

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 2019**

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Governors' report	3 - 16
Governance statement	17 - 19
Statement on regularity, propriety and compliance	20
Statement of Governors' responsibilities	21
Independent auditor's report on the accounts	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities including income and expenditure account	27 - 28
Balance sheet	29
Statement of cash flows	30
Notes to the accounts including accounting policies	31 - 48

---

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

J. Beard  
C. Burgess  
R. Livingstone  
C. Goodchild (appointed 1 April 2019)  
P. Rottier (appointed 1 April 2019)

### Governors

R. Aston (Appointed 14 October 2019)  
J. Beard (Community Governor, NLG)  
P. Black (Community Governor) (Resigned 18 October 2018)  
D. Bryant (Parent Governor) (Appointed 18 October 2018)  
C. Burgess (Chair of Governors)  
K. Comb (Appointed 18 November 2019)  
H. Connolly (Staff Governor)  
M. Forsyth (Staff Governor) (Resigned 26 October 2018)  
C. Goodchild (Parent Governor) (Resigned 18 October 2018)  
T. Goodwin (Parent Governor) (Appointed 18 October 2018)  
J. Grace (Community Governor)  
J. Hudson (Staff Governor) (Resigned 1 April 2019)  
S. Lavin (Parent Governor) (Appointed 18 October 2018)  
S. Lawrence (Parent Governor)  
C. Lewis (Parent Governor)  
N. Lewis (Parent Governor)  
C. Morgan (Appointed 18 November 2019)  
A. Mottram (Appointed 1 April 2019 and resigned 23 September 2019)  
D. Oliver (Executive Headteacher, NLE)  
M. Oliver (Community Governor)  
J. Otter (Community Governor)  
R. Parry (Patron to the Governing Body) (Resigned 5 July 2019)  
G. Preece (Parent Governor)  
P. Redford (Staff Governor)  
R. Rix (Community Governor) (Resigned 26 September 2019)  
P. Roberts (Staff Governor) (Appointed 26 November 2018 and resigned 18 November 2019)  
L. Simpson (Staff Governor) (Appointed 1 April 2019)  
K. Woods (Parent Governor) (Resigned 5 July 2019)

### Senior management team

- Executive Headteacher	D. Oliver
- Head of School	N. Bielby
- Deputy Head	M. Lowe
- Director of Business Services	A. Halsall

### Company secretary

A. Halsall

### Company registration number

07711928 (England and Wales)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

---

**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 2019**

---

The Governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 1,297 in the 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).

#### 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 2019**

---

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

#### Governing body

The Academy Trust can appoint up to 20 Members 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, terminating when the last child of that family leaves the school.

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. The schedule is:

<b>Appointment process</b>	<b>Number of School Days</b>
Nominations invited	0
Nominations close	10
If no ballot is required result will be available	11
If a ballot is required ballot papers will be issued	15
Ballot papers must be returned by	25
Count	26
Result published	27

#### 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.

#### 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 must be nominated and seconded by current members of the Governing Body and all members of the Governing Body vote whether to accept or reject the 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.

### 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.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

### Organisational structure

#### Governors' terms of office

<b>Name</b>	<b>Term of office until:</b>
<b>Members</b>	
Mrs J Beard	
Mrs C Burgess	
Mrs C Goodchild	
Mrs R Livingstone	
Mr P Rottier	
<b>Parent Governors</b>	
Mr D Bryant	18 October 2022
Ms T Goodwin	18 October 2022
Ms S Lavin	18 October 2022
Mrs S Lawrence	5 February 2020
Ms C Lewis	5 February 2022
Mr N Lewis	Reappointed 18 October 2018, term of office ends October 2022
Mrs G Preece	20 October 2021
<b>Staff Governors</b>	
Mr D Oliver (Headteacher)	n/a
Mr P Redford	21 September 2020
Mrs H Connolly	21 September 2020
Miss L Simpson	1 April 2023
<b>Community Governors</b>	
Mrs C Burgess (Chair)	26 September 2022
Mr J Grace	26 March 2022
Mr M Oliver (Vice Chair)	19 October 2019
Mr J Otter	12 September 2022
<b>Leavers 2018/2019</b>	
Mrs K Woods	resigned July 2019
Mr R Parry	resigned July 2019
Mr A Mottram	resigned September 2019
Mrs J Hudson	resigned April 2019
Mrs R Rix	resigned September 2019
Mr M Forsyth	resigned October 2018
Mr P Black	resigned October 2018
Mr P Roberts	resigned November 2019

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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 Action 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.

### Academy Trust Board - Full Governors

This includes an Executive Committee of 3 Governors (Chair, Vice Chair and Chair of the Finance Committee) who with the Executive Headteacher convene to take action, for example, in response to developments needing an urgent response.

There are 6 committees which meet at least once a term. The committees are:

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

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, and to review the recommendations of the Executive Headteacher in relation to the outcomes of the performance management system for teachers.

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. 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 up to the value of £100,000. Where such spending decisions are made, meetings of the appropriate committees are held as soon as practically possible to scrutinise these decisions. In all the above, the Executive Committee has the delegated power to make decisions, within the agreed limitations, except where statutory requirements necessitate the support of the full Governing Body. This statement of functions and powers is reviewed annually.

