

Company Registration No. 08314692 (England and Wales)

**HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY
TRUST)**

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Packer
D Randle (Resigned 31 March 2020)
A Moon
M Cockcroft
T Nicholson (Appointed 1 April 2020)
S Lowe (Appointed 1 April 2020)
R Ronksley (Appointed 1 April 2020)

Trustees

D Randle (Accounting Officer)
S Lowe (Resigned 31 March 2020)
J Mellor
N Brown (Resigned 18 November 2019)
A Moon (Chair of Trustees)
S Piprani (Resigned 31 March 2020)
J Brown (Resigned 31 March 2020)
M Cockcroft
J Frater (Resigned 31 March 2020)
P McKeown (Resigned 31 March 2020)
D Whelan (Resigned 31 March 2020)
C Cobley (Resigned 31 March 2020)
K Digiorgi (Resigned 31 March 2020)
C Ogden (Resigned 31 March 2020)
V Hutchins
J Michaels (Resigned 31 March 2020)
L Sweeney (Resigned 31 March 2020)
R Hunter (Resigned 31 March 2020)
Mr P Rennie (Resigned 31 March 2020)
Mrs K McCarthy (Appointed 1 April 2020)
Mr M Ogden (Appointed 1 April 2020)
Sarah McDowell (Appointed 1 April 2020)
Andrea Fallon (Appointed 1 April 2020)

Senior management team

- Chief Executive Officer	D Randle
- Chief Operating Officer	J Hawkrigg
- Trust Finance Manager	J Cragg
- HR Manager	D Beaumont
- Compliance Manager	S Collinge
- School Service Manaer	D Cairns
- Newhouse Academy Headteacher	A Burnham
- Hollingworth Academy Headteacher	D Randle
- Newhouse Deputy Headteacher	M Aspden
- Newhouse Deputy Headteacher	C Williamson
- Hollingworth Deputy Headteacher	M Morrell
- Hollingworth Deputy Headteacher	C Robbins
- Hollingworth Deputy Headteacher	A Smale
- Clerk to the Governors	G Charles (resigned 01/05/2020)

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number 08314692 (England and Wales)

Registered office Cornfield Street
Milnrow
Rochdale
OL16 3DR

Academies operated	Location	Headteacher
Hollingworth Academy	Rochdale	Mr D Randle
Newhouse Academy (formerly Siddal Moor Sports College)	Heywood	Mr A Burnham
Hollingworth Learning Trust	Rochdale	Mr D Randle

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 LEARNING TRUST (FORMERLY 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 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

On the 1st April 2020 Hollingworth Academy Trust changed its name to Hollingworth Learning Trust and became a Multi Academy Trust. On the same day Siddal Moor Sports College converted to an academy and changed its name to Newhouse Academy.

The Trust operates two academies for pupils aged 11 to 16 serving a catchment area in the Pennine and Heywood district of Rochdale. Hollingworth Academy has a pupil capacity of 1,340 and had a roll of 1,337 in the school census on 1st October 2020. Newhouse Academy has a pupil capacity of 1050 and had a roll of 911 in the school census on 1st October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Trust. The trustees for charitable activities of Hollingworth Learning Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hollingworth Learning Trust.

The Trust's three core layers of governance are Members, Trustees and Local Governing Bodies.

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 Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions whilst on Trust/Academy business. The insurance provides cover up to £10,000,000 on any one loss and any one membership year.

Method of recruitment and appointment or election of trustees

- Up to eleven Trustees elected by the Members.
- The CEO
- Co-opted Governors elected by Trustees

