governor Sandra Jones – Staff Governor – Resigned 21/07/2021 Seema Seema – Parent Governor – Resigned 02/12/2020 Ian Simms Governor Isabel Churcher – Governor – Resigned 18/07/2021 Pauline Carr Cunnison – Governor Ashley Bertie – Governor Trevor Hattersley – Governor Tomas Ashley – Governor David Whyte – Governor Shuhud Mahmood – Staff Governor - appointed 03/12/2020 Saleh Ahmed – Parent Governor - appointed 29/01/2021 Sajid Hussain – Parent Governor - appointed 29/01/2021
Company secretary	Harinder Sidhu
Senior management team	<ul style="list-style-type: none">• Principal• Deputy principal• Deputy principal• Vice principal• Vice principal• Vice principal• Vice principal• Vice principal• Vice principal• Associate vice principal• Associate vice principal• Associate vice principal
	Ross Trafford David Knox Dinesha Reddy Andrew Bowen Sadash Banger Jennifer Campbell Kelli Robinson Harinder Sidhu Debbie Denny Daniel Wright Darren Lovell Natalie Marnell
Company name	Holyhead School
Principal and registered office	Milestone Lane Holyhead Road Handsworth Birmingham

Holyhead School
(A Company Limited by Guarantee)

	B21 0HN
Company registration number	07698296
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 for the year ended 31 August 2021

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

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Birmingham. It has a pupil capacity of 1250 and had a roll of 1317 in the Autumn 2021 school census.

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 £10,000,000 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 trustee 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.

The above selection procedures are advertised using the Arbor parent communication system and voting is coordinated using a Google Form. The candidates with the most votes are then presented to Trustees for their consideration. Non Staff Governor adverts are posted on the school website and external sources e.g. National Governors Association and other Governance platforms in addition to TES and social media advertising.

Holyhead School
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (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 Sport to provide training, advice and support to the board of trustees.

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, attends relevant training and provides 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/Deputy Principal discusses Governor training as a standing item at the Finance, General Purposes and Audit Committee.

Organisational structure

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

- Finance, General Purposes and Audit 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, General Purposes and Audit 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 2018 is as follows :

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
2	2

Holyhead School
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

Trade union facility time (continued)

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£3,495
Total pay bill	£3,495
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 School 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 Learning Leaders, 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 (PTI) 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 through our operations as a Nationally Designated Teaching School. We were also part of the RSA Teaching School Alliance.

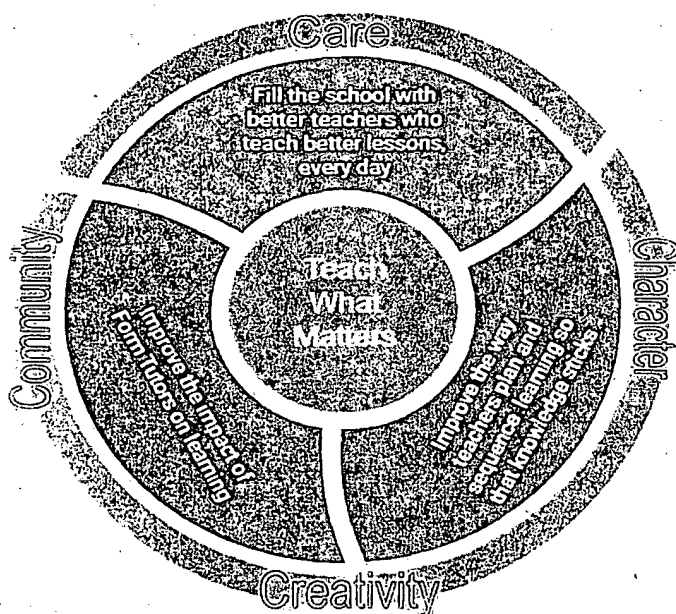
Objectives and activities

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.

Trustees' report for the year ended 31 August 2021 (continued)

Objectives, strategies and activities



Previous Year for Comparison		2021/2022 Targets	
		ALL	PP
How many students are included in your KS4 results?	211	208	177
What was the overall Progress 8 estimate for your school?	0.9?	0.5	0.6
What was the overall average Attainment 8 score for your school?	49.6	45	45
How many students achieved at least a standard pass in both English & Maths (9-4)?	124 58.8%	79%	81%
How many students achieved at least a strong pass in both English & Maths (9-5)?	81 38.4%	70.0%	63.0%
What is the overall average point score achieved by your A Level students per entry (e.g. 33.6)	36.7	35	35

Holyhead School
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/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

Outcomes at both GCSE and A-level improved upon the previous year but remained within the higher range of what we have achieved historically. This is an important point given the grade inflation that was reported nationally and as a consequence of Teacher Assessed Grades.

