

**Company Registration No. 07711928 (England and Wales)**

**HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

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# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

J. Beard  
C. Burgess  
R. Livingstone  
C. Goodchild  
P. Rottier

### Governors

R. Aston (Parent Governor) (Appointed 14 October 2019 and resigned 28 September 2020)  
C. Armstrong (Parent Governor) (Appointed 9 November 2020)  
J. Beard (Community Governor, NLG) (Resigned 1 September 2020)  
N. Bielby (Headteacher) (Appointed 1 September 2020)  
D. Bryant (Parent Governor)  
C. Burgess (Chair of Governors)  
K. Comb (Community Governor) (Appointed 18 November 2019)  
H. Connolly (Staff Governor) (Resigned 31 August 2020)  
T. Freeman (Parent Governor) (Appointed 2 November 2020)  
T. Goodwin (Parent Governor)  
J. Grace (Community Governor)  
S. Lavin (Parent Governor)  
S. Lawrence (Parent Governor)  
C. Lewis (Parent Governor)  
N. Lewis (Parent Governor) (Resigned 31 August 2020)  
A Middleton (Staff Governor) (Appointed 20 October 2020)  
C. Morgan (Staff Governor) (Appointed 18 November 2019)  
A. Mottram (Staff Governor) (Resigned 23 September 2019)  
D. Oliver (Executive Headteacher, NLE) (Resigned 31 August 2020)  
M. Oliver (Community Governor) (Resigned 20 December 2019)  
J. Otter (Community Governor)  
G. Preece (Parent Governor)  
P. Redford (Staff Governor)  
R. Rix (Community Governor) (Resigned 26 September 2019)  
P. Roberts (Staff Governor) (Resigned 18 November 2019)  
L. Simpson (Staff Governor)  
J. Wilson (Community Governor) (Appointed 16 January 2020)

### Senior management team

- Headteacher	N. Bielby
- Deputy Head	M. Lowe
- Director of Business Services	A. Halsall

<b>Company secretary</b>	A. Halsall
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<b>Company registration number</b>	07711928 (England and Wales)
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# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Registered office**

Selkirk Drive  
Holmes Chapel  
Crewe  
Cheshire  
CW4 7DX

**Independent auditor**

Jackson Stephen LLP  
James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

**Bankers**

Lloyds Bank plc  
Citymark  
150 Fountainbridge  
Edinburgh  
EH3 9PE

**Solicitors**

Mills & Reeve LLP  
78-84 Colmore Row  
Birmingham  
B3 2AB

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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The Governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 19 serving a catchment area of Holmes Chapel and surrounding area. It had a roll of 1,298 in the January 2020 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 Governors are the trustees of Holmes Chapel Comprehensive School & Sixth Form College (HCCS) and are also the directors of the Charitable Company for the purposes of company law. Details of the Governors who served during the year 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.

##### Governors' indemnities

The liability of the governors (who are also directors) of the Academy is limited. The school has joined the Risk Pooling Arrangement for Schools which provides unlimited Professional Indemnity insurance. Each Governor shall benefit from this insurance which covers their liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust (unless done knowingly or with criminal intent).

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

###### Governing body

The Academy Trust can appoint up to 20 governors comprising 8 Parent Governors, 7 Community Governors and 5 Staff Governors (including the Executive Headteacher).

###### Parent Governors

Nominations are invited from parents for the election of parent Governors to the Governing Body. Nominations are invited via the HCCS newsletter and the Virtual Learning Environment (VLE) for parents of children attending the school.

Each nomination must be supported by a proposer and seconder, who may be the partner of the candidate. All nominations are acknowledged. A parent may not propose or second more than one candidate. The term of office is 4 years.

Elections are overseen by the clerk to the Governing Body who acts as Returning Officer. If insufficient parents stand for election the Governing Body can appoint a parent of a registered student at the school.

###### Staff Governors

The maximum number of Staff Governors is 5 including the Executive Headteacher. Nominations are invited for staff employed by the school. Elections are by secret ballot. At least one Staff Governor must be a teacher and at least one must be a member of the HCCS Support Staff.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Community Governors

A maximum of 7 Community Governors are appointed by the Governing Body for periods of 4 years to represent community interests. Current Governors are asked to nominate individuals who will add to the skill base or experience of the Governing Body. Community Governors can be people who live or work in the community served by the school, or people who do not work or live close to the school but are committed to the good governance and success of the school.

Community governors can be nominated by a member of the Board. The Board will also go through a recruitment process to fill any vacancies and skills gaps on the Board when the need arises. Anyone interested will be asked to complete an application form and attend an interview with the Chair, Vice Chair and Headteacher who will decide whether to accept or reject candidates. Parent Governors often become Community Governors when they no longer have a child registered as a student at the school. A person is disqualified from appointment as a Community Governor if he or she is eligible to be a Staff Governor at the school.

There are 5 committees which meet at least once per school term. The committees are:

- Standards
- Behaviour & Wellbeing
- Estates & Facilities
- Finance
- Teaching & Learning

There is also a Pay and Remuneration Committee, comprising 3 Governors, which meets annually to review the performance of the Headteacher and review the pay of all core leadership team members. The committee will also meet to review and agree recommendations made by the Headteacher for staff appraisals.

Together, these committees provide the main strategic thrust for the planning, implementation and review cycle of the Academy. All standing committees shall consist of no fewer than five Governors, one of whom shall be the Executive Headteacher. The Executive Headteacher may nominate a representative. The quorum of each committee shall be three Governors. Each standing committee shall meet at least once per term and otherwise as required. Membership of the committees is determined by the individual skills and experience of the governors.

### Executive trustees

The three Executive trustees of the Board are the Chair and Vice Chair of Governors and the Chair of the Finance Committee. If the Chair of Finance is the Chair or Vice Chair the Chair of Teaching and Learning will also be involved. This group plus other Committee Chairs (as and where appropriate) meet when necessary to work with the Executive Headteacher and other members of the Core Leadership Team to fine tune the school action plan and take 'Chair's Actions' in rapid response to developments requiring an immediate response. In exceptional circumstances, the three Executive Trustees can make individual spending, purchasing and virement decisions. During the year 2019/20 the Executive Trustees were not required to undertake any business.