Policies and procedures adopted for the induction and training of trustees

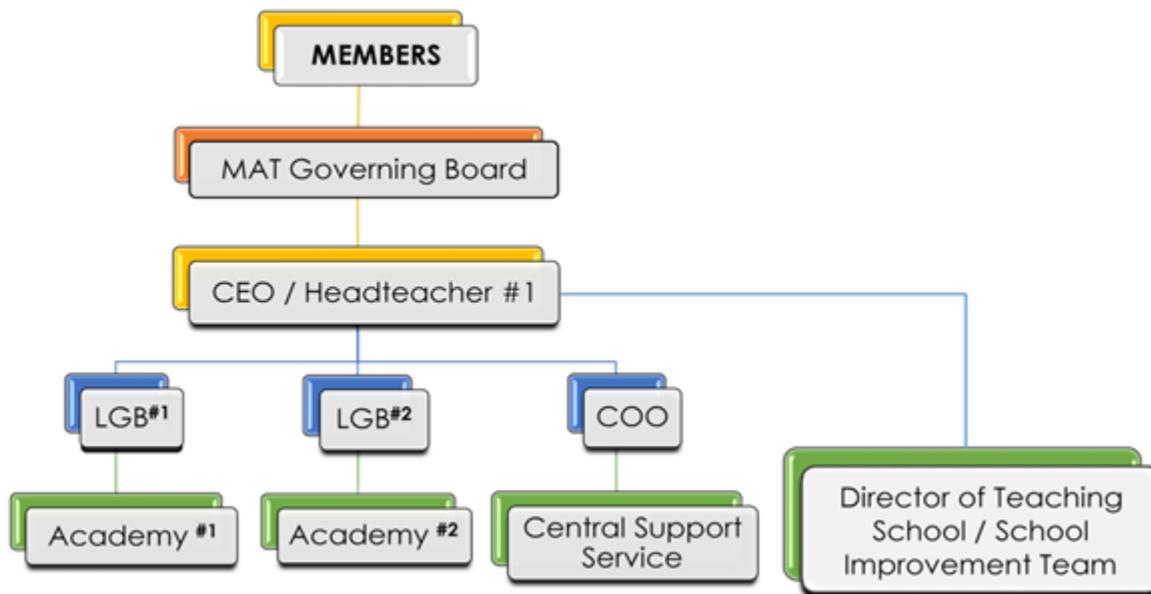
The induction and training of new governors will depend on their existing experience. They are asked to complete a Governors Skills Audit. The Chair meets with all new Governors and discusses the Academy objectives and activities. They have access to current policies, minutes and all relative paperwork 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 LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The structure is:



The Members have overall nominal responsibility for the Trust but they exercise their functions through the Trust Board. Each Member guarantees to contribute £10 if the Trust were to become insolvent and is wound up – that is the “guarantee” implied by the term “company limited by guarantee”.

The main powers and duties of the Members in broad terms are:

1. To appoint and remove Trustees.
2. Through a collaborative process to monitor and evaluate the performance of the Trust Board.
3. To maintain the Membership and to appoint Members.
4. To approve any proposed changes to the Articles of Association.
5. To receive the annual accounts of the Trust.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

TRUSTEES' REPORT (CONTINUED)

The Trustees are the directors of the Trust and have a similar role to governors in a Local Authority-maintained school. As company directors their duties are to:-

- act within their powers;
- promote the success of the company;
- exercise independent judgment;
- exercise reasonable care, skill and diligence;
- avoid conflicts of interest;
- not to accept benefits from third parties; and
- declare any interest in proposed transactions or arrangements.

The Trust Board focuses on the three core functions of governance:

1. Ensuring clarity of vision, ethos and strategic direction.
2. Holding the CEO to account for the educational performance of the academies and their pupils, and the performance management of staff.
3. Overseeing the financial performance of the Trust and making sure its money is well spent.

While Trustees can serve as Members, best practice recognises that the Members are responsible for holding the Trustees to account. Therefore, there should be separation between the Members and Trustees.

The Trust Board is permitted to exercise all the powers of the Trust. The Trust Board will delegate to the CEO responsibility for the day-to-day operations of the Trust.

The Trustees (with the consent of the Members where changes to the Trust Board are at issue) have the right to review and adapt the Trust's governance structure at any time, which includes revoking delegation.

The Trust Board meets on a half termly (or more frequently if necessary) basis. The Trust Board also has the three core committees: School Improvement, Finance & Resources and Audit which meet on a termly (or more frequently if necessary) basis, to enable more scrutiny and healthy challenge. These committees are made up of Trustees with the relevant skills but, subject to the consent of the Trust Board, external advisors, LGB representatives, staff and parent representatives may also attend any committee meetings to make recommendations to the Trust Board. These additional attendees shall not have voting rights at committee meetings.

The Local Governing Bodies (LGBs) are Committees of the Trust Board and have delegated decision-making powers in accordance with this SoD and their Ofsted grading. The LGBs shall each hold at least three meetings in every school year.

There are eight elements to effective governance:

1. the right people around the table;
2. understanding the role and responsibilities;
3. good chairing;
4. professional clerking;
5. good relationships based on trust;
6. knowing the school – its data, staff, parents, children and community;
7. commitment to asking challenging questions; and
8. confidence to have courageous conversations in the interests of the pupils.