Consistency and improvement over time can be seen below

Subject/Teaching Set	2018/19				2019/20				Y11 June TAG			
	Entries	Score	Grade	Avg PA	Entries	Score	Grade	Avg PA	Entries	Score	Grade	Avg PA
GCSE - Art & Design (9-1)	29	0.98	6	4.61	45	1.16	3	4.26	62	1.09	4	96.68
GCSE - Biology (9-1)	21	0.99	6	5.35	22	1.1	4	5.29	25	1.07	5	106.36
GCSE - Business Studies (9-1)	14	1.08	2	4.97	16	1.08	2	4.85	36	1.14	2	97.81
GCSE - Chemistry (9-1)	21	1.07	4	5.35	22	1.14	3	5.29	25	1.12	4	106.36
GCSE - Computer Science (9-1)	18	0.9	4	4.89	17	0.91	4	5.06	28	1.04	2	101.64
GCSE - English Language (9-1)	193	1	4	4.5	198	1.09	2	4.59	203	1.08	2	99.29
GCSE - English Literature (9-1)	193	0.97	5	4.5	198	1.05	3	4.59	203	1.12	2	99.29
GCSE - Food Preparation & Nutrition (9-1)	-	-	-	-	-	-	-	-	42	1.04	4	94.43
GCSE - French (9-1)	48	0.79	6	4.73	114	0.88	5	4.69	56	0.91	4	102.07
GCSE - Geography (9-1)	86	0.8	6	4.52	89	0.93	5	4.51	95	0.95	4	99.98
GCSE - History (9-1)	113	0.9	5	4.55	106	0.99	4	4.74	118	1.09	3	99.94
GCSE - Mathematics (9-1)	193	0.84	7	4.5	198	0.94	4	4.59	203	0.96	4	99.29
GCSE - Media Studies (9-1)	58	0.89	5	4.4	40	0.98	5	4.69	23	1.17	2	100.96

Holyhead School
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

GCSE - Physics (9-1)	21	1.08	4	5.35	22	1.11	4	5.29	25	1.06	5	106.36
GCSE - Religious Studies (9-1)	60	1.04	5	4.54	37	1.19	3	4.38	43	1.24	3	98.95
GCSE - Sociology (9-1)	23	1	3	4.87	-	-	-	-	24	1.26	1	100.75
GCSE - Spanish (9-1)	46	0.62	7	5.03	23	0.89	5	4.99	66	0.71	7	102.91
GCSE - Statistics (9-1)	57	0.95	4	4.83	22	0.93	5	5.3	22	1.22	2	103.36
GCSE DA - Combined Science (9-1)	342	0.87	6	4.41	352	0.93	4	4.5	352	0.88	4	98.36
Cam Nat Cert - Sport Studies	-	-	-	-	-	-	-	-	24	1.38	2	96.58
BTEC L1 L2 Tech Award - Digital Information Technology	-	-	-	-	-	-	-	-	25	-	-	98.92
BTEC L1 L2 Tech Award - Music Practice	-	-	-	-	-	-	-	-	62	-	-	97.87
BTEC L1 L2 Tech Award - Performing Arts	-	-	-	-	-	-	-	-	35	-	-	95

Key Performance Indicators

	2021 TAGs	Comparison to 2019
GCSE % 4+	72%	Up from 50%
GCSE % 5+	53%	Up from 27%
GCSE English % 4+	76%	Up from 73%
GCSE English %5+	63%	Up from 53%
GCSE Maths % 4+	62%	Up from 51%
GCSE Maths %5+	40%	Up from 30%
GCSE English & Maths % 4+	59%	Up from 50%
GCSE English & Maths % 5+	38%	Up from 27%
A - Level % A* - B	59.8%	Up from 52.4%
A - Level % A* - C	85.2%	Up from 85%
A - Level % A* - E	99.5%	Up from 98%

Holyhead School
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

- Direct costs as a percentage of total costs were 69.7% (2020 : 72%)
- Support costs as a percentage of total costs were 30.3% (2020 : 28%)
- Total payroll costs as a percentage of recurring income were 81% (2020 : 78.7%)

Going concern

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

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 2021 total resources expended were £10,148,000 and the deficit of income over expenditure was £318,000 which included depreciation of £615,000.

Reserves Policy

The trustees 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.

The academy had total funds at 31 August 2021 of £9,692,000 which included £906,000 restricted funds not available for general purposes of the academy trust, £116,000 of free reserves defined as unrestricted funds available for general purposes and £15,170,000 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 £1,022,000.

In addition, the deficit on the restricted pension fund of £6,500,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves and aim to maintain them at a minimum of 1 month of expenditure. Budgeted expenditure for 2021/22 is £9,191,382 and hence the minimum target is £765,949.

Investment Policy

Any surplus funds are invested in a deposit account.

These investments are carried out in accordance with the powers vested in the Governing Body.

Holyhead School
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021 (continued)

Principal Risks and Uncertainties

The trustees 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.

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.

Covid 19 has affected both financial and operational risks considerably. The effects of school closure for prolonged periods of time and additional grant funding has created savings, in year. This however will have an impact in years to follow as investment will be needed to close the learning gap for pupils that have missed out on significant amounts learning. The health and safety risk has been heightened to a previously unknown level where investment was needed to fulfil the operational needs and put in place the control measures to adequately maintain an open teaching environment throughout the pandemic.