### Financial delegation

The Governors have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Executive Headteacher, to the lowest level. Governors are responsible for setting general policy, approving the strategic plan, adopting and approving the annual plan and budget and making major decisions about the direction of HCCS including capital expenditure and key staff appointments.

### Declarations of interest

All governors complete a declaration of interest questionnaire on an annual basis. The following governors have positions within the governance of other schools/academies or organisations identified as 'related parties':

Mrs T Goodwin - Co-Opted governor at Goostrey Primary School

Mrs R Rix - Foundation Governor at Brereton Primary School

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

All new governors undertake a personal induction programme that helps them to get a broad understanding of the school and the current strategic challenges. All governors have access to training opportunities both in house and via the wider Cheshire and National networks. 'The Key' is an online information, guidance and support service which all governors have access to.

#### Organisational structure

##### Members

Mrs Jackie Beard  
Mrs Christina Burgess                      Chair of Governors  
Mrs Caroline Goodchild  
Mrs Ruth Livingstone  
Mr Peter Rottier

##### Trustees

##### Parent Governors

Miss Claire Armstrong  
Mr David Bryant  
Mrs Tracey Freeman  
Mrs Tracey Goodwin (Vice Chair)  
Mrs Sophie Lavin  
Mrs S J Lawrence  
Ms Chris Lewis  
Mrs Gill Preece

##### Staff Governors

Mr Nigel Bielby  
Dr Andrew Middleton  
Mrs Caroline Morgan  
Mr Phil Redford  
Miss Laura Simpson

##### Community/Co-opted Governors

Mrs Christina Burgess  
Mrs Kerry Comb  
Mr James Grace  
Mr Jamie Otter  
Mr John Wilson

##### Resignations

Mr A Mottram	Resigned September 2019
Mr P Roberts	Resigned November 2019
Mrs R Rix	Resigned September 2019
Mr M Oliver	Resigned December 2019
Mr N Lewis	Resigned August 2020
Ms H Connolly	Resigned August 2020
Mr D Oliver	Resigned August 2020
Mr R Aston	Resigned September 2020
Mrs J Beard	Resigned September 2020

The Governing Body's primary role is to approve HCCS's strategic direction and objectives and monitor its progress towards those objectives which are clearly described in the School Development Plan. To effectively achieve this, the Governing Body operates through several committees, the constitution and make up of which are reviewed annually. The Executive Head is the Accounting Officer and will have overall responsibility to ensure actions are completed through his senior leadership team and staff.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

The academy has in place a robust performance management system that includes a process for reviewing the Executive Headteacher's performance. The Chair is assisted in the appraisal of the Executive Headteacher's performance by an external assessor who is a National Leader of Education (NLE). The Pay and Remuneration Committee meets following the Executive Headteacher's appraisal to consider the pay of the Senior Leadership Team and the general pay uplift to all staff.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

##### *Percentage of time spent on facility time*

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

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

Total cost of facility time	-
Total pay bill	6,175,939
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Related parties and other connected charities and organisations

##### **Chimney House Teaching School Foundation (CHTSF) Company no 07937424**

The Chimney House Teaching School Foundation is a company limited by guarantee that was initially set up to deliver high quality Initial Teacher Training (ITT) and postgraduate continuing professional development (CPD) across East Cheshire in line with the responsibilities of the Teaching School. The organisation is based at HCCS and the Executive Head Teacher has a key role in the strategic development of the company.

HCCS have supported the preparation of financial accounts for the CHTSF and is the employing authority for its staff. Costs associated with the CHTSF infrastructure are recovered by HCCS from the company.

##### **Cheshire East School Centred Initial Teacher Training (SCITT)**

HCCS hosts the SCITT. During the year 2019/20 new teachers completed their training in a process that was modified by the relevant regulatory bodies to take account of the impact of the global pandemic that resulted in all schools closing from the end of March effectively until the start of the next school year in September 2020. During the year a total of 21 new teachers achieved Qualified Teacher Status (QTS) in English, Maths, Science, Modern Foreign Languages, Geography and History.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Objectives and activities

#### Objects and aims

The governors agreed a school development plan and objectives for 2019/20. The purpose of the development plan is to address the key areas of focus which are at the highest level of priority for our school's continued improvement so that we deliver:

- the highest quality of education through a knowledge rich curriculum and exceptional teaching
- the best possible outcomes for all students
- a sustainable growth and development model for the sixth form
- a package of learning and support to all students taking account of the impact of lockdown in response to the COVID pandemic
- a coherent communication and marketing strategy
- our school expansion programme

### Building Development

The main building development for 2020/21 will be to improve the front entrance of the building. The plan for the front of school has three key elements

- Extension to the main school reception
- Redevelopment of the 'hard landscape' at the front of school
- Construction of a large canopy at the front of school

### Objectives, strategies and activities

#### **Ofsted Inspection**

In February 2020 the school and Sixth Form College (HC6F) underwent a full Ofsted inspection. The full report of the inspection of our school and college has now been published on the Ofsted website. The inspectors were keen to capture the feelings of students who they had spoken to who expressed such positive sentiments about their experience of life at HCCS and HC6F. In their report they describe life at the school through the eyes of students:

*"At Holmes Chapel Comprehensive School, pupils and students are delightful. They are courteous, respectful and full of praise for the quality of education that the school provides. The pupils and students we spoke to said that their teachers are ambitious for them. In key stages 4 and 5, pupils and students benefit from a well-planned curriculum. The curriculum is supplemented by a wide range of extra-curricular activities."*

*Ofsted 2020*

Along with all other schools judged to be Outstanding under the previous framework, HCCS was exempt from routine inspections until recently. We have now been awarded a rating of 'Good' across all aspects of the new inspection framework which is significantly different from previous versions. This judgement is in line with our current expectation as Ofsted's revised criteria are applied.