Arrangements for setting pay and remuneration of key management personnel

The Academies have 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.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

TRUSTEES' REPORT (CONTINUED)

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	£0
Total pay bill	£8,715,000
Percentage of the total pay bill spent on facility time	0%

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.

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
- Safeguarding
- Operational Challenges when new Academies join the Trust

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

Ambitious - We have high expectations for all of our children and staff. They deserve the best we can do.

Positive - We will never fail to believe that people and schools can improve.

Resilient - We never 'give up'. We make long term commitments to pupils, families, communities and schools.

Reflective - We constantly evaluate what we do and improve. We are never complacent.

Principled - We always promote equity, equality and challenge injustice. We always act in the 'best interests' of our pupils.

In order to achieve this, we will adopt the following aims and objectives:

- We will educate the child through a broad and balanced curriculum, with each child thriving and succeeding creatively, emotionally and academically.
- To promote, for the benefit of the inhabitants of Rochdale and the surrounding area, the provision of facilities for recreation or other leisure time occupation 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 interest of social welfare and with the object of improving the condition of life of the said inhabitants.
- Education will be community based, inclusive and will respect and retain the ethos of each school. The Trust has a co-operative set of values and principles incorporating a strong ethos and upholding British Values.
- The Hollingworth Learning Trust will be underpinned by a top quality Teaching School (the Hollingworth Academy Teaching School); we intend to have strong capacity to develop all our staff. All schools in the Trust will be members of the Teaching School Alliance.
- The cross phase approach will maximise the opportunities for colleagues to work alongside colleagues from different phases to address the 'progress dip' that has potential to occur on all transitions.
- It will mirror existing staff terms and conditions and will recognise from the outset the importance of retaining and attracting staff of the highest calibre.
- We believe in the benefits to the community of local schools and would therefore always attempt to maintain schools subject to their viability.

Public benefit

In setting our objectives and planning our activities our Trustees 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 Academies are open to all this, guidance has been demonstrated to be followed.

STRATEGIC REPORT

Achievements and performance

The staff at both Academy's have worked tirelessly to support pupils during the Covid 19 pandemic. KS4 outcomes were determined by centre assessed grades which were robustly checked by senior leaders. Outcomes at Hollingworth were broadly in line with outcomes in 2017/18 and 2018/19 which were deemed to be outstanding. Outcomes at Newhouse Academy show an improvement on 2019. The Trust appointed a new Headteacher following the retirement of Mr White in August 2019. Mr Burnham is building on the work of his predecessor and it is clear that the Academy continues to improve on an upward trend, for example, pupil attendance during the Autumn term is exceptionally positive.

Both Academies were able to open for Key workers during March – July and opened to Year 10 in June. Both Academies were able to utilise online learning and accessed the DFE scheme for laptops and dongles for disadvantaged pupils. They also took advantage of the Free School Meal voucher scheme to enable our disadvantaged pupils to access vouchers. Risk Assessments were shared across Academies and altered to fit both Academies approach to pupils returning in June and September, including key worker provision. This included shared practice of bubbles; reducing movement around the building; enhanced cleaning; enhanced hygiene; checking office/meeting room capacity; keeping pupils, staff and visitors safe; safe entry to the building; staggered finish times; pupil and staff well-being; recovery plan/curriculum.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

TRUSTEES' REPORT (CONTINUED)

Financial review

The Academies income is known at the beginning of the year. The main financial risk for the Academies this year was managing the changes related to Covid. The Academies made some savings on expenditure. However, additional expenditure for the September opening during Covid has been realised to make the building and practices safe for all staff, pupils and third party visitors safe during the pandemic. Supply Teaching costs at Hollingworth have been high in the first term compared to previous years but Newhouse Academy is less, this is due to the amount of staff having a positive test or self-isolating due to track and trace. There is no evidence that shows any outbreaks have occurred within the Academies premises since March 2020, which demonstrates practices working well in combating the virus whilst keeping the schools open. These additional costs will depend on how long the pandemic continues. Funds at the year end are £28,204,000 (2019: £366,000) with a surplus of £27,838,000 being generated in the year. This includes a donation of £28,995,000 generated from the conversion of Newhouse Academy.

Reserves policy

The governors review the reserve levels of the Academies 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 Trust 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 £883,000 (2019: £310,000). The Academy has produced forecasts which suggest that the funds surplus may reduce slightly over the next few years and has already increased class sizes in some subjects to reduce staff costs required over the next 2 years.