Fundraising

The academy trust does not use any external fundraisers. Holyhead School 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 is planning to join a Multi-Academy Trust has received approval from the Regional Schools Commissioner. Trustees are currently involved in the due diligence process and are working towards a January 2022 transfer.

Funds Held as Custodian Trustee on Behalf of Others

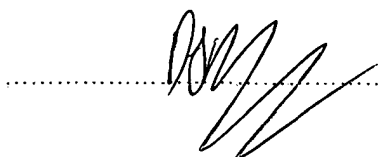
N/A

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 1st December 2021 and signed on the board's behalf by:



Mr Dominic Bradley- Chair of Trustees

Holyhead School
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2021 (continued)

Scope of Responsibility

As trustees, 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.

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

The board of trustees has delegated the day-to-day responsibility to the 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 Holyhead School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met five 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 / Accounting Officer	5	5
Nasar Ahmed – Governor	3	5
Andrew Blundell – Governor	5	5
Andrew Bowen – Staff Governor	4	5
Dominic Bradley – Chair of Governors	5	5
Sukhdeep Bria – Staff Governor - resigned 30/09/2020	2	2
Samantha Hulson – Governor	4	5
Sandra Jones – Staff Governor - resigned 21/07/2021	5	5
Seema Seema – Parent Governor - resigned 02/12/2020	0	3
Ian Simms - Governor	2	5
Isabel Churcher – Governor - resigned 30/09/2020	5	5
Pauline Carr Cunnison – Governor	2	5
Ashley Bertie – Governor	4	5
Trevor Hattersley – Governor	5	5
Tomas Ashley – Governor	1	5
David Whyte – Governor	5	5
Shuhud Mahmood – Staff Governor –Appointed 03/12/2020	4	5
Saleh Ahmed – Parent Governor – Appointed 29/01/2021	2	2
Sajid Hussain – Parent Governor - Appointed 29/01/2021	2	2

The Governing Body meets less than 6 times a year. Effective oversight of funds is maintained by all Trustees receiving monthly management accounts 6 times a year and the Chair receiving this information on a monthly basis. The management accounts are presented to allow comparison against a proportionate and annual budget.

During the Academic year, Trustees have helped the school with a number of key issues including:

- Maintaining a broad post-16 offer despite the impact that lower class sizes has on the ICFP. Some modifications have been made to improve efficiency but not at the expense of curriculum breadth.
- Supporting Senior Leaders with the procurement, tendering and budget planning for 1000 laptops to ensure continuity of education during Covid-19 lockdowns.

Holyhead School
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2021 (continued)

- Improving the environment and student facilities by supporting a programme of renovation, further improving site security and overseeing the addition of new facilities. The School has never looked smarter and tendering/procurement processes have been scrutinised. The Asset Management Plan and Risk Register have been evaluated alongside external and internal audit processes
- Helping the Senior Leadership Team to maintain a commitment to ensuring good student provision for mental health and effective management of workload reduction and staff wellbeing;
- Working with all stakeholders to position the transfer from SAT to MAT. All the necessary due diligence is in the process of been concluded.
- Supporting the school's relentless focus on learning by supporting our focus on instructional coaching and teacher development.
- Supporting the school with management of the COVID-19 pandemic.
- Ensuring we fulfil our statutory responsibilities and maintain a high focus on safeguarding. There was an additional meeting convened to discuss remote learning and its implications for learning and safeguarding.
- Governor Hub was introduced to streamline communications.
- Membership was enhanced to provide a clear division in role between Members and Trustees, ensure the local community was represented and to ensure significant control was distributed.
- New Parent Governors have made a significant contribution to the overall strength, diversity and representation of the Governing Body.
- We have re-designed the school website.
- Additional Governor visits have focussed upon Health and Safety, the SCR and leadership succession planning.
- A balanced budget and small cumulative surplus was achieved through close monitoring and scrutiny of the budget.
- We have continued to take steps to bring additional diversity and skills to the Governing Body.
- Reviewing the effectiveness of the School Improvement Plan.

The Annual Review also included reviewing the most recent School and Governor Support Audit Tool to identify areas of focus for the coming year.

The review concluded that the Governing Body was functioning effectively and meeting the statutory responsibilities.