The educational landscape has shifted massively over the past few years in many areas but none more so than in the area of the requirements of the curriculum and the national examination systems at GCSE and A level. The new Ofsted framework and guidance on the curriculum for Key Stage 3, (ages 11 to 14), has changed to be much more focused on knowledge retention, in preparation for the new, linear style, final examinations later in school life.

We welcome this report as it broadly reflects our own self-evaluation. Prior to the inspection, we were already well underway with restructuring our Key Stage 3 curriculum. The Ofsted report adds impetus to this process and is effectively a mandate for accelerating the rate of curriculum development. Although the visit was intense and challenging, it was a real opportunity to celebrate life at our school.

While we are naturally disappointed not to have been judged outstanding under the new framework, the overwhelmingly positive comments used in the report are an excellent reflection of the strong position that we are in as a school. However we have to realise that like other schools, building a new curriculum, the framework on which all of our teaching and learning is based, takes time to implement and embed.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Public benefit

HCCS recognises its legal requirement to be able to clearly demonstrate that its aims are for public benefit. In this case, specifically, the school has, as its main charitable purpose, the advancement of education. HCCS offers a broad curriculum to pupils of all abilities aged from 11-19 who come from varied socio-economic backgrounds in a semi-rural catchment area.

Furthermore, Governors pay due regard to Charity Commission guidance on public benefit beyond the provision of secondary education. It conducts its business with a strong policy of working jointly with others to promote public use of the buildings and land onsite for sport, and tuition to the benefit of the wider community.

## **Strategic report**

### **Achievements and performance**

#### **Summer 2020 National Qualifications Process**

This year will always be remembered for the Covid-19 pandemic and the massive impact on the education system. Students receiving their A Level, BTEC and GCSE results are the first cohort in living memory not to have sat national examinations. These results have been awarded following a very detailed and thorough assessment of the progress that students made during their studies. Schools and colleges were asked to submit estimated grades for each subject based on progress and the teachers professional assessment of the most likely grade a student would normally be expected to achieve. The examination boards then applied a moderation process before publishing results.

### **Key Performance Indicators**

#### **A Level Results**

In the results published by the exam boards, overall, 23% of grades across the college were top grades A\*/A and almost three quarters, 72% were graded A\* to C. Looking at every A level entered, students achieved at least the pass grade in a whopping 98% of entries. Looking further into the results, in 19 A level subjects the pass rate was 100%. In 15 subjects 50% of grades awarded were in the higher end A\* to B and in Chemistry, Maths and Spanish, over half of all results were A\*/A. In Computing, German, Physical Education, RE and Technology 100% of students achieved grades A\* to C. A special mention goes to Computing where two thirds, 67%, of grades were the very top A\*. In overall terms, the results show an improvement on the previous year.

#### **GCSE Results**

Initial analysis shows a 5.4% improvement in the number of students achieving 5 strong passes (grade 5) or above, including English and Maths in comparison with GCSE results last year and improvement of 7.2% of students gaining 5 GCSEs including English and Maths at grade 4 or above. At the top end of grades, our students recorded 120 or 7% of grades at the very top score of 9 with 31% of all grades scoring in the range of grades 9 to 7. 81% of students achieved good passes at grade 4 or above in both English and Maths. English was a particular strength with 91% of students achieving grades 9-4, the benchmark that compares with the previous A\* to C grades. In Maths, the figure for those students achieving the same benchmark was 84%.

Across the GCSE curriculum the overall pass rate at grades 9 to 4 was 87%. In addition to their success in Maths and English, students recorded impressive results in many other subjects. The science subjects scored strongly in the 9 to 4 grade range with Biology 95%, Chemistry 98% and Physics 97%; Spanish 92%, German 89%, French 100%; History 91%, Geography 88%, RE 94%; Business 90%; Drama 87%, Art 100%; Technology 86%, Computer Science 100%; and PE 100%.

### Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **Financial review**

Most of HCCS's recurrent income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2020, HCCS received recurrent income of £7,022,587 from the DfE in respect of General Annual Grant, other Government funding and local authority grants. Expenditure for the year against this recurrent income amounted to £7,271,957.

Unrestricted income totalled £628,800 for the year. Against this resources expended totalled £412,564 resulting in a net increase in unrestricted funds of £216,236 before transfers.

HCCS also receives grants for fixed assets from the DfE. In accordance with the SORP, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation.

At 31 August 2020 the net assets excluding the pension liability was £19,565,335. The assets were used exclusively for providing education and the associated support services to the pupils of the school.

#### Reserves policy

The Governors review the level of reserves of the Academy on an at least annual basis. The cash reserves are reported to the Finance Committee each term as part of the cash flow report.

The Academy's 'free' reserves are those reserves remaining after excluding restricted and designated funds. These reserves can therefore be spent on any of the Academy's charitable objectives. The Governors consider these free reserves and are reviewing what level of free reserves are considered necessary to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with urgent unforeseen costs, for example emergency repairs. The academy has set a working capital reserve approximately equal to four weeks operating costs of £460,000. The Academy's free reserves as at 31 August 2020 are £808,459 which are greater than the minimum levels set.

The Academy Trust has identified an overall estates strategy that is using its own reserves and capital grants. The focus over the past three years has been to improve safeguarding and the way its students move around the building. The school has been delivering new walkways and building covered areas to enhance outdoor teaching & dining spaces.

The school has been developing the front of the building by extending the reception and erecting a covered atrium in the centre of the school, linking the whole school site. This piece of work will also improve disability access to the school.

The school has also reconfigured the sixth form block to provide more flexible work/study areas for the students. The works have included improving the sixth form café area, making the kitchen space larger and giving more seating areas for students.

#### Investment policy

The governors consider the school's investments on an annual basis ensuring the school maximises the return on its capital whilst minimising any risk and maintaining appropriate reserves. Any investments must be approved by governors and will further the school's charitable aims. Governors' policy is to manage, control and track their financial exposure, ensure value for money, taking advice as appropriate from a professional adviser and ensuring that security takes precedence over revenue maximisation.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Principal risks and uncertainties

The Governing Body at HCCS understand and accept their responsibility and role in managing the key strategic risks of the academy. They ensure that a sound system of internal control is in place to identify, assess and, when necessary, put in place actions to mitigate against the key risks that may prevent the organisation from delivering against its principal objectives. They recognise however those risks will always exist and that in managing these principal risks there is an understanding that there needs to be a balance between investment in mitigation and the potential benefit that this would deliver. In order to do this the Governing Body (GB) has put in place arrangements to maintain a corporate risk register.