Investment policy

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

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

Hollingworth Learning Trust 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.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

This will link to the risk management process that the Trust has in place. The Academy's principal risk is the full admission of pupil places. This enables us to receive funding streams matching our current operational costs.

Hollingworth Academy continues to be consistently significantly over subscribed as you can see from the Year 7 intake figures below for 2019 and 2020. 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.

One of the principal challenges facing Newhouse Academy is securing a consistent strong uptake of pupils in Year 7. The Academy has the legacy of a pan of 270 which was predicated on additional building works which are now not in place. The Trust is working with the office of the RSC, the LA and the DFE to agree a realistic PAN for the school. Newhouse Academy also faces pressure by the opening of a new free school in the locality. The Academy is on a strong trajectory of improvement and is working strenuously to promote the successes and achievements of pupils and the Academy. Investment has been deployed to ensure that these are well publicised to the local community.

Hollingworth Academy

Criteria	Sept 2019 (PAN 270)		Sept 2020 (PAN 270)	
	Applications (789)	Admitted	Applications (941)	Admitted
LAC		3		9
EHCP		10		16
Medical		0		1
Siblings		87		91
Staff		6		5
Other		164		148

Newhouse Academy

Criteria	Sept 2019 (PAN 270)		Sept 2020 (PAN 270)	
	Applications (235)	Admitted	Applications (297)	Admitted
LAC		4		2
EHCP		4		2
Medical		8		12
Siblings		42		29
Staff		1		0
Other		211		225

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

HOLLINGWORTH LEARNING TRUST (FORMERLY 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 15 December 2020 and signed on its behalf by:

A Moon

Chair of Trustees

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Hollingworth Learning Trust (Formerly 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 4 times during the year, pre-April a number of Sub-Committees met in addition to the full trustee meetings. Post MAT conversion Trustees have agreed to meet every other month and every month financial data is shared with all Trustees electronically, ensuring effective oversight of funds. 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	4
S Lowe (Resigned 31 March 2020)	2	2
J Mellor	2	4
N Brown (Resigned 18 November 2019)	1	1
A Moon (Chair of Trustees)	3	4
S Piprani (Resigned 31 March 2020)	1	2
J Brown (Resigned 31 March 2020)	1	2
M Cockcroft	4	4
J Frater (Resigned 31 March 2020)	2	2
P McKeown (Resigned 31 March 2020)	1	2
D Whelan (Resigned 31 March 2020)	2	2
C Cobley (Resigned 31 March 2020)	2	2
K Digiorgi (Resigned 31 March 2020)	2	2
C Ogden (Resigned 31 March 2020)	1	2
V Hutchins	4	4
J Michaels (Resigned 31 March 2020)	1	2
L Sweeney (Resigned 31 March 2020)	1	2
R Hunter (Resigned 31 March 2020)	2	2
Mr P Rennie (Resigned 31 March 2020)	1	2
Mrs K McCarthy (Appointed 1 April 2020)	2	2
Mr M Ogden (Appointed 1 April 2020)	2	2
Sarah McDowell (Appointed 1 April 2020)	1	2
Andrea Fallon (Appointed 1 April 2020)	0	2

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

GOVERNANCE STATEMENT (CONTINUED)

The audit/finance and resources 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
- review/approve staffing changes

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Randle (Accounting Officer)	1	1
S Lowe (Resigned 31 March 2020)	0	1
N Brown (Resigned 18 November 2019)	0	0
A Moon (Chair of Trustees)	1	1
M Cockcroft	1	1
C Cobley (Resigned 31 March 2020)	0	1
C Ogden (Resigned 31 March 2020)	0	1
V Hutchins	1	1
J Michaels (Resigned 31 March 2020)	1	1

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

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 LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

GOVERNANCE STATEMENT (CONTINUED)

- The Academy implemented a new print logging solution which 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 Learning Trust (Formerly Hollingworth Academy Trust) for the period 1 September 2019 to 31 August 2020 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 2019 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. In previous financial years, the trustees have appointed RSM, the external auditor, to perform additional checks and carry out the responsible officer (RO) role. RSM have not carried out this role in the current financial year, however the trustees are in the process of appointing an external independent reviewer.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual 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 LEARNING TRUST (FORMERLY 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 15 December 2020 and signed on its behalf by:

D Randle
Accounting Officer

A Moon
Chair of Trustees

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hollingworth Learning Trust (formerly 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 2019.

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 2019.