Areas of focus identified from the Audit included:

- Trustees must understand the overall curriculum intent now and when we transition to the MAT
- Discussion arrangements for the Principals Appraisal and notes from the School Improvement Partner (SIP) visit.
- Trustees must be adequately trained to scrutinise and evaluate the Pupil Premium strategy.
- Discussion on licensing arrangements and ESFA approvals.
- Adding a consultant to the Quality and Standards committee as an Associate Governor - a national expert in interpreting pupil performance data.
- Changes need to the format of Principal's reporting and Link Manager meetings to enable Governors to scrutinise the school's communication with parents and carers.
- Document Review Schedule and ensured it was made available to the Clerk. This has also been managed with the Head of Corporate Services and Governance at the Trust.
- Scrutinised the minutes for the required level of challenge and equal Governor contributions. The Principal has provided a question frame to ensure we further deepen the level of challenge apparent at the Quality and Standards Committee.
- Merged the HR and Finance, General Purposes and Audit Committee to ensure better harmonisation around the finance associated with curriculum planning, staffing and the ICFP. It also intended to support a continual improvement of the Appraisal process.
- Arrangements for the Clerk's appraisal and concluded that we needed to scrutinise the Service Level Agreement but were happy with the general level of performance.
- Governor attendance and decided to write a note to Quality and Standards Committee members to encourage full attendance.
- Governor Hub was introduced to streamline communications.
- Introduced a virtual attendance policy.
- The need for the new website to be audited for compliance.

Holyhead School
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2021 (continued)

- Discussion on changing the approval process for statutory policies (depending on MAT transfer) with a view to approve the Safeguarding and Child Protection Policy, Designated Teacher for Looked After Children Policy, Admissions Policy and Special Educational Needs and Disability Policy in the summer, discussing amendments at the first FGB meeting in the cycle. This gives better Policy coverage from the 1st of September.
- Ensure all Governors complete their annual declaration for understanding their statutory responsibilities within the Keeping Children Safe in Education (DfE, 2021) guidance once they have received refresher training. The same applies for the Prevent Duty. Additional training is required for Exclusions and Safer Recruitment where required.
- Reviewed the Schemes of Delegation for the current LGB and for the Trust. This meant that we would need to transition sub-committees to a different focus on Link Manager meetings.

The Annual Review of Governance also included a review of the Skills Audit.

Areas of need included:

- Experience of charity, law and governance.
- Experience of being a board member in another school.
- Experience of property and estate management.
- A vacancy for a Skills Governor
- Expertise around SEND
- Representation on the Trust Board holding dual Trust / LGB roles in year one
- A vacancy for Vice Chair of Governors and a need to succession plan

The Academy is looking at succession planning for the Chair of Governors and Vice Chair of Governor positions.

In line with the National Governance Association Trustees feel that it is important that the board reflects the diversity of the school community that it serves.

Amendments have also been made to the Terms of Reference for the Human Resources Committee.

Membership has been reviewed at the Annual General Meeting; introduced a new Staff Governor and used our legal advisors to review restrictions in place via our Funding Agreement.

Update from the Annual Governance Handbook and Academies Financial Handbook

- We can confirm that no Members are employees of the Academy Trust including on an unpaid or voluntary basis.
- We can confirm there is dialogue between Members and Trustees and we have appointed a Clerk to support the board.
- We can also confirm that the register of interest is up-to-date.
- We have maintained the fixed asset register and that employees with benefits of more than £100k are published on the website.
- We can confirm that the Whistle-blowing procedures are on the website.
- We can confirm that the risk register has been reviewed by Trustees.
- We can confirm that controls around financial and non-financial risks are reported through the Finance, General Purposes and Audit committee.
- We can confirm that we now have separate internal and external auditors and that the Finance, General Purposes and Audit committee fulfils the function of the audit committee.
- In accordance with the Governors Handbook, Governors have been updated on their responsibilities under safeguarding. All Governors have been offered relevant induction training and a Link Governor for Prevent has received training for the role.
- The Governors core role and responsibility have been aligned to the changes in the Governors Handbook by SIPs Education.
- Trustees will review the role of Staff Governor

The **finance, general purposes and audit 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

Holyhead School
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2021 (continued)

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
Dominic Bradley – Chair of Governors	3	3
Ross Trafford – Principal / Accounting Officer	3	3
Andrew Bundell – Governor	3	3
Trevor Ashley – Governor	2	3
Ashley Bertie – Governor	3	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 board of trustees 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
- Renewing 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 period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

Holyhead School
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2021 (continued)

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor; her role includes testing financial and non-financial and performing a range of checks on the academy trust's financial systems and policies. 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 basis, the School Business Manager reports to the Governing Body, through the Finance, General purposes and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal reviewer has delivered her schedule of work as planned. An internal audit report is submitted to the Finance, General Purposes and Audit Committee. No material controls issues have arisen from the internal reviewers work.

Review of Effectiveness

As accounting officer, Mr Ross Trafford (the principal) 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 internal reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process of the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, general purposes and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Approved by order of the members of the board of trustees on 1st December 2021 and signed on its behalf by:

.....
Mr Dominic Bradley
Chair of Trustees

.....
Mr Ross Trafford
Accounting Officer

Holyhead School
(A Company Limited by Guarantee)

Statement of regularity, propriety and compliance
for the period ended 31 August 2021

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



..... Ross Trafford – Accounting Officer

Date: 01/09/2021

Holyhead School
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
for the period ended 31 August 2021

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

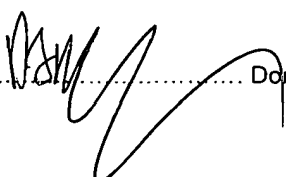
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 1st December 2021 and signed on its behalf by:


..... Dominic Bradley – Chair of Trustees

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

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

Opinion

We have audited the financial statements of Holyhead School (the 'academy trust') for the year ended 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, 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, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

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

(continued)

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. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the knowledge and understanding of the academy 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.

