

Company Registration No. 08314692 (England and Wales)

**HOLLINGWORTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

HOLLINGWORTH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Packer
D Randle
A Moon
M Cockcroft

Trustees

D Randle (Accounting Officer)
K Butterfield (Resigned 8 October 2018)
S Lowe
J Mellor
N Brown
M Hirst (Resigned 15 October 2017)
A Moon (Chair of Governors)
P Muir (Resigned 4 October 2018)
K Nelson (Resigned 4 October 2018)
S Piprani
J Brown
M Cockcroft
J Frater
P McKeown
D Whelan
C Cobley
K Digiorgi
M Topham
C Ogden (Appointed 18 October 2017)
V Hutchins (Appointed 18 October 2017)

Senior management team

| | |
|--|-----------------------------------|
| - Headteacher | D Randle |
| - Deputy Headteacher | S White |
| - Deputy Headteacher | M Kojder |
| - Deputy Headteacher | M Morrell |
| - Director of Support Services | J Hawkrigg |
| - Senior Assistant Headteacher | C Robbins |
| - Assistant Headteacher | A Smale |
| - Assistant Headteacher | B Larkin |
| - Assistant Headteacher | A Daubney |
| - Assistant Headteacher | C Williamson |
| - Assistant Headteacher | B Young (Resigned 15 April 2018) |
| - Assistant Headteacher | C Hobbs (Appointed 16 April 2018) |
| - Assistant Headteacher | J Biddle-Mogg |
| - Associate Assistant Headteacher | N Wainwright |
| - Associate Assistant Headteacher | D Whittle |
| - Clerk to the Governors | G Charles |
| - Inclusion Manager/Designated Safeguarding Lead | J Brown |

Company registration number

08314692 (England and Wales)

HOLLINGWORTH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|----------------------------|---|
| Registered office | Cornfield Street Milnrow Rochdale OL16 3DR |
| Independent auditor | RSM UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE |
| Bankers | Barclays Bank Plc 1 Yorkshire Street Rochdale Lancashire OL16 1BH |
| Solicitors | Stoneking LLP 13 Queen Square Bath BA1 2HJ |

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT

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

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in the Pennine district of Rochdale. It has a pupil capacity of 1,320 and had a roll of 1,305 in the school census on 4 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors act as trustees for charitable activities of Hollingworth Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hollingworth Academy Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal practice, the Academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

- Up to eleven Governors elected by the Members.
- Minimum of two and up to five parent governors elected by parents
- Up to three Staff Governors elected by the staff
- The Headteacher
- Up to three Co-opted Governors elected by governors
- Any Additional Governors (appointed by Secretary of State)
- Further Governors (appointed by Secretary of State)
- The members select Governors on experience and knowledge to give the governor panel a broad skilled and challenging committee.
- Parent Governors are elected by the parents of the Academy through a full election process.
- Staff Governors are elected by the staff of the Academy through a full election process.
- Co-opted governors are elected by the Governors on experience and knowledge to give the governor panel a broad skilled and challenging committee.

Policies and procedures adopted for the induction and training of trustees

The induction and training of new governors will depend on their existing experience. They are asked to complete a Governors Skills Audit. The Chair meets with all new Governors and discusses the Academy objectives and activities. They have access to current policies, minutes and all relative paperwork and can request for past papers. We also buy back the Local Authority Governance service and all Governors are given training schedules for all relevant courses. All new Governors are given a tour of the Academy and a chance to meet staff and pupils.

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The structure consists of three levels: the Governors, the Senior Leadership Team (SLT) and the Middle Managers.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The SLT consists of the Headteacher, three Deputy Headteachers, one Senior Assistant Headteacher, seven Assistant Headteachers, two Associate Assistant Headteachers, Designated Safeguarding Lead, Director of Support Services and Clerk to the Governors. This team controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though interview panels for posts always contain a Governor. Some spending control is devolved to budget holders within the Academy, although limits and separation of duties control the exposure to risk. The SLT develop the school improvement plan on a strategic level and present this to governors annually and report termly.

The Middle Managers include the Heads of Departments and Support Staff Leadership Team. They are responsible for the day to day management of departments across the Academy.