During the year 2018/19 the Executive Trustees convened once in order to review a recommendation the awarding of a contract to refurbish a number of classrooms and build two access corridors. For this item, the Chair of the Estates and Facilities Committee joined the Executive Trustees. The meeting and recommendations were minuted and reported to the Full Governing Body and the Finance Committee. The progress and contract performance were monitored by a review group set up from members of both the Finance and Estates Committees. The process was reviewed as part of the Internal Audit process and changes to the Academy's financial and governance procedures, including increases to the authorisation limits were accepted.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 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.

#### Building strong community partnerships

The governing board recognises the important role that HCCS plays within the local community. It has therefore established a committee with a remit to work with civic bodies and other local groups to build better relationships that benefit our students and the local community. The committee is chaired by Mr M Oliver, Vice Chair of the governing body and includes governors, members of school staff and sixth form students. The committee reports its work and progress to the full governing board meetings.

#### 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 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.

#### Related parties and other connected charities and organisations

##### **The 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.

In addition to the School Direct programme for ITT which is delivered under the Chimney House banner, the East Cheshire School Centred ITT (SCITT) is also managed as part of the portfolio. The SCITT's financial performance is monitored as part of HCCS management accounts however, the risks against loss are mitigated by the CHTSF as part of the overall provision of ITT.

HCCS has 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. During the year 2018/19 the financial performance of both the CHTSF and SCITT were strong with significant cash resources.

##### **Holmes Chapel and District Community Partnership (HCDCP) Company no 07695330**

The Holmes Chapel and District Community Partnership was set up in 2011 as a company limited by guarantee and was made up of HCCS and 6 local primary schools. It has two strategic intents:

- To develop more effective Learning and Teaching by sharing best practice, valuing, celebrating and developing talents whilst challenging and addressing underachievement and identifying and removing barriers to learning;
- To promote Lifelong Learning through widening participation by involving our community and providing responsive opportunities and services.

The registered Directors of the company are made up of the Headteachers of each participating school. During 2018/19 N. Bielby, Head of School, attended the Partnership with the delegated authority of D. Oliver. All member schools pay an annual membership fee to HCDCP based on pupil numbers. HCCS also provides the group with a PE teacher to support all of the primary schools, the cost of which is recovered from the partnership.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

---

### **Objectives and activities**

#### Objects and aims

HCCS is a Comprehensive Secondary School and Sixth Form College founded in 1978 and located in Holmes Chapel, Cheshire. Its object is to advance the public benefit of education by establishing, maintaining, managing, sustaining and developing a school which offers a broad and balanced curriculum.

It is the HCCS's aim to 'prepare learners for a changing world' and works to ensure each student both realises their full academic, creative and physical potential and develops positive social and moral values. HCCS firmly believes that students, staff and parents should be part of a happy and caring environment.

#### Objectives, strategies and activities

HCCS strives to continually raise the standard of educational attainment and achievement of all students by providing a broad and balanced curriculum, including extra-curricular and enrichment activities. HCCS's key aims for the year were to:

- Set, maintain and improve the highest standards;
- Ensure that challenge, support and leadership drive forward our ethos of continuous improvement;
- Develop pathways and ways of learning which meet the needs of our learners;
- Develop a structure and strategy for giving the extra help that each child needs;
- Continue to improve the learning environment, quality of resources and support systems;
- Ensure the safety and wellbeing of all the members of our school community;
- Work collaboratively to develop our communities and partnerships;
- Support the developments of students as effective and independent learners;
- Develop the infrastructure of the school to ensure it supports students to achieve their full potential;
- Ensure every student enjoys high quality of education in terms of resourcing, teaching and care;
- Keep the school's curriculum and organisational structure under constant review;
- Maximise student academic performance in line with national and local key performance indicators;
- Raise attainment levels in external exams at 16+;
- Fulfil its role as a National Teaching School and leading edge education provider;
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### 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.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Strategic report

#### Achievements and performance

Holmes Chapel Comprehensive School and Sixth Form College continues to carry the accolade of being judged to be an Outstanding School by Ofsted. The Executive Headteacher holds the National Leader of Education (NLE) status which results in HCCS being a National Support School (NSS). HCCS is a National Teaching School.

High expectations, excellent teaching, an exciting learning environment, an emphasis on the core purpose of helping students to learn and achieve, combined with a strong, caring pastoral system, ensure that students of all abilities achieve their potential. Outstanding examination results at GCSE and Post-16 are consistently amongst the highest within Cheshire and nationally.

#### GCSE Results 2019

Analysis shows a 6% 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 73% of students gaining 5 GCSEs including English and Maths at grade 4 or above. At the top end of grades, our students recorded 103 or 9% of grades at the very top score of 9 with 30% of all grades scoring in the range of grades 9 to 7. 80% of students achieved good passes at grade 4 or above in both English and Maths. English was a particular strength with 85% of students achieving grades 9 to 4, the benchmark that compares with the previous A\* to C grades. In Maths, the figure for those students achieving the same benchmark was 83%.

Across the GCSE curriculum the overall pass rate at grades 9 to 4 was 84%. 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 99%, Chemistry 91% and Physics 92%, Spanish 92%, German 88%, History 83%, Geography 94%, RE 93%, Drama 95%, Art 86%, PE 85% and Dance 100%.

This student year group included Nell Jones who tragically lost her life in the MEN attack just over two years ago. Special mention is made in this report of the achievements of Freya Lewis who was seriously injured in the attack and has battled back through serious injury to complete her GCSEs on schedule with the rest of her year group. Described by the Headteacher as "inspirational", Freya's examination results are a testament to her hard work and resilience that has been tested to the extreme.