Holyhead School
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 17), 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

- We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the academy's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

**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)

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 charitable company'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 charitable company'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 charitable company to cease to continue as a going concern.
- 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.

Use of our report

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 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 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.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

08 December 2021

**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 2020 to 2021, 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 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 Holyhead School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holyhead School and 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 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 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 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.

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 :

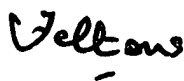
- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, 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 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.



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

08 December 2021

Holyhead School
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted pension fund £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Income from :							
Donations and capital grants	3	-	-	-	405	405	28
Charitable activities :	4						
Funding for the academy trust's educational operations		171	-	9,253	-	9,424	9,072
Investments	5	1	-	-	-	1	4
Total		172	-	9,253	405	9,830	9,104
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6	172	537	8,824	615	10,148	9,151
Total		172	537	8,824	615	10,148	9,151
Net income/(expenditure) before transfers		-	(537)	429	(210)	(318)	(47)
Transfers between funds	14	-	-	(431)	431	-	-
Net income/(expenditure) after transfers		-	(537)	(2)	221	(318)	(47)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(653)	-	-	(653)	(1,551)
Net movement in funds		-	(1,190)	(2)	221	(971)	(1,598)
Reconciliation of funds							
Total funds brought forward	14	116	(5,310)	908	14,949	10,663	12,261
Total funds carried forward		116	(6,500)	906	15,170	9,692	10,663

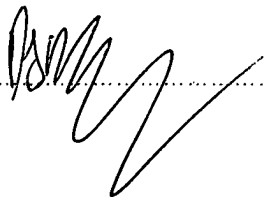
All of the Academy's activities derive from continuing operations during the above two financial periods.

Holyhead School
(A Company Limited by Guarantee)

Company number : 07698296
Balance sheet as at 31 August 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	11	15,195	14,964
Current assets			
Debtors	12	443	282
Cash at bank and in hand		<u>1,343</u>	<u>1,393</u>
		1,786	1,675
Liabilities			
Creditors: amounts falling due within one year	13(a)	<u>767</u>	<u>653</u>
Net current assets		1,019	1,022
Total assets less current liabilities		<u>16,214</u>	<u>15,986</u>
Creditors: amounts falling due after more than one year	13(b)	(22)	(13)
Net assets excluding pension liability		<u>16,192</u>	<u>15,973</u>
Defined benefit pension scheme liability	22	(6,500)	(5,310)
Total net assets		<u>9,692</u>	<u>10,663</u>
Funds of the academy trust :			
Restricted funds			
Fixed asset fund	14	15,170	14,949
Restricted income fund	14	906	908
Pension reserve	14	<u>(6,500)</u>	<u>(5,310)</u>
Total restricted funds		9,576	10,547
Unrestricted income funds	14	116	116
Total funds		<u>9,692</u>	<u>10,663</u>

The financial statements on pages 24 to 45 were approved by the trustees, and authorised for issue on 1st December 2021 and are signed on their behalf by:



Dominic Bradley - Chair of Trustees

Holyhead School
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

	Notes	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	391	645
Cash flows from investing activities	19	(441)	(582)
Change in cash and cash equivalents in the reporting period		(50)	63
Cash and cash equivalents at 1 September 2020		1,393	1,330
Cash and cash equivalents at 31 August 2021	20	<u>1,343</u>	<u>1,393</u>

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021

1. 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.

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.

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. 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'.
- **Donated fixed assets**
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 2021 (continued)

1. Accounting policies (continued)

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. 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
Computer hardware	- 10% to 33% straight line
Plant and Machinery	- 4% 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.

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

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.

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 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 net income/(expenditure) 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 2021 (continued)

1. 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 those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 academy trust does not have control over the charitable application of the funds. The academy trust can use up to 100% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. 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 2021 (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 2021 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 2021.

3. Donations and capital grants

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	2020/21 Total £'000	2019/20 Total £'000
Capital grants	-	-	332	332	28
Donated fixed assets	-	-	73	73	-
	-	-	405	405	28
2020 total	-	-	28	28	

4. Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	2020/21 Total £'000	2019/20 Total £'000
DfE/ESFA grants					
General Annual Grant (GAG)	-	8,035	-	8,035	7,812
Other DfE Group grants					
Free school meals	-	77	-	77	-
Teachers pay	-	242	-	242	240
Teachers pension	-	85	-	85	86
Pupil premium	-	614	-	614	613
Others	-	64	-	64	18
	-	9,117	-	9,117	8,769
Other government grants					
Local authority grants	-	25	-	25	12
Other income from the academy trust's educational operations	171	-	-	171	291
Covid-19 additional funding (DfE/ESFA)					
Catch-up premium	-	83	-	83	-
Other DfE/ESFA Covid-19 funding	-	28	-	28	-
	171	136	-	307	303
	171	9,253	-	9,424	9,072
2020 total	291	8,781	-	9,072	

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

4. Funding for the Academy Trust's educational operations (continued)

The academy received £82,640 of funding for catch-up premium and costs incurred in respect of this funding totalled £82,640.