Arrangements for setting pay and remuneration of key management personnel

The School has a Pay Policy in place which follows, as far as is practical, the Teachers Pay and Conditions Document for Teachers and NJC for support staff. This sets out the arrangements for setting pay and remuneration for all key management personnel. The pay and remuneration of the Headteacher is determined by the board of Governors following the guidelines set in the Pay Policy. This is independently reviewed.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|-----------|
| Total cost of facility time | - |
| Total pay bill | 5,731,000 |
| Percentage of the total pay bill spent on facility time | - |

Paid trade union activities

| | |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - |
|---|---|

Related parties and co-operation with other organisations

There are no connected organisations, including related party relationships.

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Risk management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. These include:

- Capital Reserves balance
- The recruitment of high quality staff
- Admission of sufficient pupils
- Fraud
- Employment Law
- IT infrastructure
- National Formula Funding

OBJECTIVES AND ACTIVITIES

The Academy Trust's object is specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy")
- To promote for the benefit of the inhabitants of Rochdale and the surrounding area the provision of facilities for recreation or other leisure time occupant of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities are formulated in response to thorough self-evaluation processes informed by external partners. The Senior Leadership Team create an annual School Improvement Plan (SIP) which is derived from this process of self-evaluation and our strategic plan to become a 'world class' school. For the academic year 2017 – 2018, the main priorities of the SIP were organised within the framework of our commitment to the values of Excellence, Equity, Engagement and Enterprise.

EXCELLENCE

This section of the School Improvement Plan contains a statement of expected academic outcomes for 2017-2018, along with proposed intervention strategies to achieve this. These 'expected outcomes' were set by the Governing body in October 2016 on a whole school and departmental level and are consistent with outstanding pupil achievement. An important focus this year was to further improve levels of pupil progress and attainment of pupils in Drama, and sustain recent improvements in English, D&T, Business Studies and Humanities. These targets were all achieved.

EQUITY

The principle of 'Equity' is applied to the school improvement plan through strategies which aim to; close attainment gaps particularly between pupil premium and non-pupil premium; remove barriers to learning; personalise provision and improve literacy skills. All pupil groups showed levels of progress which would be considered 'significantly positive' on a national basis.

ENGAGEMENT

The principle of 'Engagement' is applied to the school improvement plan through strategies which aim to develop the curriculum; improve the attendance, punctuality and behaviour of pupils; improve the learning environment; reduce exclusions; develop the impact of pupil and stakeholder voice; further engage parents and develop links with outside agencies.

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

ENTERPRISE

The principle of 'Enterprise' is applied to the school improvement plan through strategies which aim to; improve the quality of teaching; develop the learning capacity of pupils and improve the impact of leadership and management. The academy was awarded a number of awards and kite marks for offering an excellent educational provision. In the last three years these have included:

- National Centre of Excellence (Inclusion Quality Mark)
- Educational Outcomes Awards for both pupil progress and attainment 2016 (SSAT)
- The academy was designated as a National Teaching School
- The Head Teacher was designated as a National Leader of Education (NLE) and the academy was designated as a National Support School
- IIP Silver Award
- National Flagship School (Inclusion Quality Mark)

Public benefit

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. Obviously as an Academy open to all this, guidance has been demonstrated to be followed.

STRATEGIC REPORT

Achievements and performance

The Academy achieved excellent outcomes at KS4. This was a result of the hard work and commitment of both our staff and pupils during the last academic year. 81% of our pupils achieved LUL 4+ in both English and Mathematics. This exceeded the FFTD targets and was 17% above the national average. These are the best results the Academy has ever achieved.

The Progress 8 value added measure for the school was 0.41 (unvalidated). This is considered to be significantly above national average. Pupils of all prior attainment groups made progress which were all significantly above the national average.

Mathematics achieved 85% LUL 4+ and 73% LUL 5+. Progress measures are outstanding.

English achieved 87% LUL 4+ and 72% LUL 5+ (Best of). Progress measures are significantly positive.

Financial review

The Academy income is known at the beginning of the year. The main financial risk for the Academy this year was managing a low predicted surplus (excluding depreciation). The Academy made some savings on expenditure but in the main it was additional income which benefitted our reserves of £1,744,000 (2017: £1,557,000). This was due to PFI deductions throughout the year of an estimated £60,000. This increase in surplus had allowed us to bring forward more of our plans on ICT refresh (three year strategy) across the whole Academy.

Reserves policy

The governors review the reserve levels of the Academy constantly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserve.