These results clearly demonstrate outstanding success across a broad based curriculum and is a testament to the hard work and commitment of the students and their teachers. It is important that we also recognise the support of the parents/guardians of our students, as the support that they give to their children is outstanding.

#### GCSE in summary

1. HCCS has a positive Progress 8 score.
2. Based on 9 to 5 in English and Maths, HCCS is one of the top performing schools in Cheshire East
3. Averaged across all of their examinations, 141 students performed better than their statistical targets indicated
4. 10% of students achieved an average grade of at least 8
5. All but one GCSE subject had an average grade of 5 with ten subjects having an average grade of at least 6

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

---

### Post 16 results

Sixth Form students and staff at Holmes Chapel Comprehensive School had much to celebrate after their outstanding success in this summer's A level and BTEC qualifications. Results show the vibrant, inclusive and truly comprehensive Sixth Form, which offers the opportunity to choose from a range of over 30 different academic or vocational subjects, scored highly across the board. In twenty-four subjects, students achieved a 100% pass rate and in fifteen subjects, more than half achieved the highest grades of A\* to B. In Further Maths 100% achieved the top scores of A\* to B. In English the figure was three quarters and in both Media Studies and Geography it was two thirds.

The students were able to finalise their plans for the next stage of their personal and career development. The students were supported by a significant number of senior leaders and highly experienced teachers in taking stock, analysing and interpreting their results and take the steps necessary to make the most of their successes. It was a genuine pleasure to watch so many of the students confirm their next steps in terms of university places, higher-level apprenticeships and employment opportunities.

High achieving students, in terms of grades, include Alex Smith who secured three A grades and an A\* as well as an Extended Project Qualification (EPQ). Along with Alex the following students achieved 3 or more A\*/A: Hannah Cartwright, Theo Gilmour, Lucy Gleave, Emma Smith, Emma Stone and Jack Watson.

However, success isn't just measured in terms of grades and Holmes Chapel Sixth Form College strives to get the best from each and every student, setting high targets for students to aspire to. This year, as always a number of students not only hit their targets but a result of their hard work and determination, significantly exceeded them. Kamila Janciukaite for example, joined us from Lithuania as a 13 year old who didn't speak English. Her progress and achievement at both GCSE and A level, has been remarkable, achieving more than a grade higher than anticipated in each subject. Other high achievers in terms of progress include Nathalie Lamb, Daniel Main, Hannah Cartwright, Matthew Gibbs, Emma Smith and Sarah Hartas.

### Teaching School

HCCS is a National Teaching School which has consistently delivered outstanding results across key national education initiatives including:

- Initial Teacher Training via School Direct and School Centred Initial Teacher Training
- CPD/Leadership Development
- Succession Planning/Talent Management
- School to School Support
- Specialist Leaders of Education (SLEs)
- Research and Development

Achievements across all these areas are outstanding and HCCS now enjoys a well-deserved reputation as the lead school in an exceptionally successful alliance in the North West of England. The ethos of HCCS is to strive to maintain and continually improve its mutually supportive community approach in a world where people and organisations are seemingly becoming more and more reluctant to support each other in a challenging climate.

### Curriculum Priorities

Following extensive consultation HCCS has a set of underpinning principles which are in place to guide the school in its policy making and implementation. The Curriculum - together with the school's strong, positive ethos and values - are key drivers in achieving the Academy's mission of 'preparing our learners for a changing world'.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Key Principles

#### The Curriculum at HCCS:

- Focuses on the development of the whole individual;
- Ensures equality of opportunity in learning;
- Provides personalised pathways and alternative ways of learning;
- Inspires 'drive', 'commitment' and 'passion';
- Promotes high standards, success and achievement;
- Embodies responsibilities, entitlements, safety & wellbeing;
- Develops respect, tolerance and courtesy; and
- Reflects the learners' place in their communities.

### Equality of Access

HCCS recognises its responsibilities under the Discrimination Act and the duty to promote equality in access for all. HCCS actively:

- Promotes equality of opportunity;
- Eradicates any unlawful discrimination;
- Eliminates any disability-related harassment;
- Promotes positive attitudes towards equality and diversity;
- Takes positive, practical steps to take account of and meet the needs of people from all parts of society.

### Equal opportunities

#### Rationale

- Every member of HCCS has the right to be treated equally.
- A principal aim of education is to develop individual potential to the full. This can only be achieved if there is equality of opportunity for all within the school.
- Inequalities of opportunity need to be addressed to guarantee that individuals can share the full range of educational experiences to which they are entitled.

#### Purposes

- To ensure that no member of HCCS suffers discrimination for whatever reason.
- To ensure that all students can participate in the full range of educational experiences to which they are entitled.
- To recognise, acknowledge and respect all aspects of diversity.

#### Guidelines

- Expressions of prejudice should always be challenged with any concern referred to the Pastoral Coordinator or any other member of the Leadership Team.
- Materials, ideas and role models presented to students should encompass as wide a range of diversity as possible and challenge stereotypes.
- The curriculum, subject organisation and pastoral organisation will not stereotype members of the community or allow them to stereotype themselves.
- Equal opportunity issues will be taken into account when planning the social organisation of students.
- A regular audit of the school's curriculum and practice will take place to monitor whether equality of opportunity is achieved.
- HCCS will seek to use the teaching strategies which are most effective in promoting quality and generating positive self-images.
- Equality of opportunity will be available to all staff to enable them to develop their full potential within their careers.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Building Development

During 2018/19 the Academy continued to make significant infrastructure investments. The Governing Body, on recommendations from the Finance and Estates Committees, made available up to £500,000 from reserves to move forward with the development of the school. Infrastructure improvements included work to refurbish the oldest part of the school, radically improving the teaching and learning environment in 6 classrooms. The project also created two access corridors to ease the flow of students between the front and rear of school. Further work was carried out to improve the walkways at the rear of the school and to create a covered space for social use by students.