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

D Randle
Accounting Officer

15 December 2020

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hollingworth Learning Trust (formerly 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 15 December 2020 and signed on its behalf by:

A Moon
Chair of Trustees

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

Opinion

We have audited the financial statements of Hollingworth Learning Trust (formerly Hollingworth Academy Trust) (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 LEARNING TRUST (FORMERLY 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 16, 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
18 December 2020

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	126	126	88
Donations - transfer from local authority on conversion	25	267	(1,297)	30,025	28,995	-
Charitable activities:						
- Funding for educational operations	4	-	11,176	-	11,176	8,203
Other trading activities	5	307	-	-	307	472
Total		<u>574</u>	<u>9,879</u>	<u>30,151</u>	<u>40,604</u>	<u>8,763</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	397	11,259	409	12,065	8,905
Total	6	<u>397</u>	<u>11,259</u>	<u>409</u>	<u>12,065</u>	<u>8,905</u>
Net income/(expenditure)		177	(1,380)	29,742	28,539	(142)
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	23	-	(701)	-	(701)	(1,238)
Net movement in funds		177	(2,081)	29,742	27,838	(1,380)
Reconciliation of funds						
Total funds brought forward		125	(3,046)	3,287	366	1,746
Total funds carried forward		<u>302</u>	<u>(5,127)</u>	<u>33,029</u>	<u>28,204</u>	<u>366</u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		33,029		3,287
Current assets					
Stocks	13	1		10	
Debtors	14	473		703	
Cash at bank and in hand		1,330		216	
			<u>1,804</u>	<u>929</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(921)		(619)	
Net current assets			883		310
Net assets excluding pension liability			<u>33,912</u>	<u>3,597</u>	
Defined benefit pension scheme liability	23		(5,708)		(3,231)
Total net assets			<u>28,204</u>	<u>366</u>	
Funds of the Academy Trust:					
Restricted funds	17				
- Restricted fixed asset funds			33,029		3,287
- Restricted income funds			581		185
- Pension reserve			(5,708)		(3,231)
Total restricted funds			<u>27,902</u>	<u>241</u>	
Unrestricted income funds	17		302		125
Total funds			<u>28,204</u>	<u>366</u>	

The financial statements set out on pages 19 to 43 were approved by the board of trustees and authorised for issue on 15 December 2020 and are signed on its behalf by:

A Moon
Chair of Trustees

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		726		(103)
Cash funds transferred on conversion			267		-
			<u>993</u>		<u>(103)</u>
Cash flows from investing activities					
Capital grants from DfE Group		126		88	
Purchase of tangible fixed assets		(5)		(24)	
		<u>121</u>		<u>64</u>	
Net cash provided by investing activities			<u>121</u>		<u>64</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			<u>1,114</u>		<u>(39)</u>
Cash and cash equivalents at beginning of the year			<u>216</u>		<u>255</u>
Cash and cash equivalents at end of the year			<u><u>1,330</u></u>		<u><u>216</u></u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

1 Accounting policies

General information

Hollingworth Learning Trust (formerly 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 2019 to 2020 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. To ensure that Hollingworth Learning Trust is a going concern five year budget projections to the end of the 2023/24 financial year and monthly finance reports are reviewed regularly. The school has considerable reserves and cash position to ensure the continuation of the trust in the short term. Going forward the school is projecting increased pupil numbers year on year, this increase in pupil numbers increases funding from the ESFA and reduces the chances of an in year deficit position.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Newhouse Academy (Formerly Siddal Moor Sports College) to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in (for net gain) Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

1 Accounting policies (Continued)

Income

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

Grants

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

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

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised 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.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

1 Accounting policies (Continued)

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 £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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.

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:

Buildings	2% straight line
Land	Not depreciated
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 under operating leases are charged on a straight line basis over the lease term.

Stock

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

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

1 Accounting policies (Continued)

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.

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 an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

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.

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	126	126	88
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The income from donations and capital grants was £126,000 (2019: £88,000) of which £126,000 was restricted fixed assets (2019: £88,000).

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	10,268	10,268	7,297
Other DfE group grants	-	548	548	626
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	10,816	10,816	7,923
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other government grants				
Local authority grants	-	314	314	245
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other incoming resources	-	46	46	35
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	11,176	11,176	8,203
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The income from funding for educational operations was £11,176,000 (2019: £8,203,000) of which £11,176,000 was restricted (2019: £8,203,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	16	-	16	24
Catering income	264	-	264	361
Other income	27	-	27	87
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	307	-	307	472
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The income from other trading activities was £307,000 (2019: £472,000) of which £307,000 was unrestricted (2019: £472,000).