The Academy is working towards a reserve policy that will allow changing needs to be addressed and opportunities to be grasped. The Academy's current level of net current assets is £93,000 (2017: £144,000). The Academy plans that this operating surplus is reduced over the next few years by implementing the ICT refresh strategy.

Investment policy

The current policy is to only invest in funds that are risk free and immediately accessible deposit accounts.

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

After making appropriate enquiries, the Board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for future periods

The Academy is considered by OFSTED to be 'Outstanding' and is committed to its challenging strategic goal of becoming a 'World Class' school. Plans for future periods will focus on ensuring that pupils:

- Make outstanding progress, in their learning, regardless of ability, gender, social background or ethnic origin.
- Are engaged in a curriculum suffused with memorable experiences and rich opportunities for learning.
- Learn, with teachers, in an environment which is mutually respectful and promotes a shared enjoyment of learning.
- Develop social attitudes and behaviours founded upon the principles of respect, responsibility and care.
- Develop the transferable skills and attitudes necessary to thrive in the global economy of the 21st Century.

Principal risks and uncertainties

This will link to the risk management process that the Academy Trust has in place. The Academies principal risk is the full admission of pupil places. This enables us to receive funding streams matching our current operational costs. The Academy continues to attract local interest in our places, as you can see from the Year 7 intake figures below for 2017 and 2018:

| Criteria | Sept 2017 (PAN 270) | | Sept 2018 (PAN 270) | |
|----------|---------------------|----------|---------------------|----------|
| | Applications (601) | Admitted | Applications (710) | Admitted |
| LAC | | 5 | | 1 |
| EHCP | | 7 | | 8 |
| Medical | | 0 | | 0 |
| Siblings | | 83 | | 111 |
| Staff | | 4 | | 4 |
| Other | | 171 | | 146 |

These figures demonstrate the popularity of the Academy, which is mainly due to the consistently high academic performance of our pupils and our reputation for excellent standards of behaviour and school uniform. We have an ambitious "World Class" strategy to further improve all aspects of provision and practice.

We have been informed by the Local Authority that pupil numbers for the next decade within the Pennine district of Rochdale will continue to rise. The two high schools (including Hollingworth) in this area have been asked to expand their PAN to 270 to alleviate some of these increases, with other high schools across Rochdale increasing their PAN to accommodate some of the Pennine increase and increases in their own district. It is acknowledged by the Local Authority that this increase in the PAN at Hollingworth will not, in itself, fully meet demand.

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 11 December 2018 and signed on its behalf by:

A Moon

Chair of Governors

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Hollingworth Academy Trust 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 Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Hollingworth Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|---|--------------------------|------------------------|
| D Randle (Accounting Officer) | 3 | 3 |
| K Butterfield (Resigned 8 October 2018) | 1 | 3 |
| S Lowe | 2 | 3 |
| J Mellor | 3 | 3 |
| N Brown | 2 | 3 |
| M Hirst (Resigned 15 October 2017) | 0 | 0 |
| A Moon (Chair of Governors) | 2 | 3 |
| P Muir (Resigned 4 October 2018) | 0 | 3 |
| K Nelson (Resigned 4 October 2018) | 1 | 3 |
| S Piprani | 3 | 3 |
| J Brown | 2 | 3 |
| M Cockcroft | 2 | 3 |
| J Frater | 3 | 3 |
| P McKeown | 3 | 3 |
| D Whelan | 2 | 3 |
| C Cobley | 3 | 3 |
| K Digiorgi | 3 | 3 |
| M Topham | 3 | 3 |
| C Ogden (Appointed 18 October 2017) | 2 | 2 |
| V Hutchins (Appointed 18 October 2017) | 1 | 2 |

The finance committee is a sub-committee of the main board of trustees. Its purpose is to:

- review and monitor the annual budget
- benchmark spending
- ensure best value
- monitor budget over 3+ years

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|-------------------------------|--------------------------|------------------------|
| D Randle (Accounting Officer) | 1 | 1 |
| A Moon (Chair of Governors) | 1 | 1 |
| M Cockcroft | 1 | 1 |
| M Topham | 1 | 1 |