### Supporting the local community

The Governing Body at HCCS take very seriously its role in helping to provide the best facilities not only for students but also for the good of the local population. The 3G pitch has continued to be very popular with the local community and girls football which, in particular, has continued to grow quickly in popularity. The use of the performance theatre in the Sixth Form block and the Training and Conference Centre have been used by increasing numbers of our local community.

### 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.

### 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 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2019, HCCS received recurrent income of £6,318,212 from the DfE in respect of General Annual Grant and other Government funding. Total expenditure for the year amounted to £7,537,777.

Unrestricted income totalled £547,233 for the year. Against this resources expended totalled £311,809, resulting in net additions to unrestricted funds of £235,424 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 2019 the net assets excluding pension liability were £19,715,952. The assets were used exclusively for providing education and the associated support services to the pupils of the school.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Reserves policy

The Governors review the level of reserves of the Academy on an at least an 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 Governing Body also agreed a reserve of £500,000 to support the ongoing site development strategy. The Academy's free reserves as at 31 August 2019 are £650,032 which are greater than the minimum levels set.

The Academy Trust has identified an overall estates strategy that it has been working to deliver over the past five years. Using a combination of its own reserves and capital grants, it has successfully completed major steps in the overall 'grand plan'. The examples of success in this strategy have been the delivery of the new Sixth Form block, the permanent location of the training and conference centre, the increased provision for students with enhanced needs, the refurbishment of classrooms and the building of the new 3G sports facility. Further investment in 2017/18 included a commitment of £250,000 to address the Governing Body's principal risks around student safety and safeguarding and in 2018/19, the investment of up to £500,000 to refurbish classrooms and to improve the flow of students around the school. In 2019/20, the Academy will be working on a review of the estates strategy and 'Grand Plan' following a request from the Local Authority to increase the number of student places in the year groups 7 to 11 by a total of 150 places. The Academy will again invest significant resources from reserves to enable the expansion to happen effectively.

### 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 2019*

---

### Principal risks and uncertainties

#### Operational Management

HCCS's operational organisation structure consists of two primary levels: Strategic - Governing Body, which includes the Executive Headteacher, and Operational - which is headed by the Executive Headteacher supported by the Head of School, Deputy Head and Director of Business Services in the Core Leadership Team (CLT). CLT manage HCCS operations at an executive level; implement policies approved by Governors and report to the Academy Trust Board through various committees and at the Full Governing Body meetings. HCCS's staff are operationally led and managed by the CLT. Below CLT sits an An Extended Leadership Team (ELT) comprising key Faculty leaders and the Core Leadership Team. This group meets weekly to discuss and review areas surrounding teaching and learning plus all other issues that affect the safe running of the school.

#### Risk management and Strategic Risk Register

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 better understand the risks in terms of the likelihood of them occurring and the potential impact if they did. Therefore, all identified risks are given a score that measures Impact x Likelihood. The GB holds the operational managers to account for the delivery of agreed actions via the Executive Headteacher.

#### Identifying Risks

The academy trust will build and maintain a register of its key strategic and operational risks. The GB and its committees will consider the key risks in each of its meetings. The GB, via its committees and management structure, will monitor the delivery of the mitigation action plans and periodically review its risk register for all of the major risks. The governing structure has the following committees:

#### Full Governors meeting (GB)

Standards (Chairs of all committees, Trustees, Core Leadership)

Finance (including Audit) Estates & Facilities Teaching and Learning Behaviour & Wellbeing Pay and Remuneration

All committees are chaired by a member of the GB. They have as a standing agenda item to identify and review the strategic risks that come within the remit of the committee. The terms of reference for each committee are reviewed annually. The Standards Committee brings together the Chairs of each committee and the core leadership team. The risk register is reviewed within this committee. All committees monitor the implementation of their decisions via action sheets which are reviewed at each meeting and by providing a written summary report to each meeting of the GB.



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

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

### **Risk rating mechanism**

The academy uses a 5 x 5 [Impact x Likelihood] scoring mechanism to measure operational and strategic risks. 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 mitigation.

### **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 committees. Progress will be monitored by the Standards Committee.

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

- Improved security/safeguarding
- New reception with full visibility of the entrance to school
- Successful bid for capital to replace heating boilers and provide a new high capacity gas main
- Investment in a new Management Information System
- Maintenance of a working capital reserve

Following the annual audit of the accounts, the development of the capital asset register was added to the risk register.

### **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 and an electronic ordering/authorisation system
- 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. During 2017/18, the academy market tested both internal and external audit functions. Jackson Stephen LLP were re-appointed to undertake external audit and Howard Worth to carry out the internal audit function.