The principal risks for Holmes Chapel Comprehensive School in 2019/20 include:

- Volatility in student numbers and the impact on overall school development plan
- The impact of COVID-19
- Failure to maintain a viable Sixth Form College

### **Managing risks**

The Governors have overall responsibility for maintaining the key strategic risks of the academy. They will delegate the management of those risks to the school's leadership team via the Headteacher. Please see the organisational chart below which shows how risks are delegated throughout the school:

Governing Body  
Head Teacher  
Core Leadership Team  
Senior Leadership Team  
Faculties  
Support Teams

### **Corporate risk register**

The academy trust maintains a corporate risk register that brings together a summary of the identified risks and the plans in place to mitigate those risks where appropriate. This register is a living document and the scores are reviewed on a regular basis at the relevant committee. The Finance and Estates & Facilities Committees have been the first to migrate across to the new system. Progress will be monitored by the Standards Committee. Risks are measured using a 5x5 [Likelihood x Impact] the academy has identified definitions for each score that will help to give guidance when compiling the risk register and monitoring against the suitability of the action plans. All identified strategic risks will be scored pre and post migration.

Some examples of actions taken to mitigate against the principal key risks include:

- Creating an education at home program which enabled students to secure rapid access to curriculum resources and teachers online
- Created a safe and secure environment for students and staff to return to whilst the pandemic continues
- Ensuring an effective system was in place to facilitate free school meals during lockdown and the summer period
- Delivery of an improved Sixth Form environment
- Completion of a school site development plan in response to a request for more school places from Cheshire East Local Authority

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Financial risk**

HCCS operates a system of internal financial controls and these are reviewed by HCCS's External Auditors, by the Internal Audit arrangements and the Department for Education.

The Governors acknowledge their role as per the Statement of Governors' Responsibilities.

HCCS's system of internal financial control is based on a framework of regular management information and administrative procedures including as far as is possible, the segregation of duties and a system of delegation and accountability. It includes:

- financial reports to every Finance and Full Governors committee meetings
- a comprehensive set of financial rules and procedures reviewed at least annually
- formal budgetary delegation in writing to budget holders along with explanatory notes on financial procedures for placing orders etc
- a financial risk register
- a system of internal audit

The Academy Trust has in place a programme for regular internal audits that look to test key processes and procedures on a risk priority basis. Each internal audit report is presented to the Trust Board via the Finance Committee. Internal audit reports will include a series of suggested actions to strengthen controls.

Regular cash flow monitoring reporting is in place and decisions taken to maintain a working capital reserve equal to 4 weeks expenditure (£460,000).

A full system of internal control has been established and Governors continually review financial procedures and controls as necessary.

### **Fundraising**

Holmes Chapel Comprehensive & Sixth Form College's approach to fundraising complies fully with section 13 of the Charities (Protection and Social Investment) Act 2016 in so much as it works only with professional fundraisers. The school's GDPR policy complies fully with marketing regulations and does not target individuals. All fund raising done by the school is fully monitored by the trustees.

### **Plans for future periods**

During the year ahead, 2020/21, the priorities for delivery will include:

- The recruitment of a permanent Headteacher
- Renewed dialogue with Cheshire East Local Authority in respect of investment strategy
- Develop the plans and necessary planning permission to start the delivery of the school development plan
- Returning all staff and students to the classroom in a safe manner in regard to COVID-19
- Put in place an effective COVID-19 Track and Trace process

The board of trustees would like to offer their thanks for the fantastic work Denis Oliver has done with the school over the past 20 years. Mr Oliver's dedication to the school has delivered one of the highest achieving schools in Cheshire East. In September 2020 Nigel Bielby became the interim Headteacher of the school and has taken this post for one year. The recruitment for a permanent Headteacher will take place this year.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Auditor**

In so far as the Governors are aware:

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

A resolution proposing that Jackson Stephen LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 02 December 2020 and signed on its behalf by:



C. Burgess (Chair of Governors)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the executive head, 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 Holmes Chapel Comprehensive School & Sixth Form College and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 20 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
R. Aston (Parent Governor) (Appointed 14 October 2019 and resigned 28 September 2020)	4	6
C. Armstrong (Parent Governor) (Appointed 9 November 2020)	0	0
J. Beard (Community Governor, NLG) (Resigned 1 September 2020)	1	6
N. Bielby (Headteacher) (Appointed 1 September 2020)	0	0
D. Bryant (Parent Governor)	10	12
C. Burgess (Chair of Governors)	19	19
K. Comb (Community Governor) (Appointed 18 November 2019)	11	11
H. Connolly (Staff Governor) (Resigned 31 August 2020)	3	5
T. Freeman (Parent Governor) (Appointed 2 November 2020)	0	0
T. Goodwin (Parent Governor)	20	20
J. Grace (Community Governor)	6	12
S. Lavin (Parent Governor)	9	10
S. Lawrence (Parent Governor)	11	11
C. Lewis (Parent Governor)	11	13
N. Lewis (Parent Governor) (Resigned 31 August 2020)	12	14
A Middleton (Staff Governor) (Appointed 20 October 2020)	0	0
C. Morgan (Staff Governor) (Appointed 18 November 2019)	8	8
A. Mottram (Staff Governor) (Resigned 23 September 2019)	0	0
D. Oliver (Executive Headteacher, NLE) (Resigned 31 August 2020)	20	20
M. Oliver (Community Governor) (Resigned 20 December 2019)	1	6
J. Otter (Community Governor)	3	9
G. Preece (Parent Governor)	9	9
P. Redford (Staff Governor)	8	10
R. Rix (Community Governor) (Resigned 26 September 2019)	0	0
P. Roberts (Staff Governor) (Resigned 18 November 2019)	0	2
L. Simpson (Staff Governor)	7	7
J. Wilson (Community Governor) (Appointed 16 January 2020)	5	5

The composition of the board of governors, its work and performance is covered in more detail in the governors' report.