The finance committee has now merged with the personnel committee to become Finance & Resources committee.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|---|--------------------------|------------------------|
| D Randle (Accounting Officer) | 2 | 2 |
| K Butterfield (Resigned 8 October 2018) | 0 | 2 |
| A Moon (Chair of Governors) | 2 | 2 |
| P Muir (Resigned 4 October 2018) | 2 | 2 |
| K Nelson (Resigned 4 October 2018) | 1 | 2 |
| J Brown | 1 | 2 |
| M Cockcroft | 1 | 2 |
| C Cobley | 2 | 2 |
| M Topham | 2 | 2 |
| C Ogden (Appointed 18 October 2017) | 1 | 2 |
| V Hutchins (Appointed 18 October 2017) | 2 | 2 |

The audit committee is a function of the Finance Committee and all business is carried out during these meetings. Its purpose is to:

- appoint a Responsible Officer (RO)
- report on findings of RO
- review year end accounts

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Headteacher understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Headteacher considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Headteacher for the academy trust has delivered improved value for money during the year by:

- We carried out a Network review, which focussed around infrastructure, devices, WAN provision and accessibility. Throughout the last 36 months we have been moving our major systems across to new sustainable systems and plan to continue on this course throughout the next year. These new systems will build a central resource which will be accessible at anytime, anywhere and on any device for all stakeholders. This will create savings on efficiencies, less add-ons required, IT infrastructure and the cost of devices required to access all systems for all stakeholders (giving more cost effective solutions for Home to School connection and increased engagement to learning). This year we have moved staff over to Office 365, which will reduce costs going forward due to us not having the requirement to buy in an additional email system and Onedrive system. We also plan to use other features in Office 365 to amalgamate other school systems to the one platform to increase staff efficiencies and communication.

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

- The Academy implemented a new print logging solution over 2017/18, this solution has decreased the overall printing which has meant a saving to the Academy as well as a more green solution. We are also using the VLE for setting homework and providing pupils with information, this has meant that the students have not received a planner this year. We are continuing to look at more areas that we can reduce the printing across the Academy throughout the following years.
- The Academy reviewed all its memberships and subscriptions and cancelled some with least impact on teaching and learning of pupils.

Use of refurbished PC's has allowed the school to get high spec PC's for the classroom for a fraction of the cost. We are planning on exploring refurbished equipment for replacement servers, this will reduce the overall refresh cost and allow the school network to have high end equipment.

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 Hollingworth Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

Not to appoint an internal auditor. However the trustees have appointed RSM, the external auditor, to perform additional checks and carry out the responsible officer (RO) role.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a six monthly basis, the RO reports to the audit committee/finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer the 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 responsible officer;
- 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 their review of the system of internal control by the Finance and Resources Committee/Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11 December 2018 and signed on its behalf by:

D Randle
Accounting Officer

A Moon
Chair of Governors

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

D Randle
Accounting Officer

11 December 2018

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hollingworth Academy Trust for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 11 December 2018 and signed on its behalf by:

A Moon
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLLINGWORTH ACADEMY TRUST

Opinion

We have audited the financial statements of Hollingworth Academy Trust (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLLINGWORTH ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements 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.

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.

Karen Musgrave (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire, PR2 5PE
17 December 2018

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed asset Funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|--|-------|--------------------------------|---|---|------------------------|------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 25 | 25 | 25 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 7,894 | - | 7,894 | 7,762 |
| Other trading activities | 5 | 433 | - | - | 433 | 376 |
| Investments | 6 | - | - | - | - | 3 |
| Total | | 433 | 7,894 | 25 | 8,352 | 8,166 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 444 | 8,207 | 179 | 8,830 | 8,217 |
| Total | 7 | 444 | 8,207 | 179 | 8,830 | 8,217 |
| Net expenditure | | (11) | (313) | (154) | (478) | (51) |
| Transfers between funds | 17 | - | 21 | (21) | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 22 | - | 667 | - | 667 | 599 |
| Net movement in funds | | (11) | 375 | (175) | 189 | 548 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 95 | (2,060) | 3,522 | 1,557 | 1,009 |
| Total funds carried forward | | 84 | (1,685) | 3,347 | 1,746 | 1,557 |