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.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Plans for future periods

Key objectives:

- Maintain and improve standards in exam performance, behaviour and uniform;
- Move towards achieving the vision communicated in the school facilities master-plan to establish facilities which support the needs and aspirations of the school and communities that it serves;
- Increase the accommodation capacity to cater for the significant additional need for school places as a result of the extensive residential development of Holmes Chapel and District;
- Continue to improve teaching and learning through the professional learning of the school workforce at HCCS and across the CHA;
- Continue to build partnerships with the communities that we serve particularly supporting primary partners in the implementation of the new National Curriculum.

### 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 2019 and signed on its behalf by:

*Christina M. Burgess*

C. Burgess (Chair of Governors)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

### 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 21 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 (Appointed 14 October 2019)	0	0
J. Beard (Community Governor, NLG)	2	4
P. Black (Community Governor) (Resigned 18 October 2018)	0	0
D. Bryant (Parent Governor) (Appointed 18 October 2018)	7	9
C. Burgess (Chair of Governors)	20	21
K. Comb (Appointed 18 November 2019)	0	0
H. Connolly (Staff Governor)	3	9
M. Forsyth (Staff Governor) (Resigned 26 October 2018)	0	0
C. Goodchild (Parent Governor) (Resigned 18 October 2018)	0	0
T. Goodwin (Parent Governor) (Appointed 18 October 2018)	12	12
J. Grace (Community Governor)	8	15
J. Hudson (Staff Governor) (Resigned 1 April 2019)	0	8
S. Lavin (Parent Governor) (Appointed 18 October 2018)	11	11
S. Lawrence (Parent Governor)	12	13
C. Lewis (Parent Governor)	8	8
N. Lewis (Parent Governor)	13	14
C. Morgan (Appointed 18 November 2019)	0	0
A. Mottram (Appointed 1 April 2019 and resigned 23 September 2019)	1	3
D. Oliver (Executive Headteacher, NLE)	21	21
M. Oliver (Community Governor)	10	17
J. Otter (Community Governor)	4	8
R. Parry (Patron to the Governing Body) (Resigned 5 July 2019)	0	8
G. Preece (Parent Governor)	10	11
P. Redford (Staff Governor)	8	11
R. Rix (Community Governor) (Resigned 26 September 2019)	7	11
P. Roberts (Staff Governor) (Appointed 26 November 2018 and resigned 18 November 2019)	6	7
L. Simpson (Staff Governor) (Appointed 1 April 2019)	2	2
K. Woods (Parent Governor) (Resigned 5 July 2019)	7	10

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

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

#### **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 and comparisons with peer schools
- Development of a contracts register
- Review of all contracts in terms of quality, service and price which has led to significant savings
- Development of the 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 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 2019**

---

During 2018/19, the Internal Audit programme has been delivered by an independent company, Howard Worth Chartered Accountants, the internal audit providers.

The areas covered at this visit were:

- Budgeting Process
- Reporting
- Assets
- Year End Procedures
- Staff Structure Review
- Financial / Accounting Records and Systems

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 2019 and signed on its behalf by:

*Christina M. Burgess*

C. Burgess (Chair of Governors)



D. Oliver (Executive Headteacher, NLE)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

---

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 & 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 2018.

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 2018.

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.



D. Oliver (Executive Headteacher, NLE)  
**Accounting Officer**

02 December 2019

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 2019 and signed on its behalf by:

*Christina M. Burgess*

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 2019**

---

### **Opinion**

We have audited the accounts of Holmes Chapel Comprehensive School & Sixth Form College for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

### **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 2019**

---

### **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 have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy 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 2019**

---

### 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**

*12 December 2019*  
.....

**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 & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

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 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 & SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Jackson Stephen LLP*

**Reporting Accountant**

Jackson Stephen LLP

Dated: *12 December 2019*

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	25,572	-	295,499	321,071	67,267
Charitable activities:						
- Funding for educational operations	4	-	6,318,212	-	6,318,212	6,226,756
- Funding for teaching schools	23	233,715	-	-	233,715	375,751
Other trading activities	5	279,889	-	-	279,889	320,239
Investments	6	8,057	-	-	8,057	7,309
<b>Total</b>		<b>547,233</b>	<b>6,318,212</b>	<b>295,499</b>	<b>7,160,944</b>	<b>6,997,322</b>
<b>Expenditure on:</b>						
Raising funds	7	78,584	-	-	78,584	67,873
Charitable activities:						
- Educational operations	8	-	6,676,303	549,665	7,225,968	7,119,829
- Teaching schools	23	233,225	-	-	233,225	343,903
<b>Total</b>	<b>7</b>	<b>311,809</b>	<b>6,676,303</b>	<b>549,665</b>	<b>7,537,777</b>	<b>7,531,605</b>
<b>Net income/(expenditure)</b>		<b>235,424</b>	<b>(358,091)</b>	<b>(254,166)</b>	<b>(376,833)</b>	<b>(534,283)</b>
Transfers between funds	16	(339,114)	176,091	163,023	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(1,189,000)	-	(1,189,000)	773,000
<b>Net movement in funds</b>		<b>(103,690)</b>	<b>(1,371,000)</b>	<b>(91,143)</b>	<b>(1,565,833)</b>	<b>238,717</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,334,563	(1,127,000)	18,576,222	18,783,785	18,545,068
Total funds carried forward		1,230,873	(2,498,000)	18,485,079	17,217,952	18,783,785