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

6 Expenditure

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	6,443	-	752	7,195	5,590
- Allocated support costs	2,199	1,839	832	4,870	3,315
	<u>8,642</u>	<u>1,839</u>	<u>1,584</u>	<u>12,065</u>	<u>8,905</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Operating lease rentals	1,233	888
Depreciation of tangible fixed assets	288	84
Net interest on defined benefit pension liability	73	50
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	15	10
- Other services	3	3
	<u>15</u>	<u>10</u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	-	7,195	7,195	5,590
Support costs				
Educational operations	397	4,473	4,870	3,315
	<u>397</u>	<u>11,668</u>	<u>12,065</u>	<u>8,905</u>

The expenditure on charitable activities was £12,065,000 (2019: £8,905,000) of which £397,000 was unrestricted (2019: £431,000), £11,259,000 was restricted (2019: £8,390,000) and £409,000 was restricted fixed assets (2019: £84,000).

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

7 Charitable activities (Continued)

	2020	2019
	£'000	£'000
Analysis of support costs		
Support staff costs	2,242	1,417
Depreciation	288	84
Technology costs	404	319
Premises costs	1,551	1,142
Legal costs	64	59
Other support costs	704	597
Governance costs	21	16
	<u>5,274</u>	<u>3,634</u>

8 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£'000	£'000
Wages and salaries	6,197	4,738
Social security costs	600	465
Pension costs	1,747	990
	<u>8,544</u>	<u>6,193</u>
Staff costs - employees	8,544	6,193
Agency staff costs	98	103
	<u>8,642</u>	<u>6,296</u>
Staff development and other staff costs	73	74
	<u>8,715</u>	<u>6,370</u>

Staff numbers

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

	2020	2019
	Number	Number
Teachers	142	72
Administration and support	93	85
Management	10	13
	<u>245</u>	<u>170</u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

8 Staff (Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1
	<u> </u>	<u> </u>

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 £1,459,618 (2019: £1,214,076).

9 Central services

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services

The Academy Trust charges for these services on the following basis:

- flat percentage of income (5% of the General Annual Grant (GAG)). This has been apportioned with reference to the conversion date where applicable.

The amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Hollingworth Academy	156	-
Newhouse Academy (formerly Siddal Moor Sports College)	47	-
Hollingworth Learning Trust	-	-
	<u> </u>	<u> </u>
	203	-
	<u> </u>	<u> </u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

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:

	2020	2019
D Randle		
Remuneration	£116,535	£111,042
Employer's pension contributions	£27,595	£18,294
J Brown		
Remuneration	£35,000 - £40,000	£35,000 - £40,000
Employer's pension contributions	£5,000 - £10,000	£5,000 - £10,000
C Cobley		
Remuneration	£35,000 - £40,000	£35,000 - £40,000
Employer's pension contributions	£5,000 - £10,000	£5,000 - £10,000
D Whelan		
Remuneration	£40,000 - £45,000	£40,000 - £45,000
Employer's pension contributions	£5,000 - £10,000	£5,000 - £10,000

During the year expense payments totalling £Nil (2019: £600) 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 2020 is not separately identifiable, but is included within the total insurance cost.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2019	3,439	562	15	4,016
Transfer on conversion	30,025	-	-	30,025
Additions	-	5	-	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2020	33,464	567	15	34,046
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 September 2019	184	542	3	729
Charge for the year	277	6	5	288
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2020	461	548	8	1,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 August 2020	33,003	19	7	33,029
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	3,255	20	12	3,287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Stocks

	2020 £'000	2019 £'000
Stock	1	10
	<u> </u>	<u> </u>

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	10	31
VAT recoverable	38	127
Other debtors	227	336
Prepayments and accrued income	198	209
	<u> </u>	<u> </u>
	473	703
	<u> </u>	<u> </u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

15 Creditors: amounts falling due within one year	2020	2019
	£'000	£'000
Trade creditors	301	300
Other taxation and social security	201	124
Other creditors	207	99
Accruals and deferred income (see note 16)	212	96
	<u>921</u>	<u>619</u>
	<u><u>921</u></u>	<u><u>619</u></u>
16 Deferred income	2020	2019
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	102	78
	<u>102</u>	<u>78</u>
Deferred income at 1 September 2019	78	76
Released from previous years	(78)	(76)
Resources deferred in the year	102	78
	<u>102</u>	<u>78</u>
Deferred income at 31 August 2020	<u><u>102</u></u>	<u><u>78</u></u>