5. Investment income

	Unrestricted funds £'000	Restricted funds £'000	2020/21 Total £'000	2019/20 Total £'000
Short term deposits	1	-	1	4
2020 total	4	-	4	

6. Expenditure

	Staff costs £'000	Non pay expenditure Premises Other £'000 £'000		2020/21 Total £'000	2019/20 Total £'000
Academy's educational operations					
Direct costs	6,137	331	608	7,076	6,590
Allocated support costs	1,825	749	498	3,072	2,561
	<u>7,962</u>	<u>1,080</u>	<u>1,106</u>	<u>10,148</u>	<u>9,151</u>
2020 total	7,166	923	1,062	9,151	

Net income/(expenditure) for the period includes :

		2020/21 £'000	2019/20 £'000
Operating leases	- plant and machinery	177	177
Depreciation		616	540
Fees payable to auditor	- audit	10	8
	- other services	<u>1</u>	<u>2</u>

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

7. Charitable activities

	Unrestricted funds £'000	Restricted pension fund £'000	Other restricted funds £'000	2020/21 Total £'000	2019/20 Total £'000
Educational operations					
Direct costs	78	-	6,998	7,076	6,590
Support costs	94	537	2,441	3,072	2,561
	<u>172</u>	<u>537</u>	<u>9,439</u>	<u>10,148</u>	<u>9,151</u>
2020 total	<u>179</u>	<u>221</u>	<u>8,751</u>	<u>9,151</u>	
Analysis of support costs					
Support staff costs	35	537	1,253	1,825	1,449
Depreciation	-	-	284	284	271
Technology costs	-	-	8	8	26
Premises costs	15	-	600	615	532
Other support costs	44	-	284	328	272
Governance costs	-	-	12	12	11
Total support costs	<u>94</u>	<u>537</u>	<u>2,441</u>	<u>3,072</u>	<u>2,561</u>
2020 total	<u>79</u>	<u>221</u>	<u>2,261</u>	<u>2,561</u>	

8. Staff

a) Staff costs

Staff costs during the period were:

	2020/21 £'000	2019/20 £'000
Wages and salaries	5,520	5,181
Social security costs	538	508
Pension costs	<u>1,771</u>	<u>1,342</u>
	<u>7,829</u>	<u>7,031</u>
Agency staff costs	<u>133</u>	<u>135</u>
	<u>7,962</u>	<u>7,166</u>

b) Staff numbers

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

	2020/21 Number	2019/20 Number
Teachers	77	84
Administration and support	77	77
Management	<u>13</u>	<u>11</u>
	<u>167</u>	<u>172</u>

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

8. Staff (continued)

c) Higher paid staff

	2020/21 Number	2019/20 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	3	1
£70,001 - £80,000	1	2
£80,001 - £90,000	-	1
£110,001 - £120,000	1	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,117,467 (2020 : £1,126,455).

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 (principal and trustee)	
Remuneration	£115,000 - £120,000 (2020 : £110,000 - £115,000)
Employer's pension contributions paid	£25,000- £30,000 (2020 : £25,000 - £30,000)
Mr A Bowen (staff trustee)	
Remuneration	£60,000 - £65,000 (2020 : £55,000 - £60,000)
Employer's pension contributions paid	£15,000 - £20,000 (2020 : £10,000 - £15,000)
Mr S Bria (staff trustee -resigned as trustee on 30 September 2020)	
Remuneration	£nil - £5,000 (2020 : £45,000 - £50,000)
Employer's pension contributions paid	£nil - £5,000 (2020 : £10,000 - £15,000)
Mrs S Jones (staff trustee)	
Remuneration	£25,000 - £30,000 (2020 : £25,000 - £30,000)
Employer's pension contributions paid	£5,000 - £10,000 (2020 : £nil - £5,000)
Mr S Mahmood (appointed as staff trustee on 2 December 2020)	
Remuneration	£15,000- £20,000 (2020 : £nil)
Employer's pension contributions paid	£nil - £5,000 (2020 : £nil - £5,000)

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

9. Related Party Transactions - Trustees' remuneration and expenses (continued)

During the year ended 31 August 2021 no travel and subsistence expenses were reimbursed or paid directly to any trustees (2020 : nil)

Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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 2020	16,546	1,374	302	1,171	19,393
Additions	330	322	6	189	847
At 31 August 2021	16,876	1,696	308	1,360	20,240
Depreciation					
At 1 September 2020	2,612	690	92	1,035	4,429
Charge for the year	341	184	14	77	616
At 31 August 2021	2,953	874	106	1,112	5,045
Net book values					
At 31 August 2021	13,923	822	202	248	15,195
At 31 August 2020	13,934	684	210	136	14,964

Freehold property was valued at June 2012 by M Swallow MRICS and the furniture 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 (2019: £1,691,000) which is not depreciated.