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# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Regular reports to committees on performance.
- Review of all contracts in terms of quality, service and price which has led to significant savings.
- Maintain an upto date corporate risk register.
- Implementation of the Financial Procedures Manual.
- Review of and changes to the contract with Sodexo, the catering contractor.
- Review of the curriculum delivery team.
- Increase in class size in Sixth Form leading to better economies of scale.
- A full programme of Internal Audit.
- The development of online learning during the period of lockdown in response to Covid 19 pandemic.
- Implementation of Covid 19 safe working practices.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holmes Chapel Comprehensive School & Sixth Form College for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

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

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

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



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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During 2019/20, the Internal Audit programme has been delivered by an independent company, Howard Worth Chartered Accountants, the internal audit providers.

The areas covered at these visits were:

- Bank Reconciliation
- Income
- Payroll
- Governance - Reviewed how the finance committee and Board gains assurance around financial processes and management by considering what information is received and reviewing the decisions made by the Finance Committee and Board
- Purchases

All internal reports were reported to the Finance Committee and actions taken where recommendations have been made.

A full Financial Procedures Manual, budget plan and reporting schedule have been approved by the Governing Body via the Finance Committee. Together, these set out both the financial plans of the academy and the whole system of financial controls that is expected to be in place. These plans and controls are reviewed in light of any changes identified within the financial handbook for academies, as a result of any internal or external audit findings or as a result of unexpected variation in performance.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a termly basis, the reviewer reports to the Board of Governors through the finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

#### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of the reviews 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 Board of Governors on 02 December 2020 and signed on its behalf by:



N. Bielby (Headteacher)



C. Burgess (Chair of Governors)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE


## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

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As accounting officer of Holmes Chapel Comprehensive School & Sixth Form College, I have considered my responsibility to notify the Academy Trust Board of Governors 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 2019.

I confirm that I and the Academy Trust's Board of Governors 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 2019.

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 Governors and ESFA.



N. Bielby (Headteacher)  
**Accounting Officer**

02 December 2020

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors (who act as trustees for Holmes Chapel Comprehensive School & Sixth Form College and are also the directors of Holmes Chapel Comprehensive School & Sixth Form College for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 Governors to prepare accounts for each financial year. Under company law, the Governors must not approve the accounts 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 accounts, the Governors 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 2019 to 2020;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 02 December 2020 and signed on its behalf by:



C. Burgess (Chair of Governors)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinion**

We have audited the accounts of Holmes Chapel Comprehensive School & Sixth Form College for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

### **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 accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Jackson Stephen LLP*

**Peter Atkinson F.C.A. (Senior Statutory Auditor)  
for and on behalf of Jackson Stephen LLP**

10 December 2020  
.....

**Chartered Accountants  
Statutory Auditor**

James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

# **HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holmes Chapel Comprehensive School & Sixth Form College during the period 1 September 2019 to 31 August 2020 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 Holmes Chapel Comprehensive School & Sixth Form College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Holmes Chapel Comprehensive School & Sixth Form College 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 Holmes Chapel Comprehensive School & Sixth Form College and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Holmes Chapel Comprehensive School & Sixth Form College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Holmes Chapel Comprehensive School & Sixth Form College's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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 included:

- A review of the systems in place that govern income, purchases and payroll as outlined in the Financial Procedures Manual
- Substantive testing of income and expenditure of the academy
- Analytical review
- Obtain evidence relevant to the regularity and propriety of the academy's income and expenditure.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2020*

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### **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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Jackson Stepler LLP*

**Reporting Accountant**  
Jackson Stephen LLP

Dated: 10 December 2020



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £		Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	27,124	27,124	321,071
Charitable activities:						
- Funding for educational operations	4	-	7,022,587	-	7,022,587	6,318,212
- Funding for teaching schools	23	338,472	-	-	338,472	233,715
Other trading activities	5	280,735	-	-	280,735	279,889
Investments	6	9,593	-	-	9,593	8,057
<b>Total</b>		<b>628,800</b>	<b>7,022,587</b>	<b>27,124</b>	<b>7,678,511</b>	<b>7,160,944</b>
<b>Expenditure on:</b>						
Raising funds	7	83,837	-	-	83,837	78,584
Charitable activities:						
- Educational operations	8	-	7,271,957	553,607	7,825,564	7,225,968
- Teaching schools	23	328,727	-	-	328,727	233,225
<b>Total</b>	<b>7</b>	<b>412,564</b>	<b>7,271,957</b>	<b>553,607</b>	<b>8,238,128</b>	<b>7,537,777</b>
<b>Net income/(expenditure)</b>		<b>216,236</b>	<b>(249,370)</b>	<b>(526,483)</b>	<b>(559,617)</b>	<b>(376,833)</b>
Transfers between funds	16	(442,396)	(132,695)	575,091	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	61,000	-	61,000	(1,189,000)
<b>Net movement in funds</b>		<b>(226,160)</b>	<b>(321,065)</b>	<b>48,608</b>	<b>(498,617)</b>	<b>(1,565,833)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,230,873	(2,498,000)	18,485,079	17,217,952	18,783,785
Total funds carried forward		1,004,713	(2,819,065)	18,533,687	16,719,335	17,217,952