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

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	185	10,268	(9,872)	-	581
Other DfE / ESFA grants	-	548	(548)	-	-
Other government grants	-	314	(314)	-	-
Other restricted funds	-	46	(46)	-	-
Pension reserve	(3,231)	(1,297)	(479)	(701)	(5,708)
	<u>(3,046)</u>	<u>9,879</u>	<u>(11,259)</u>	<u>(701)</u>	<u>(5,127)</u>
Restricted fixed asset funds					
Inherited on conversion	-	30,025	(208)	-	29,817
DfE group capital grants	887	126	(143)	-	870
Capital expenditure from GAG	2,140	-	(52)	-	2,088
Other capital grants	8	-	-	-	8
Amounts transferred from local authority on conversion	252	-	(6)	-	246
	<u>3,287</u>	<u>30,151</u>	<u>(409)</u>	<u>-</u>	<u>33,029</u>
Total restricted funds	<u>241</u>	<u>40,030</u>	<u>(11,668)</u>	<u>(701)</u>	<u>27,902</u>
Unrestricted funds					
General funds	125	574	(397)	-	302
Total funds	<u>366</u>	<u>40,604</u>	<u>(12,065)</u>	<u>(701)</u>	<u>28,204</u>

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.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

17 Funds (Continued)

Funds prior year

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	11	7,297	(7,187)	64	185
Other DfE / ESFA grants	-	626	(626)	-	-
Other government grants	-	245	(245)	-	-
Other restricted funds	-	35	(35)	-	-
Pension reserve	(1,696)	-	(297)	(1,238)	(3,231)
	<u>(1,685)</u>	<u>8,203</u>	<u>(8,390)</u>	<u>(1,174)</u>	<u>(3,046)</u>
Restricted fixed asset funds					
DfE group capital grants	820	88	(21)	-	887
Capital expenditure from GAG	2,261	-	(57)	(64)	2,140
Other capital grants	8	-	-	-	8
Amounts transferred from local authority on conversion	258	-	(6)	-	252
	<u>3,347</u>	<u>88</u>	<u>(84)</u>	<u>(64)</u>	<u>3,287</u>
Total restricted funds	<u>1,662</u>	<u>8,291</u>	<u>(8,474)</u>	<u>(1,238)</u>	<u>241</u>
Unrestricted funds					
General funds	84	472	(431)	-	125
Total funds	<u>1,746</u>	<u>8,763</u>	<u>(8,905)</u>	<u>(1,238)</u>	<u>366</u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

17 Funds (Continued)

Total funds analysis by academy

	2020	2019
	£'000	£'000
Fund balances at 31 August 2020 were allocated as follows:		
Hollingworth Academy	206	310
Newhouse Academy (formerly Siddal Moor Sports College)	556	-
Hollingworth Learning Trust	-	-
	<u>762</u>	<u>310</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	33,029	3,287
Pension reserve	(5,708)	(3,231)
	<u>28,083</u>	<u>366</u>
Total funds	<u><u>28,083</u></u>	<u><u>366</u></u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Hollingworth Academy	4,958	1,238	643	2,037	8,876	8,821
Newhouse Academy (formerly Siddal Moor Sports College)	1,485	386	93	251	2,215	-
Hollingworth Learning Trust	-	169	17	21	207	-
	<u>6,443</u>	<u>1,793</u>	<u>753</u>	<u>2,309</u>	<u>11,298</u>	<u>8,821</u>
	<u><u>6,443</u></u>	<u><u>1,793</u></u>	<u><u>753</u></u>	<u><u>2,309</u></u>	<u><u>11,298</u></u>	<u><u>8,821</u></u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	33,029	33,029
Current assets	302	1,502	-	1,804
Creditors falling due within one year	-	(921)	-	(921)
Defined benefit pension liability	-	(5,708)	-	(5,708)
Total net assets	<u>302</u>	<u>(5,127)</u>	<u>33,029</u>	<u>28,204</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	3,287	3,287
Current assets	125	804	-	929
Creditors falling due within one year	-	(619)	-	(619)
Defined benefit pension liability	-	(3,231)	-	(3,231)
Total net assets	<u>125</u>	<u>(3,046)</u>	<u>3,287</u>	<u>366</u>