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £                      £		Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	477	-	66,790	67,267
Charitable activities:					
- Funding for educational operations	4	-	6,226,756	-	6,226,756
- Funding for teaching schools	23	375,751	-	-	375,751
Other trading activities	5	320,239	-	-	320,239
Investments	6	7,309	-	-	7,309
<b>Total</b>		<u>703,776</u>	<u>6,226,756</u>	<u>66,790</u>	<u>6,997,322</u>
<b>Expenditure on:</b>					
Raising funds	7	67,873	-	-	67,873
Charitable activities:					
- Educational operations	8	-	6,620,445	499,384	7,119,829
- Teaching schools	23	343,903	-	-	343,903
<b>Total</b>	7	<u>411,776</u>	<u>6,620,445</u>	<u>499,384</u>	<u>7,531,605</u>
<b>Net income/(expenditure)</b>		292,000	(393,689)	(432,594)	(534,283)
Transfers between funds	16	(402,268)	135,689	266,579	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	773,000	-	773,000
<b>Net movement in funds</b>		(110,268)	515,000	(166,015)	238,717
<b>Reconciliation of funds</b>					
Total funds brought forward		1,444,831	(1,642,000)	18,742,237	18,545,068
Total funds carried forward		<u>1,334,563</u>	<u>(1,127,000)</u>	<u>18,576,222</u>	<u>18,783,785</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		18,590,555		18,680,222
<b>Current assets</b>					
Debtors	13	291,137		259,281	
Cash at bank and in hand		1,568,908		1,713,803	
		<u>1,860,045</u>		<u>1,973,084</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(734,648)		(742,521)	
<b>Net current assets</b>			<u>1,125,397</u>		<u>1,230,563</u>
<b>Net assets excluding pension liability</b>			<u>19,715,952</u>		<u>19,910,785</u>
Defined benefit pension scheme liability	18		(2,498,000)		(1,127,000)
<b>Total net assets</b>			<u><u>17,217,952</u></u>		<u><u>18,783,785</u></u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			18,485,079		18,576,222
- Pension reserve			(2,498,000)		(1,127,000)
<b>Total restricted funds</b>			<u>15,987,079</u>		<u>17,449,222</u>
<b>Unrestricted income funds</b>	16		<u>1,230,873</u>		<u>1,334,563</u>
<b>Total funds</b>			<u><u>17,217,952</u></u>		<u><u>18,783,785</u></u>

The accounts on pages 27 to 48 were approved by the Governors and authorised for issue on 02 December 2019 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 2019

	Notes	2019		2018	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		11,547		358,382
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		8,057		7,309	
Capital grants from DfE Group		295,499		66,790	
Purchase of tangible fixed assets		(459,998)		(437,369)	
<b>Net cash used in investing activities</b>			<b>(156,442)</b>		<b>(363,270)</b>
<b>Net decrease in cash and cash equivalents in the reporting period</b>			<b>(144,895)</b>		<b>(4,888)</b>
Cash and cash equivalents at beginning of the year			1,713,803		1,718,691
<b>Cash and cash equivalents at end of the year</b>			<b>1,568,908</b>		<b>1,713,803</b>



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holmes Chapel Comprehensive School & Sixth Form College meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 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.

### 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 2019

---

### 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 2019

---

### 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 2019. 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 2019

### 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 2019 £	Total 2018 £
Capital grants	-	295,499	295,499	66,790
Other donations	25,572	-	25,572	477
	<u>25,572</u>	<u>295,499</u>	<u>321,071</u>	<u>67,267</u>

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

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,821,327	5,821,327	5,883,573
Other DfE group grants	-	237,663	237,663	153,292
	<u>-</u>	<u>6,058,990</u>	<u>6,058,990</u>	<u>6,036,865</u>
<b>Other government grants</b>				
Local authority grants	-	259,222	259,222	189,891
	<u>-</u>	<u>259,222</u>	<u>259,222</u>	<u>189,891</u>
<b>Other funding</b>				
Teaching schools income	233,715	-	233,715	375,751
	<u>233,715</u>	<u>-</u>	<u>233,715</u>	<u>375,751</u>
<b>Total funding</b>	<u>233,715</u>	<u>6,318,212</u>	<u>6,551,927</u>	<u>6,602,507</u>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	134,653	-	134,653	97,400
Provision of training and courses	39,311	-	39,311	29,860
Other income	105,925	-	105,925	192,979
	<u>279,889</u>	<u>-</u>	<u>279,889</u>	<u>320,239</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £	
	Other investment income	8,057	-	8,057	7,309	
		<u>8,057</u>	<u>-</u>	<u>8,057</u>	<u>7,309</u>	
7	Expenditure	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2019 £	Total 2018 £
	Expenditure on raising funds					
	- Direct costs	-	-	78,584	78,584	67,873
	Academy's educational operations					
	- Direct costs	4,567,171	-	291,306	4,858,477	4,661,437
	- Allocated support costs	978,209	1,068,736	320,546	2,367,491	2,458,392
	Teaching schools					
	- Direct costs	116,120	-	117,105	233,225	343,903
		<u>5,661,500</u>	<u>1,068,736</u>	<u>807,541</u>	<u>7,537,777</u>	<u>7,531,605</u>
	<b>Net income/(expenditure) for the year includes:</b>			<b>2019</b>	<b>2018</b>	
				£	£	
	Fees payable to auditor for:					
	- Audit			10,305	10,105	
	- Other services			1,355	1,130	
	Operating lease rentals			69,106	68,760	
	Depreciation of tangible fixed assets			549,665	499,384	
	Net interest on defined benefit pension liability			34,000	38,000	
				<u>7,537,777</u>	<u>7,531,605</u>	
8	Charitable activities	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £	
	<b>Direct costs</b>					
	Educational operations	-	4,858,477	4,858,477	4,661,437	
	Teaching schools	233,225	-	233,225	343,903	
	<b>Support costs</b>					
	Educational operations	-	2,367,491	2,367,491	2,458,392	
		<u>233,225</u>	<u>7,225,968</u>	<u>7,459,193</u>	<u>7,463,732</u>	