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	25,572	-	295,499	321,071
Charitable activities:					
- Funding for educational operations	4	-	6,318,212	-	6,318,212
- Funding for teaching schools	23	233,715	-	-	233,715
Other trading activities	5	279,889	-	-	279,889
Investments	6	8,057	-	-	8,057
<b>Total</b>		<u>547,233</u>	<u>6,318,212</u>	<u>295,499</u>	<u>7,160,944</u>
<b>Expenditure on:</b>					
Raising funds	7	78,584	-	-	78,584
Charitable activities:					
- Educational operations	8	-	6,676,303	549,665	7,225,968
- Teaching schools	23	233,225	-	-	233,225
<b>Total</b>	7	<u>311,809</u>	<u>6,676,303</u>	<u>549,665</u>	<u>7,537,777</u>
<b>Net income/(expenditure)</b>		235,424	(358,091)	(254,166)	(376,833)
Transfers between funds	16	(339,114)	176,091	163,023	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	18	-	(1,189,000)	-	(1,189,000)
<b>Net movement in funds</b>		(103,690)	(1,371,000)	(91,143)	(1,565,833)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,334,563</u>	<u>(1,127,000)</u>	<u>18,576,222</u>	<u>18,783,785</u>
Total funds carried forward		<u>1,230,873</u>	<u>(2,498,000)</u>	<u>18,485,079</u>	<u>17,217,952</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		18,620,823		18,590,555
<b>Current assets</b>					
Debtors	13	254,607		291,137	
Cash at bank and in hand		1,158,808		1,568,908	
		<u>1,413,415</u>		<u>1,860,045</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(468,903)		(734,648)	
<b>Net current assets</b>			944,512		1,125,397
<b>Net assets excluding pension liability</b>			<u>19,565,335</u>		<u>19,715,952</u>
Defined benefit pension scheme liability	18		(2,846,000)		(2,498,000)
<b>Total net assets</b>			<u>16,719,335</u>		<u>17,217,952</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			18,533,687		18,485,079
- Restricted income funds			26,935		-
- Pension reserve			(2,846,000)		(2,498,000)
<b>Total restricted funds</b>			<u>15,714,622</u>		<u>15,987,079</u>
<b>Unrestricted income funds</b>	16		1,004,713		1,230,873
<b>Total funds</b>			<u>16,719,335</u>		<u>17,217,952</u>

The accounts on pages 23 to 44 were approved by the Governors and authorised for issue on 02 December 2020 and are signed on their behalf by:

*Christina M. Burgess*

C. Burgess (Chair of Governors)

Company Number 07711928

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

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	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		137,058		11,547
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		9,593		8,057	
Capital grants from DfE Group		27,124		295,499	
Purchase of tangible fixed assets		(583,875)		(459,998)	
<b>Net cash used in investing activities</b>			(547,158)		(156,442)
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(410,100)		(144,895)
Cash and cash equivalents at beginning of the year			1,568,908		1,713,803
<b>Cash and cash equivalents at end of the year</b>			<u>1,158,808</u>		<u>1,568,908</u>

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# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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### 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.

#### 1.1 Basis of preparation

The accounts 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

#### 1.3 Income

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

##### Grants

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

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

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

##### Donations

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

##### Other income

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

##### 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.

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold buildings	2% - 8% per annum straight line basis
Fixtures, fittings and equipment	20% per annum straight line basis
Motor vehicles	33% per annum straight line basis

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.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.6 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 of services it must provide.

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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.

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

---

### 1 Accounting policies

(Continued)

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

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

#### 1.11 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 Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation charge is calculated based on estimates and assumptions on asset useful economic lives and expected residual value.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 2 Critical accounting estimates and areas of judgement (Continued)

#### Critical areas of judgement

The governors consider there are no other areas considered critical to the academy's financial statements.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	27,124	27,124	295,499
Other donations	-	-	-	25,572
	-	27,124	27,124	321,071

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

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	6,094,114	6,094,114	5,821,327
Other DfE group grants	-	511,696	511,696	237,663
	-	6,605,810	6,605,810	6,058,990
<b>Other government grants</b>				
Local authority grants	-	416,777	416,777	259,222
<b>Other funding</b>				
Teaching schools income	338,472	-	338,472	233,715
<b>Total funding</b>	<b>338,472</b>	<b>7,022,587</b>	<b>7,361,059</b>	<b>6,551,927</b>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	101,457	-	101,457	134,653
Provision of training and courses	21,623	-	21,623	39,311
Other income	157,655	-	157,655	105,925
	280,735	-	280,735	279,889

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>6</b>	<b>Investment income</b>				
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>	<b>Total 2019</b>
		£	£	£	£
	Other investment income	9,593	-	9,593	8,057

<b>7</b>	<b>Expenditure</b>		<b>Non Pay Expenditure</b>		<b>Total 2020</b>	<b>Total 2019</b>
		<b>Staff costs</b>	<b>Premises</b>	<b>Other</b>	<b>£</b>	<b>£</b>
		£	£	£		
	Expenditure on raising funds					
	- Direct costs	-	-	83,837	83,837	78,584
	Academy's educational operations					
	- Direct costs	5,005,047	-	334,591	5,339,638	4,858,477
	- Allocated support costs	1,167,588	983,780	334,558	2,485,926	2,367,491
	Teaching schools					
	- Direct costs	133,077	-	195,650	328,727	233,225
		<u>6,305,712</u>	<u>983,780</u>	<u>948,636</u>	<u>8,238,128</u>	<u>7,537,777</u>

<b>Net income/(expenditure) for the year includes:</b>	<b>2020</b>	<b>2019</b>
	£	£
Fees payable to auditor for:		
- Audit	11,050	10,305
- Other services	1,665	1,355
Operating lease rentals	63,423	69,106
Depreciation of tangible fixed assets	553,607	549,665
Net interest on defined benefit pension liability	51,000	34,000

<b>8</b>	<b>Charitable activities</b>				
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>	<b>Total 2019</b>
		£	£	£	£
	<b>Direct costs</b>				
	Educational operations	-	5,339,638	5,339,638	4,858,477
	Teaching schools	328,727	-	328,727	233,225
	<b>Support costs</b>				
	Educational operations	-	2,485,926	2,485,926	2,367,491
		<u>328,727</u>	<u>7,825,564</u>	<u>8,154,291</u>	<u>7,459,193</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

(Continued)

	Teaching schools £	Educational operations £	Total 2020 £	Total 2019 £
<b>Analysis of support costs</b>				
Support staff costs	-	1,167,588	1,167,588	978,209
Depreciation	-	553,607	553,607	549,665
Technology costs	-	78,667	78,667	64,348
Premises costs	-	430,173	430,173	519,071
Other support costs	-	242,157	242,157	244,471
Governance costs	-	13,734	13,734	11,727
	-	2,485,926	2,485,926	2,367,491

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,435,087	4,268,224
Social security costs	406,121	392,036
Pension costs	1,334,731	918,109
Amounts paid to employees	6,175,939	5,578,369
Agency staff costs	129,773	83,131
Total staff expenditure	6,305,712	5,661,500

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	74	72
Administration and support	90	90
Management	10	11
	174	173

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

(Continued)

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£120,001 - £130,000	1	1

#### Key management personnel

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance costs) received by key management personnel for their services to the Academy Trust was £567,797 (2019: £598,622).