HOLLINGWORTH ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2018**

| | | 2018 | | 2017 | |
|--|-------|-------|---------|-------|---------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 3,347 | | 3,522 |
| Current assets | | | | | |
| Stocks | 13 | 5 | | 6 | |
| Debtors | 14 | 273 | | 333 | |
| Cash at bank and in hand | | 255 | | 272 | |
| | | | | | |
| | | 533 | | 611 | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (438) | | (467) | |
| Net current assets | | | 95 | | 144 |
| Net assets excluding pension liability | | | 3,442 | | 3,666 |
| Defined benefit pension scheme liability | 22 | | (1,696) | | (2,109) |
| Net assets | | | 1,746 | | 1,557 |
| Funds of the Academy Trust: | | | | | |
| Restricted funds | 17 | | | | |
| - Restricted fixed asset funds | | | 3,347 | | 3,522 |
| - Restricted income funds | | | 11 | | 49 |
| - Pension reserve | | | (1,696) | | (2,109) |
| Total restricted funds | | | 1,662 | | 1,462 |
| Unrestricted income funds | 17 | | 84 | | 95 |
| Total funds | | | 1,746 | | 1,557 |

The financial statements set out on pages 17 to 36 were approved by the board of trustees and authorised for issue on 11 December 2018 and are signed on its behalf by:

A Moon
Chair of Governors

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | 2018 £'000 | £'000 | 2017 £'000 | £'000 |
|---|-------|---------------|-------|---------------|-------|
| Cash flows from operating activities | | | | | |
| Net cash (used in)/provided by operating activities | 20 | | (38) | | 731 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | - | | 3 | |
| Capital grants from DfE Group | | 25 | | 25 | |
| Purchase of tangible fixed assets | | (4) | | (639) | |
| Net cash provided by/(used in) investing activities | | | 21 | | (611) |
| Net (decrease)/increase in cash and cash equivalents in the reporting period | | | (17) | | 120 |
| Cash and cash equivalents at beginning of the year | | | 272 | | 152 |
| Cash and cash equivalents at end of the year | | | 255 | | 272 |

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General information

Hollingworth Academy Trust is a charitable company. The address of its principal place of business is given on page 2 and the nature of its operations are set out in the trustees' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust 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 financial statements 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

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

Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

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 to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

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

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

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|----------------------------------|-------------------|
| Land and buildings | 2% straight line |
| Computer equipment | 20% straight line |
| Fixtures, fittings and equipment | 20% straight line |

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

Leased assets

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

Financial instruments

The Academy Trust has chosen to adopt Sections 11 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset of financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

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.

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

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

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees do not consider there to be any areas of judgement that are critical to the academy trust's financial statements.

3 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|----------------|---|---------------------------------------|---------------------------------|---------------------------------|
| Capital grants | - | 25 | 25 | 25 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

The income from donations and capital grants was £25,000 (2017: £25,000) of which £25,000 was restricted fixed assets (2017: £25,000).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|--------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 7,199 | 7,199 | 7,142 |
| Other DfE group grants | - | 415 | 415 | 405 |
| | - | 7,614 | 7,614 | 7,547 |
| Other government grants | | | | |
| Local authority grants | - | 258 | 258 | 212 |
| Other incoming resources | - | 22 | 22 | 3 |
| | - | 7,894 | 7,894 | 7,762 |

The income from funding for educational operations was £7,894,000 (2017: £7,762,000) of which £7,894,000 was restricted (2017: £7,762,000).

5 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|--------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 21 | - | 21 | 19 |
| Catering income | 336 | - | 336 | 304 |
| Other income | 76 | - | 76 | 53 |
| | 433 | - | 433 | 376 |

The income from other trading activities was £433,000 (2017: £376,000) of which £433,000 was unrestricted (2017: £376,000).

6 Investment income

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|-------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Other investment income | - | - | - | 3 |

The income from funding for investment income was £Nil (2017: £3,000) of which £Nil was unrestricted (2017: £3,000).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

| | Staff costs £'000 | Non Pay Expenditure Premises £'000 | Other £'000 | Total 2018 £'000 | Total 2017 £'000 |
|----------------------------------|----------------------|--|----------------|------------------------|------------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 4,601 | - | 619 | 5,220 | 4,916 |
| - Allocated support costs | 1,276 | 1,680 | 654 | 3,610 | 3,301 |
| Total support costs | 5,877 | 1,680 | 1,273 | 8,830 | 8,217 |

Net income/(expenditure) for the year includes:

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Operating lease rentals | 624 | 588 |
| Depreciation of tangible fixed assets | 179 | 156 |
| Net interest on defined benefit pension liability | 56 | 54 |
| Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows: | | |
| - Audit | 8 | 8 |
| - Other services | 3 | 3 |