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities

(Continued)

	Teaching schools £	Educational operations £	Total 2019 £	Total 2018 £
<b>Analysis of support costs</b>				
Support staff costs	-	978,209	978,209	1,054,723
Depreciation	-	549,665	549,665	499,384
Technology costs	-	64,348	64,348	64,300
Premises costs	-	519,071	519,071	607,700
Other support costs	-	244,471	244,471	216,822
Governance costs	-	11,727	11,727	15,463
	-	2,367,491	2,367,491	2,458,392

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	4,268,224	4,027,957
Social security costs	392,036	375,627
Pension costs	918,109	907,659
Amounts paid to employees	5,578,369	5,311,243
Agency staff costs	83,131	59,305
Total staff expenditure	5,661,500	5,370,548

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	72	73
Administration and support	90	83
Management	11	12
	173	168

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Staff

(Continued)

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>1</u>	<u>1</u>

#### 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 £598,622 (2018: £609,710).



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 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:

D Oliver (Executive head)

Remuneration: £120,001 - £125,000 (2018: £110,001 - £115,000)

Pension: £nil (2018: £10,000 - £15,000)

J Hudson (Resigned 1 April 2019)

Remuneration: £15,001 - £20,000 (2018: £30,001 - £35,000)

Pension: £0 - £5,000 (2018: £5,001 - £10,000)

M Forsyth (Resigned 26 October 2018)

Remuneration: £5,001 - £10,000 (2018: £40,001 - £45,000)

Pension: £0 - £5,000 (2018: £5,001 - £10,000)

P Redford

Remuneration: £50,001 - £55,000 (2018: £50,001 - £55,000)

Pension: £5,001 - £10,000 (2018: £5,001 - £10,000)

H Connolly

Remuneration: £30,001 - £35,000 (2018: £25,001 - £30,000)

Pension: £5,001 - £10,000 (2018: £5,000 - £10,000)

G Preece

Remuneration: £0 - £5,000 (2018: £0 - £5,000)

Pension: £0 - £5,000 (2018: £0 - £5,000)

P Roberts (Appointed 26 November 2018)

Remuneration: £25,001 - £30,000 (2018: £nil)

Pension: £0 - £5,000 (2018: £nil)

A Mottram (Appointed 1 April 2019)

Remuneration: £5,001 - £10,000 (2018: £nil)

Pension: £0 - £5,000 (2018: £nil)

L Simpson (Appointed 1 April 2019)

Remuneration: £10,001 - £15,000 (2018: £nil)

Pension: £0 - £5,000 (2018: £nil)

During the period ended 31 August 2019, travel and subsistence expenses totalling £3,402 were reimbursed or paid directly to 5 governors (2018: £285 to 4 governors).

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Governors and officers insurance

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 2019 was deducted from the funding from the ESFA.

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

### 12 Tangible fixed assets

	Freehold buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2018	19,666,650	2,099,278	65,490	21,831,418
Additions	381,992	78,006	-	459,998
At 31 August 2019	20,048,642	2,177,284	65,490	22,291,416
<b>Depreciation</b>				
At 1 September 2018	1,700,890	1,396,748	53,558	3,151,196
Charge for the year	321,214	218,304	10,147	549,665
At 31 August 2019	2,022,104	1,615,052	63,705	3,700,861
<b>Net book value</b>				
At 31 August 2019	18,026,538	562,232	1,785	18,590,555
At 31 August 2018	17,965,760	702,530	11,932	18,680,222

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

13 Debtors	2019 £	2018 £
Trade debtors	21,995	7,094
Other debtors	162,044	208,549
Prepayments and accrued income	107,098	43,638
	291,137	259,281

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Creditors: amounts falling due within one year	2019 £	2018 £
Trade creditors	78,678	97,288
Other taxation and social security	123,562	131,020
Other creditors	244,909	168,712
Accruals and deferred income	287,499	345,501
	<u>734,648</u>	<u>742,521</u>
	<u><u>734,648</u></u>	<u><u>742,521</u></u>
15 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	203,817	115,439
	<u>203,817</u>	<u>115,439</u>
	<u><u>203,817</u></u>	<u><u>115,439</u></u>
Deferred income at 1 September 2018	115,439	58,229
Released from previous years	(115,439)	(58,229)
Resources deferred in the year	203,817	115,439
	<u>203,817</u>	<u>115,439</u>
	<u><u>203,817</u></u>	<u><u>115,439</u></u>
<b>Deferred income at 31 August 2019</b>	<u><u>203,817</u></u>	<u><u>115,439</u></u>

At the balance sheet date the academy trust was holding funds received in advance for SEN Funding of £166,194 (2018: £41,800), ESFA pupil premium of £nil (2018: £10,993), Sodexo profit deferred of £nil (2018: £17,424), growth funding of £32,110 (2018: £45,222) and academy training of £5,513 (2018: £nil)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