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 10 Governors' remuneration and expenses

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

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

H Connolly (Resigned 31 August 2020)

Remuneration: £40,001 - £45,000 (2019: £30,001 - £35,000)

Pension: £10,001 - £15,000 (2019: £5,000 - £10,000)

C Morgan (Appointed 18 November 2019)

Remuneration: £15,001 - £20,000 (2019: £nil)

Pension: £0 - £5,000 (2019: £nil)

A Mottram (Appointed 1 April 2019 and resigned 23 September 2019)

Remuneration: £nil (2019: £5,001 - £10,000)

Pension: £nil (2019: £0 - £5,000)

D Oliver (Executive head) (Resigned 31 August 2020)

Remuneration: £125,001 - £130,000 (2019: £120,001 - £125,000)

Pension: £nil (2019: £nil)

P Redford

Remuneration: £50,001 - £55,000 (2019: £50,001 - £55,000)

Pension: £5,001 - £10,000 (2019: £5,001 - £10,000)

P Roberts (Appointed 26 November 2018 and resigned 18 November 2019)

Remuneration: £nil (2019: £25,001 - £30,000)

Pension: £nil (2019: £0 - £5,000)

G Preece

Remuneration: £nil (2019: £0 - £5,000)

Pension: £nil (2019: £0 - £5,000)

L Simpson (Appointed 1 April 2019)

Remuneration: £35,001 - £40,000 (2019: £10,001 - £15,000)

Pension: £5,001 - £10,000 (2019: £0 - £5,000)

During the period ended 31 August 2020, travel and subsistence expenses totalling £1,399 were reimbursed or paid directly to 3 governors (2019: £3,402 to 5 governors).

Other related party transactions involving the governors are set out within the related party transactions note.

### 11 Insurance for Governors and officers

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was deducted from the funding from the ESFA.

The cost of this insurance was £2,400 for the year.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 12 Tangible fixed assets

	Freehold buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 September 2019	20,048,642	2,177,284	65,490	22,291,416
Additions	443,265	140,610	-	583,875
At 31 August 2020	20,491,907	2,317,894	65,490	22,875,291
<b>Depreciation</b>				
At 1 September 2019	2,022,104	1,615,052	63,705	3,700,861
Charge for the year	329,812	222,265	1,530	553,607
At 31 August 2020	2,351,916	1,837,317	65,235	4,254,468
<b>Net book value</b>				
At 31 August 2020	18,139,991	480,577	255	18,620,823
At 31 August 2019	18,026,538	562,232	1,785	18,590,555

Included within freehold land and buildings in an amount of £5,400,000 attributable to land which is not depreciated.

### 13 Debtors

	2020 £	2019 £
Trade debtors	7,070	21,995
Other debtors	114,579	162,044
Prepayments and accrued income	132,958	107,098
	254,607	291,137

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

	2020 £	2019 £
Trade creditors	109,547	78,678
Other taxation and social security	126,681	123,562
Other creditors	201,935	244,909
Accruals and deferred income	30,740	287,499
	468,903	734,648

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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15 Deferred income	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	544	203,817
	<u>544</u>	<u>203,817</u>
Deferred income at 1 September 2019	203,817	115,439
Released from previous years	(203,817)	(115,439)
Resources deferred in the year	544	203,817
	<u>544</u>	<u>203,817</u>
<b>Deferred income at 31 August 2020</b>	<b>544</b>	<b>203,817</b>

At the balance sheet date the academy trust was holding funds received in advance for rates relief of £544 (2019: £nil), SEN Funding of £nil (2019: £166,194), growth funding of £nil (2019: £32,110) and academy training of £nil (2019: £5,513).

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,094,114	(5,950,397)	(132,695)	11,022
Other DfE / ESFA grants	-	511,696	(495,783)	-	15,913
Other government grants	-	416,777	(416,777)	-	-
Pension reserve	(2,498,000)	-	(409,000)	61,000	(2,846,000)
	<u>(2,498,000)</u>	<u>7,022,587</u>	<u>(7,271,957)</u>	<u>(71,695)</u>	<u>(2,819,065)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	17,471,301	27,124	(553,607)	-	16,944,818
Capital expenditure from GAG	647,255	-	-	-	647,255
Unrestricted funds	366,523	-	-	575,091	941,614
	<u>18,485,079</u>	<u>27,124</u>	<u>(553,607)</u>	<u>575,091</u>	<u>18,533,687</u>
<b>Total restricted funds</b>	<u>15,987,079</u>	<u>7,049,711</u>	<u>(7,825,564)</u>	<u>503,396</u>	<u>15,714,622</u>
<b>Unrestricted funds</b>					
General funds	650,032	290,328	(83,837)	(48,064)	808,459
Designated fund	500,000	-	-	(394,332)	105,668
Teaching schools	80,841	338,472	(328,727)	-	90,586
	<u>1,230,873</u>	<u>628,800</u>	<u>(412,564)</u>	<u>(442,396)</u>	<u>1,004,713</u>
<b>Total funds</b>	<u>17,217,952</u>	<u>7,678,511</u>	<u>(8,238,128)</u>	<u>61,000</u>	<u>16,719,335</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE/EFA grants include Pupil Premium and Post 16 Bursary, all relating to funding to assist pupils within the Academy.

Other government grants relate to SEN funding for particular pupils and Devolved Formula Capital for the maintenance of the Academy.