8 Charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 | Total 2017 £'000 |
|------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Direct costs | | | | |
| Educational operations | - | 5,220 | 5,220 | 4,916 |
| Support costs | | | | |
| Educational operations | 444 | 3,166 | 3,610 | 3,301 |
| | 444 | 8,386 | 8,830 | 8,217 |

The expenditure on charitable activities was £8,830,000 (2017: £8,217,000) of which £444,000 was unrestricted (2017: £389,000), £8,207,000 was restricted (2017: £7,672,000) and £179,000 was restricted fixed assets (2017: £156,000).

| | 2018 £'000 | 2017 £'000 |
|----------------------------------|---------------|---------------|
| Analysis of support costs | | |
| Support staff costs | 1,276 | 1,166 |
| Depreciation | 179 | 156 |
| Premises costs | 1,501 | 1,328 |
| Other support costs | 575 | 571 |
| Governance costs | 79 | 80 |
| | 3,610 | 3,301 |

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

| | 2018 | 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 4,578 | 4,431 |
| Social security costs | 431 | 415 |
| Pension costs | 720 | 650 |
| | <hr/> | <hr/> |
| Staff costs | 5,729 | 5,496 |
| Agency staff costs | 94 | 92 |
| Staff development and other staff costs | 54 | 44 |
| | <hr/> | <hr/> |
| Total staff expenditure | 5,877 | 5,632 |
| | <hr/> <hr/> | <hr/> <hr/> |

Staff numbers

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

| | 2018 | 2017 |
|----------------------------|---------------|---------------|
| | Number | Number |
| Teachers | 72 | 72 |
| Administration and support | 84 | 85 |
| Management | 13 | 14 |
| | <hr/> | <hr/> |
| | 169 | 171 |
| | <hr/> <hr/> | <hr/> <hr/> |

Higher paid staff

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

| | 2018 | 2017 |
|---------------------|---------------|---------------|
| | Number | Number |
| £60,000 - £70,000 | 1 | 3 |
| £70,000 - £80,000 | 2 | - |
| £100,000 - £110,000 | 1 | 1 |
| | <hr/> <hr/> | <hr/> <hr/> |

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,155,105 (2017: £1,031,715).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Trustees' remuneration and expenses

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

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

| | 2018 | 2017 |
|-----------------------------------|-------------------|--------------------|
| D Randle | | |
| Remuneration | £109,509 | £108,433 |
| Employer's pension contributions | £18,024 | £17,845 |
| J Howard (resigned February 2017) | | |
| Remuneration | £Nil | £20,000 to £25,000 |
| Employer's pension contributions | £Nil | £Nil - £5,000 |
| J Brown | | |
| Remuneration | £30,000 - £35,000 | £35,000 to £40,000 |
| Employer's pension contributions | £5,000 to £10,000 | £5,000 to £10,000 |
| C Cobley (appointed March 2017) | | |
| Remuneration | £35,000 - £40,000 | £15,000 to £20,000 |
| Employer's pension contributions | £5,000 to £10,000 | £Nil - £5,000 |
| D Whelan (appointed March 2017) | | |
| Remuneration | £35,000 - £40,000 | £15,000 to £20,000 |
| Employer's pension contributions | £5,000 to £10,000 | £Nil - £5,000 |

During the year expense payments totalling £Nil (2017: £500) were made to one trustee in respect of travel and subsistence.

11 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 is not separately identifiable, but is included within the total insurance cost.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

| | Land and buildings | Computer equipment | Fixtures, fittings and equipment | Total |
|-----------------------|-----------------------|-----------------------|--|-------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| At 1 September 2017 | 3,439 | 547 | 2 | 3,988 |
| Additions | - | 4 | - | 4 |
| At 31 August 2018 | 3,439 | 551 | 2 | 3,992 |
| Depreciation | | | | |
| At 1 September 2017 | 46 | 420 | - | 466 |
| Charge for the year | 69 | 110 | - | 179 |
| At 31 August 2018 | 115 | 530 | - | 645 |
| Net book value | | | | |
| At 31 August 2018 | 3,324 | 21 | 2 | 3,347 |
| At 31 August 2017 | 3,393 | 127 | 2 | 3,522 |

13 Stocks

| | 2018 £'000 | 2017 £'000 |
|----------------|---------------|---------------|
| Catering stock | 5 | 6 |