19 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	778	767
Amounts due between one and five years	2,593	2,667
Amounts due after five years	6,882	7,508
	<u>10,253</u>	<u>10,942</u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020 £'000	2019 £'000
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	28,539	(142)
	Adjusted for:		
	Net surplus on conversion to academy	(28,995)	-
	Capital grants from DfE and other capital income	(126)	(88)
	Defined benefit pension scheme costs less contributions payable	406	247
	Defined benefit pension scheme finance cost	73	50
	Depreciation of tangible fixed assets	288	84
	Movements in working capital:		
	Decrease/(increase) in stocks	9	(5)
	Decrease/(increase) in debtors	230	(430)
	Increase in creditors	302	181
	Net cash provided by/(used in) operating activities	726	(103)

21	Analysis of cash and cash equivalents	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
	Cash	216	1,114	1,330
		216	1,114	1,330

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 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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £204,433 were payable to the schemes at 31 August 2020 (2019: £96,230) and are included within creditors.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

23 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in 5 March 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20).

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £973,000 (2019: £516,000).

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

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

23 Pension and similar obligations (Continued)

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 past service cost of £Nil (2019: £67,000) recognised in the year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

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.

Total contributions made	2020	2019
	£'000	£'000
Employer's contributions	336	225
Employees' contributions	102	68
	<u> </u>	<u> </u>
Total contributions	438	293
	<u> </u>	<u> </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 2019 by a qualified independent actuary.

	2020	2019
	%	%
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
	<u> </u>	<u> </u>

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

	2020	2019
	Years	Years
Retiring today		
- Males	20.5	20.6
- Females	23.1	23.1
Retiring in 20 years		
- Males	22.0	22
- Females	25.0	24.8
	<u> </u>	<u> </u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

23 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2020 Fair value £'000	2019 Fair value £'000
Equities	5,653	4,041
Bonds	1,330	891
Cash	748	535
Property	582	475
Total fair value of assets	<u>8,313</u>	<u>5,942</u>

The actual return on scheme assets was £(53,000) (2019: £268,000).

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	742	405
Net interest cost	73	50
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	67
Total operating charge	<u>815</u>	<u>522</u>

Changes in the present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September 2019	9,173	7,188
Obligations acquired on conversion	3,398	-
Current service cost	742	405
Interest cost	202	206
Employee contributions	102	68
Actuarial loss	519	1,350
Benefits paid	(115)	(111)
Past service cost	-	67
At 31 August 2020	<u>14,021</u>	<u>9,173</u>

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

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

23 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2020	2019
	£'000	£'000
At 1 September 2019	5,942	5,492
Assets acquired on conversion	2,101	-
Interest income	129	156
Return on plan assets (excluding net interest on the net defined pension liability)	(182)	112
Employer contributions	336	225
Employee contributions	102	68
Benefits paid	(115)	(111)
	<u> </u>	<u> </u>
At 31 August 2020	<u>8,313</u>	<u>5,942</u>

24 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 8.

HOLLINGWORTH LEARNING TRUST (FORMERLY HOLLINGWORTH ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Conversion to an academy

On 1 April 2020, Newhouse Academy (formerly Siddal Moor Sports College) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hollingworth Learning Trust (formerly Hollingworth Academy Trust) from the Rochdale Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Newhouse Academy (formerly Siddal Moor Sports College)	Heywood	1 April 2020

	Unrestricted funds	Restricted funds:		Total 2020
	£'000	General	Fixed asset	£'000
Net assets transferred:		£'000	£'000	
Freehold land and buildings	-	-	30,025	30,025
Cash	267	-	-	267
Pension scheme deficit	-	(1,297)	-	(1,297)
	<u>267</u>	<u>(1,297)</u>	<u>30,025</u>	<u>28,995</u>
	<u><u>267</u></u>	<u><u>(1,297)</u></u>	<u><u>30,025</u></u>	<u><u>28,995</u></u>

	Unrestricted funds	Restricted funds:		Total 2020
	£'000	General	Fixed asset	£'000
Funds surplus/(deficit) transferred:		£'000	£'000	
Fixed assets funds	-	-	30,025	30,025
LA budget funds	267	-	-	267
LGPS pension funds	-	(1,297)	-	(1,297)
	<u>267</u>	<u>(1,297)</u>	<u>30,025</u>	<u>28,995</u>
	<u><u>267</u></u>	<u><u>(1,297)</u></u>	<u><u>30,025</u></u>	<u><u>28,995</u></u>