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

11. Tangible fixed assets (continued)

Cost or valuation at 31 August 2021 is represented by :	Freehold land and buildings £'000	Fittings and equipment £'000	Plant and machinery £'000	Computer hardware £'000	Total £'000
Valuation in 2012	13,388	26	-	428	13,842
Cost	3,488	1,670	308	932	6,398
	<u>16,876</u>	<u>1,696</u>	<u>308</u>	<u>1,360</u>	<u>20,240</u>

12. Debtors

	2021 £'000	2020 £'000
VAT recoverable	87	75
Prepayments and accrued income	<u>356</u>	<u>207</u>
	<u>443</u>	<u>282</u>

13. Creditors

	2021 £'000	2020 £'000
(a) Amounts falling due within one year :		
Creditors from operations	44	30
Other taxation and social security	285	255
Accruals and deferred income	436	366
Other creditors	<u>2</u>	<u>2</u>
	<u>767</u>	<u>653</u>
Deferred income		
Deferred income at 1 September 2020	27	24
Resources deferred in the year	27	27
Amounts released from previous years	<u>(27)</u>	<u>(24)</u>
Deferred income at 31 August 2021	<u>27</u>	<u>27</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.

Included within other creditors are loans from the ESFA of £2,234 (2020: £2,234). Details in regards to repayment terms and interest payable are detailed in creditors due after more than one year.

(b) Amounts falling due after more than one year :

Other creditors	<u>22</u>	<u>13</u>
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Other creditors due after more than one year represent loans from the ESFA of £22,527 (2020: £12,280) repayable in six monthly instalments. None of these loans have any interest to pay. The amount repayable over five years is £11,144 (2020: £3,344).

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	908	8,035	(7,606)	(431)	906
Free school meals	-	77	(77)	-	-
Pupil premium	-	614	(614)	-	-
Catch-up premium	-	83	(83)	-	-
Other DfE/ESFA Covid-19 funding	-	28	(28)	-	-
Other grants	-	416	(416)	-	-
	<u>908</u>	<u>9,253</u>	<u>(8,824)</u>	<u>(431)</u>	<u>906</u>
Restricted fixed asset funds					
Transfer on conversion	11,373	-	(234)	-	11,139
DfE Group capital grants	2,254	332	(215)	-	2,371
Capital expenditure from GAG	1,322	-	(153)	431	1,600
Donations	-	73	(13)	-	60
	<u>14,949</u>	<u>405</u>	<u>(615)</u>	<u>431</u>	<u>15,170</u>
Pension reserve	<u>(5,310)</u>	<u>-</u>	<u>(537)</u>	<u>(653)</u>	<u>(6,500)</u>
Total restricted funds	<u>10,547</u>	<u>9,658</u>	<u>(9,976)</u>	<u>(653)</u>	<u>9,576</u>
Unrestricted funds					
Other income	116	172	(172)	-	116
Total unrestricted funds	<u>116</u>	<u>172</u>	<u>(172)</u>	<u>-</u>	<u>116</u>
Total funds	<u>10,663</u>	<u>9,830</u>	<u>(10,148)</u>	<u>(653)</u>	<u>9,692</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.

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.

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.

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Funds (continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	925	7,812	(7,242)	(587)	908
Pupil premium	-	613	(613)	-	-
Other grants	-	356	(356)	-	-
	<u>925</u>	<u>8,781</u>	<u>(8,211)</u>	<u>(587)</u>	<u>908</u>
Restricted fixed asset funds					
Transfer on conversion	11,607	-	(234)	-	11,373
DfE Group capital grants	2,419	28	(193)	-	2,254
Capital expenditure from GAG	848	-	(113)	587	1,322
	<u>14,874</u>	<u>28</u>	<u>(540)</u>	<u>587</u>	<u>14,949</u>
Pension reserve	<u>(3,538)</u>	<u>-</u>	<u>(221)</u>	<u>(1,551)</u>	<u>(5,310)</u>
Total restricted funds	<u>12,261</u>	<u>8,809</u>	<u>(8,972)</u>	<u>(1,551)</u>	<u>10,547</u>
Unrestricted funds					
Other income	-	295	(179)	-	116
Total unrestricted funds	<u>-</u>	<u>295</u>	<u>(179)</u>	<u>-</u>	<u>116</u>
Total funds	<u>12,261</u>	<u>9,104</u>	<u>(9,151)</u>	<u>(1,551)</u>	<u>10,663</u>