Designated funds have been set aside to fund capital development projects.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,821,327	(5,997,418)	176,091	-
Other DfE / ESFA grants	-	237,663	(237,663)	-	-
Other government grants	-	259,222	(259,222)	-	-
Pension reserve	(1,127,000)	-	(182,000)	(1,189,000)	(2,498,000)
	<u>(1,127,000)</u>	<u>6,318,212</u>	<u>(6,676,303)</u>	<u>(1,012,909)</u>	<u>(2,498,000)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	17,592,850	295,499	(417,048)	-	17,471,301
Capital expenditure from GAG	724,519	-	(77,264)	-	647,255
Unrestricted funds	258,853	-	(55,353)	163,023	366,523
	<u>18,576,222</u>	<u>295,499</u>	<u>(549,665)</u>	<u>163,023</u>	<u>18,485,079</u>
<b>Total restricted funds</b>	<u>17,449,222</u>	<u>6,613,711</u>	<u>(7,225,968)</u>	<u>(849,886)</u>	<u>15,987,079</u>
<b>Unrestricted funds</b>					
General funds	604,212	313,518	(78,584)	(189,114)	650,032
Designated fund	650,000	-	-	(150,000)	500,000
Teaching schools	80,351	233,715	(233,225)	-	80,841
	<u>1,334,563</u>	<u>547,233</u>	<u>(311,809)</u>	<u>(339,114)</u>	<u>1,230,873</u>
<b>Total funds</b>	<u>18,783,785</u>	<u>7,160,944</u>	<u>(7,537,777)</u>	<u>(1,189,000)</u>	<u>17,217,952</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	18,620,823	18,620,823
Current assets	1,386,480	26,935	-	1,413,415
Creditors falling due within one year	(381,767)	-	(87,136)	(468,903)
Defined benefit pension liability	-	(2,846,000)	-	(2,846,000)
<b>Total net assets</b>	<u>1,004,713</u>	<u>(2,819,065)</u>	<u>18,533,687</u>	<u>16,719,335</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General      Fixed asset £                      £		Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	18,590,555	18,590,555
Current assets	1,860,045	-	-	1,860,045
Creditors falling due within one year	(629,172)	-	(105,476)	(734,648)
Defined benefit pension liability	-	(2,498,000)	-	(2,498,000)
<b>Total net assets</b>	<b>1,230,873</b>	<b>(2,498,000)</b>	<b>18,485,079</b>	<b>17,217,952</b>

### 18 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £79,594 (2019: £94,463) were payable to the schemes at 31 August 2020 and are included within creditors.

#### 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.

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

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Pension and similar obligations

(Continued)

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 result is due to be implemented from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £678,000 (2019: £457,000).

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21% for employers and 6% for employees. The estimated value of employer contributions for the forthcoming year is £255,000.

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.

<b>Total contributions made</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Employer's contributions	301,000	314,000
Employees' contributions	76,000	75,000
	<u>377,000</u>	<u>389,000</u>
	<u>377,000</u>	<u>389,000</u>
<b>Principal actuarial assumptions</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
	<u>1.7</u>	<u>1.9</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.2	22.3
- Females	23.6	24.5
Retiring in 20 years		
- Males	21.9	23.9
- Females	25.0	26.5

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

	2020 Fair value £	2019 Fair value £
Equities	1,798,650	1,935,000
Bonds	1,638,770	1,232,000
Property	399,700	317,000
Cash	159,880	35,000
Total market value of assets	3,997,000	3,519,000

The actual return on scheme assets was £127,000 (2019: £239,000).

#### Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	659,000	462,000
Interest income	(70,000)	(86,000)
Interest cost	121,000	120,000
Total operating charge	710,000	496,000

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

<b>18</b>	<b>Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the present value of defined benefit obligations</b>	<b>2020</b>	
		<b>£</b>	
	At 1 September 2019	6,017,000	
	Current service cost	659,000	
	Interest cost	121,000	
	Employee contributions	76,000	
	Actuarial (gain)/loss	(4,000)	
	Benefits paid	(26,000)	
	At 31 August 2020	6,843,000	
	 <b>Changes in the fair value of the Academy Trust's share of scheme assets</b>		
		<b>2020</b>	
		<b>£</b>	
	At 1 September 2019	3,519,000	
	Interest income	70,000	
	Actuarial gain	57,000	
	Employer contributions	301,000	
	Employee contributions	76,000	
	Benefits paid	(26,000)	
	At 31 August 2020	3,997,000	
<b>19</b>	<b>Reconciliation of net expenditure to net cash flow from operating activities</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Net expenditure for the reporting period (as per the statement of financial activities)	(559,617)	(376,833)
	Adjusted for:		
	Capital grants from DfE and other capital income	(27,124)	(295,499)
	Investment income receivable	(9,593)	(8,057)
	Defined benefit pension costs less contributions payable	358,000	148,000
	Defined benefit pension scheme finance cost	51,000	34,000
	Depreciation of tangible fixed assets	553,607	549,665
	Decrease/(increase) in debtors	36,530	(31,856)
	(Decrease) in creditors	(265,745)	(7,873)
	<b>Net cash provided by operating activities</b>	<b>137,058</b>	<b>11,547</b>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,568,908	(410,100)	1,158,808

#### 21 Related party transactions

At the year end the academy owed £21,962 by (2019: owed £18,362) to The Chimney House Teaching School Foundation. The Chimney House Teaching School Foundation paid a donation of £nil (2019: £25,171) to the academy.

The above entities are related by virtue of a common director.

#### 22 Members' liability

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

#### 23 Teaching schools trading account

	2020		2019	
	£	£	£	£
<b>Direct income</b>				
Fee income		338,472		233,715
<b>Direct costs</b>				
Educational supplies and services	328,727		233,225	
<b>Total operating costs</b>		(328,727)		(233,225)
<b>Surplus from teaching schools</b>		9,745		490
Teaching schools balances at 1 September 2019		80,841		80,351
<b>Teaching schools balances at 31 August 2020</b>		90,586		80,841