	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>

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 2019

### 16 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,883,573	(6,019,262)	135,689	-
Other DfE / ESFA grants	-	153,292	(153,292)	-	-
Other government grants	-	189,891	(189,891)	-	-
Pension reserve	(1,642,000)	-	(258,000)	773,000	(1,127,000)
	<u>(1,642,000)</u>	<u>6,226,756</u>	<u>(6,620,445)</u>	<u>908,689</u>	<u>(1,127,000)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	17,936,153	66,790	(410,093)	-	17,592,850
Capital expenditure from GAG	806,084	-	(81,565)	-	724,519
Unrestricted funds	-	-	(7,726)	266,579	258,853
	<u>18,742,237</u>	<u>66,790</u>	<u>(499,384)</u>	<u>266,579</u>	<u>18,576,222</u>
<b>Total restricted funds</b>	<u>17,100,237</u>	<u>6,293,546</u>	<u>(7,119,829)</u>	<u>1,175,268</u>	<u>17,449,222</u>
<b>Unrestricted funds</b>					
General funds	746,328	328,025	(67,873)	(402,268)	604,212
Designated fund	650,000	-	-	-	650,000
Teaching schools	48,503	375,751	(343,903)	-	80,351
	<u>1,444,831</u>	<u>703,776</u>	<u>(411,776)</u>	<u>(402,268)</u>	<u>1,334,563</u>
<b>Total funds</b>	<u>18,545,068</u>	<u>6,997,322</u>	<u>(7,531,605)</u>	<u>773,000</u>	<u>18,783,785</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Analysis of net assets between funds

	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>

	Unrestricted Funds £	Restricted funds: General    Fixed asset £            £		Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	18,680,222	18,680,222
Current assets	1,973,084	-	-	1,973,084
Creditors falling due within one year	(638,521)	-	(104,000)	(742,521)
Defined benefit pension liability	-	(1,127,000)	-	(1,127,000)
<b>Total net assets</b>	<b>1,334,563</b>	<b>(1,127,000)</b>	<b>18,576,222</b>	<b>18,783,785</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 £94,463 (2018: £42,258) were payable to the schemes at 31 August 2019 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £457,000 (2018: £455,000).

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 £270,000.

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.

Total contributions made	2019 £	2018 £
Employer's contributions	314,000	267,000
Employees' contributions	75,000	69,000
Total contributions	<u>389,000</u>	<u>336,000</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.5	26.5

The Academy Trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	1,935,000	1,713,000
Bonds	1,232,000	900,000
Property	317,000	261,000
Other assets	35,000	29,000
Total market value of assets	3,519,000	2,903,000

The actual return on scheme assets was £239,000 (2018: £722,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	462,000	487,000
Interest income	(86,000)	(65,000)
Interest cost	120,000	103,000
Total operating charge	496,000	525,000



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>18</b>	<b>Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the present value of defined benefit obligations</b>	<b>2019</b>	
		<b>£</b>	
	At 1 September 2018	4,030,000	
	Current service cost	462,000	
	Interest cost	120,000	
	Employee contributions	75,000	
	Actuarial loss/(gain)	1,342,000	
	Benefits paid	(12,000)	
	At 31 August 2019	<u>6,017,000</u>	
	<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2019</b>	
		<b>£</b>	
	At 1 September 2018	2,903,000	
	Interest income	86,000	
	Actuarial gain	153,000	
	Employer contributions	314,000	
	Employee contributions	75,000	
	Benefits paid	(12,000)	
	At 31 August 2019	<u>3,519,000</u>	
<b>19</b>	<b>Reconciliation of net expenditure to net cash flow from operating activities</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Net expenditure for the reporting period (as per the statement of financial activities)	(376,833)	(534,283)
	Adjusted for:		
	Capital grants from DfE and other capital income	(295,499)	(66,790)
	Investment income receivable	(8,057)	(7,309)
	Defined benefit pension costs less contributions payable	148,000	220,000
	Defined benefit pension scheme finance cost	34,000	38,000
	Depreciation of tangible fixed assets	549,665	499,384
	(Increase) in debtors	(31,856)	(57,881)
	(Decrease)/increase in creditors	(7,873)	267,261
	<b>Net cash provided by operating activities</b>	<u>11,547</u>	<u>358,382</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	68,760	68,760
Amounts due in two and five years	210,881	214,696
Amounts due after five years	-	51,826
	<u>279,641</u>	<u>335,282</u>

### 21 Related party transactions

During the year Holmes Chapel Comprehensive School & Sixth Form College paid membership fees of £nil (2018: £16,656) to Holmes Chapel and District Community Partnership.

During the year the academy charged The Chimney House Teaching School Foundation £nil (2018: £61,331) for services provided to the Foundation. The academy was charged £nil (2018: £6,785) for services provided to the academy. At the year end the academy owed £36,717 (2018: £nil) to The Chimney House Teaching School Foundation. The Chimney House Teaching School Foundation paid a donation of £25,171 (2018: £nil) 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

	2019		2018	
	£	£	£	£
<b>Direct income</b>				
Fee income		233,715		375,751
<b>Direct costs</b>				
Educational supplies and services	233,225		343,903	
<b>Total operating costs</b>		(233,225)		(343,903)
<b>Surplus from teaching schools</b>		490		31,848
Teaching schools balances at 1 September 2018		80,351		48,503
<b>Teaching schools balances at 31 August 2019</b>		<u>80,841</u>		<u>80,351</u>