15. Analysis of net assets between funds

Fund balances at 31 August 2021
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	-	-	-	15,195	15,195
Current assets	116	-	1,670	-	1,786
Current liabilities	-	-	(764)	(3)	(767)
	<u>116</u>	<u>-</u>	<u>906</u>	<u>15,192</u>	<u>16,214</u>
Creditors due after one year	-	-	-	(22)	(22)
Pension scheme liability	-	(6,500)	-	-	(6,500)
Total net assets	<u>116</u>	<u>(6,500)</u>	<u>906</u>	<u>15,170</u>	<u>9,692</u>

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

15. Analysis of net assets between funds (continued)

Comparative information in respect of the preceding period is as follows :	Unrestricted	Restricted pension	Restricted general	Restricted fixed asset	Total
	funds £'000	funds £'000	funds £'000	funds £'000	funds £'000
Tangible fixed assets	-	-	-	14,964	14,964
Current assets	116	-	1,559	-	1,675
Current liabilities	-	-	(651)	(2)	(653)
	116	-	908	14,962	15,986
Creditors due after one year	-	-	-	(13)	(13)
Pension scheme liability	-	(5,310)	-	-	(5,310)
Total net assets	116	(5,310)	908	14,949	10,663

16. Capital commitments

There are no capital commitments contracted for but not provided in the financial statements as at 31 August 2021 nor 31 August 2020.

17. Commitments under operating leases

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

	Total 2021 £'000	Other Total 2020 £'000
Amounts due within one year	177	177
Amounts due between one and five years	589	707
	<u>766</u>	<u>884</u>

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

	2020/21 Total £'000	2019/20 Total £'000
Net income expenditure for reporting period (as per the SoFA)	(318)	(47)
Adjusted for :		
Depreciation (note 11)	616	540
Capital grants from DfE and other capital income	(332)	(28)
Donated fixed asset	(73)	-
Interest receivable (note 5)	(1)	(4)
Defined benefit pension scheme cost less contributions payable (note 22)	455	159
Defined benefit pension scheme finance cost (note 22)	82	62
Increase in debtors	(161)	(151)
Increase in creditors	123	114
Net cash provided by operating activities	391	645

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

19. Cash flows from investing activities

	2020/21 Total £'000	2019/20 Total £'000
Interest received	1	4
Purchase of tangible fixed assets	(774)	(614)
Capital grants from DfE Group	332	28
Net cash used in investing activities	(441)	(582)

20. Analysis of cash and cash equivalents

	At 31 August 2021 £'000	At 31 August 2020 £'000
Cash at bank and in hand	1,343	1,393
	1,343	1,393

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 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at the end of the financial year. In the year ended 31 August 2020 there were prepaid contributions amounting to £74,374 included within debtors.

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 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.

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

Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme (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 four 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% employer administration charge)
- 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
- 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 is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £847,142 (2020 : £808,825).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £403,000 (2020 : £450,000), of which employer's contributions totalled £308,000 (2020 : £368,000) and employees' contributions totalled £95,000 (2020 : £82,000). The agreed contribution rates for future years are 20.5% 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 27 years.

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.25%
Rate of increase for pensions in payment / inflation	2.90%	2.25%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.25%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	12,425	12,097	12,713	12,957
Projected service cost	904	875	934	947
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	12,425	12,762	12,145	11,915
Projected service cost	904	935	875	864

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
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

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

	31 August 2021 £'000	31 August 2020 £'000
Equities	3,609	2,689
Government bonds	490	520
Other bonds	363	186
Property	416	361
Cash/liquidity	218	318
Other	829	715
Total market value of assets	5,925	4,789

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actual return on scheme assets was £871,000 (2020 : £431,000).

	2020/21 £'000	2019/20 £'000
Amount recognised in the statement of financial activities		
Current service cost	762	524
Net interest cost	82	62
Administration expenses	1	3
Total amount recognised in the SoFA	845	589

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

	2020/21 £'000	2019/20 £'000
At 1 September 2020	10,099	7,867
Current service cost	762	524
Interest cost	161	145
Employee contributions	95	82
Actuarial gains/(losses) - financial assumptions	1,757	600
Actuarial gains/(losses) - demographic assumptions	(150)	218
Actuarial gains/(losses) - experience gains/losses	(162)	757
Benefits paid	(137)	(94)
At 31 August 2021	12,425	10,099

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

	2020/21 £'000	2019/20 £'000
At 1 September 2020	4,789	4,329
Interest income	79	83
Actuarial gain/(loss)	-	(324)
Employer contributions	308	368
Employee contributions	95	82
Benefits paid net of transfers in	(137)	(94)
Administration costs	(1)	(3)
Return on assets less interest	792	348
At 31 August 2021	5,925	4,789
Net pension scheme liability	(6,500)	(5,310)

Holyhead School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

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 trustees have an interest.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

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 2021 the trust received £60,469 (2020 : £53,132) and disbursed £60,469 (2020 : £53,132) from the fund.

25. Post balance sheet event

On 1 January 2022 Holyhead School will transfer the whole of its operations into Central Region Schools Trust.