14 Debtors

| | 2018 £'000 | 2017 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 23 | 5 |
| VAT recoverable | 27 | 225 |
| Other debtors | 65 | 6 |
| Prepayments and accrued income | 158 | 97 |
| | 273 | 333 |

15 Creditors: amounts falling due within one year

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Trade creditors | 72 | 196 |
| Other taxation and social security | 116 | 108 |
| Other creditors | 92 | 3 |
| Accruals and deferred income (see note 16) | 158 | 160 |
| | 438 | 467 |

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

| | | |
|--|-------------------|-------------------|
| 16 Deferred income | 2018 | 2017 |
| | £'000 | £'000 |
| Deferred income is included within: | | |
| Creditors due within one year | 76 | 121 |
| | <u> </u> | <u> </u> |
| Deferred income at 1 September 2017 | 121 | 83 |
| Released from previous years | (121) | (83) |
| Resources deferred in the year | 76 | 121 |
| | <u> </u> | <u> </u> |
| Deferred income at 31 August 2018 | 76 | 121 |
| | <u> </u> | <u> </u> |

At the balance sheet date, the academy trust was holding funds received in advance for rates relief and school trips.

| | | | | | |
|--|--------------------|-------------------|--------------------|-------------------|-------------------|
| 17 Funds | Balance at | | | Gains, | Balance at |
| | 1 September | Income | Expenditure | losses and | 31 August |
| | 2017 | £'000 | £'000 | transfers | 2018 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 49 | 7,199 | (7,258) | 21 | 11 |
| Other DfE / ESFA grants | - | 415 | (415) | - | - |
| Other government grants | - | 258 | (258) | - | - |
| Other restricted funds | - | 22 | (22) | - | - |
| Pension reserve | (2,109) | - | (254) | 667 | (1,696) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | (2,060) | 7,894 | (8,207) | 688 | (1,685) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 838 | 25 | (43) | - | 820 |
| Capital expenditure from GAG | 2,404 | - | (122) | (21) | 2,261 |
| Other capital grants | 8 | - | - | - | 8 |
| Amounts transferred from local authority on conversion | 272 | - | (14) | - | 258 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 3,522 | 25 | (179) | (21) | 3,347 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total restricted funds | 1,462 | 7,919 | (8,386) | 667 | 1,662 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Unrestricted funds | | | | | |
| General funds | 95 | 433 | (444) | - | 84 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total funds | 1,557 | 8,352 | (8,830) | 667 | 1,746 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds (Continued)

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

Fixed assets fund

These grants relate to funding from the DfE, ESFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

Unrestricted funds

This fund primarily relates to income from lettings and catering.

Funds prior year

| | Balance at 1 September 2016 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2017 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 7,142 | (6,870) | (223) | 49 |
| Other DfE / ESFA grants | - | 405 | (405) | - | - |
| Other government grants | - | 212 | (212) | - | - |
| Other restricted funds | - | 3 | (3) | - | - |
| Pension reserve | (2,526) | - | (182) | 599 | (2,109) |
| | (2,526) | 7,762 | (7,672) | 376 | (2,060) |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 852 | 25 | (39) | - | 838 |
| Capital expenditure from GAG | 2,285 | - | (104) | 223 | 2,404 |
| Other capital grants | 8 | - | - | - | 8 |
| Amounts transferred from local authority on conversion | 285 | - | (13) | - | 272 |
| | 3,430 | 25 | (156) | 223 | 3,522 |
| Total restricted funds | 904 | 7,787 | (7,828) | 599 | 1,462 |
| Unrestricted funds | | | | | |
| General funds | 105 | 379 | (389) | - | 95 |
| Total funds | 1,009 | 8,166 | (8,217) | 599 | 1,557 |

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

| | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total Funds |
|--|-----------------------|--------------------------------|------------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 3,347 | 3,347 |
| Current assets | 522 | 11 | - | 533 |
| Creditors falling due within one year | (438) | - | - | (438) |
| Defined benefit pension liability | - | (1,696) | - | (1,696) |
| Total net assets | <u>84</u> | <u>(1,685)</u> | <u>3,347</u> | <u>1,746</u> |

| | Unrestricted Funds | Restricted funds: | | Total Funds |
|--|-----------------------|-------------------|----------------------|----------------|
| | £'000 | General £'000 | Fixed asset £'000 | £'000 |
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 3,522 | 3,522 |
| Current assets | 95 | 516 | - | 611 |
| Creditors falling due within one year | - | (467) | - | (467) |
| Defined benefit pension liability | - | (2,109) | - | (2,109) |
| Total net assets | <u>95</u> | <u>(2,060)</u> | <u>3,522</u> | <u>1,557</u> |

19 Commitments under operating leases

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

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Amounts due within one year | 734 | 624 |
| Amounts due between one and five years | 2,701 | 2,477 |
| Amounts due after five years | 8,133 | 8,450 |
| | <u>11,568</u> | <u>11,551</u> |

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

| 20 Reconciliation of net expenditure to net cash flow from operating activities | 2018 | 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | (478) | (51) |
| Adjusted for: | | |
| Capital grants from DfE/ESFA and other capital income | (25) | (25) |
| Interest receivable | - | (3) |
| Defined benefit pension scheme cost less contributions payable | 198 | 128 |
| Defined benefit pension scheme finance cost | 56 | 54 |
| Depreciation of tangible fixed assets | 179 | 156 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 1 | (4) |
| Decrease in debtors | 60 | 440 |
| (Decrease)/increase in creditors | (29) | 36 |
| Net cash (used in)/provided by operating activities | (38) | 731 |

21 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

22 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 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 in 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 2.0% 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 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £482,000 (2017: £493,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

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

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations (Continued)

| Total contributions made | 2018 £'000 | 2017 £'000 |
|---------------------------------|-----------------------|-----------------------|
| Employer's contributions | 197 | 181 |
| Employees' contributions | 62 | 55 |
| Total contributions | <u>259</u> | <u>236</u> |

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

| | 2018 % | 2017 % |
|--|-------------------|-------------------|
| Rate of increase in salaries | 3.2 | 3.2 |
| Rate of increase for pensions in payment/inflation | 2.4 | 2.4 |
| Discount rate for scheme liabilities | 2.8 | 2.5 |

The assumed life expectations on retirement age 65 are:

| | 2018 Years | 2017 Years |
|----------------------|-----------------------|-----------------------|
| Retiring today | | |
| - Males | 21.5 | 21.5 |
| - Females | 24.1 | 24.1 |
| Retiring in 20 years | | |
| - Males | 23.7 | 23.7 |
| - Females | 26.2 | 26.2 |

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

| | 2018 Fair value £'000 | 2017 Fair value £'000 |
|----------------------------|--------------------------------------|--------------------------------------|
| Equities | 3,735 | 3,701 |
| Bonds | 879 | 811 |
| Cash | 494 | 254 |
| Property | 384 | 304 |
| Total fair value of assets | <u>5,492</u> | <u>5,070</u> |

The actual return on scheme assets was £280,000 (2017: £574,000).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations (Continued)

| Amount recognised in the Statement of Financial Activities | 2018 £'000 | 2017 £'000 |
|---|-----------------------|-----------------------|
| Current service cost | 395 | 309 |
| Net interest cost | 56 | 54 |
| | <hr/> | <hr/> |
| Total operating charge | 451 | 363 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Changes in the present value of defined benefit obligations | | 2018 £'000 |
| At 1 September 2017 | | 7,179 |
| Current service cost | | 395 |
| Interest cost | | 184 |
| Employee contributions | | 62 |
| Actuarial gain | | (515) |
| Benefits paid | | (117) |
| | | <hr/> |
| At 31 August 2018 | | 7,188 |
| | | <hr/> <hr/> |
| Changes in the fair value of the Academy Trust's share of scheme assets | | 2018 £'000 |
| At 1 September 2017 | | 5,070 |
| Interest income | | 128 |
| Return on plan assets (excluding net interest on the net defined pension liability) | | 152 |
| Employer contributions | | 197 |
| Employee contributions | | 62 |
| Benefits paid | | (117) |
| | | <hr/> |
| At 31 August 2018 | | 5,492 |
| | | <hr/> <hr/> |

23 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

Key management personnel disclosure is included in note 9.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLLINGWORTH ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 25 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Hollingworth Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of Hollingworth Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Hollingworth Academy Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Hollingworth Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLLINGWORTH ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Use of our report

This report is made solely to Hollingworth Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 25 July 2017. Our work has been undertaken so that we might state to the Hollingworth Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hollingworth Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

Chartered accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Dated: 17 December 2018
