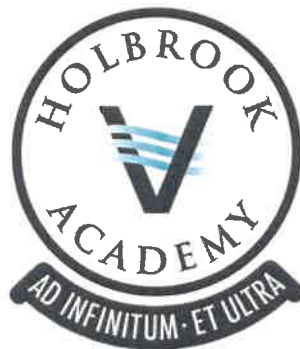


Holbrook Academy

(A Company Limited by Guarantee)



Annual Report and Financial Statements

For the year 1 September 2020 to 31 August 2021

Company Registration Number: 07654882 (England & Wales)
Registered Office: Ipswich Road, Holbrook,
Ipswich, Suffolk, IP9 2QX

CONTENTS

| | |
|--|-------|
| Reference and Administrative Details | 2 |
| Report of the Governors | 3-10 |
| Governance Statement (incorporating Strategic Report) | 11-13 |
| Statement on Regularity, Propriety and Compliance | 14 |
| Statement of Governors Responsibilities | 15 |
| Independent Auditor's Report | 16-18 |
| Independent Reporting Accountants' Report on Regularity | 19-20 |
| Statement of Financial Activities (including Income and Expenditure Account) | 21 |
| Balance Sheet | 22 |
| Cash Flow Statement | 23 |
| Notes to the Financial Statements | |
| - Statement of Accounting Policies | 24-26 |
| - Other Notes to the Financial Statements | 27-39 |

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- J Hazlewood
- S Letman
- T Fenton
- J Gould
- J Ambrose

Governors

- D Bedwell
- H Butler (Vice Chair of Governors)
- H Caston
- K Clark
- A Clarke (Resigned 13 October 2020)
- J Crabtree (Resigned 13 October 2020)
- L Cullen (Chair of Governors)
- L Curtis
- C Graham (Resigned 29 January 2021)
- B Jones (Resigned 1 January 2021)
- R Lay (Resigned 13 October 2020)
- M Le Marrec (Resigned 13 October 2020)
- T Maltby (Appointed 14 October 2020)
- L Nunn
- M Pawlewski
- A Peters (Appointed 1 August 2021)
- M Slattery
- S Spiers (Appointed 1 August 2021)
- D Thomas
- A Williamson (Appointed 1 August 2021)
- B Zeneli (Resigned 11 March 2021)

Company Secretary

S Beazley

Senior Leadership Team:

- | | |
|------------------------------------|--|
| ▪ Headteacher & Accounting Officer | T Maltby |
| ▪ Deputy Headteacher | N Mayhew (Resigned 31 December 2020) |
| ▪ Deputy Headteacher | G Anstee-Parry |
| ▪ Assistant Headteacher | P Hart |
| ▪ Assistant Headteacher | R Lay (Resigned 31 August 2021) |
| ▪ Assistant Headteacher | V Mahoney (1 January 2021 to 31 August 2021) |

Company Name

Company Registration Number

Registered Office

Holbrook Academy

07654882 (England and Wales)

Ipswich Road
Holbrook
Ipswich
Suffolk IP9 2QX

Independent Auditor

Lovewell Blake LLP
Chartered Accountants & Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Bankers

HSBC
12 Tavern Street
Ipswich
Suffolk
IP1 3AZ

REPORT OF THE GOVERNORS

INTRODUCTION

The Governors, (who are Governors under the Academies Act 2010, Trustees under the Charities Act 2011 and Directors under the Companies Act 2006), present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 24 to 26 of the attached financial statements, and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice 'Financial Reporting Standard 102' ('SORP 2019') and the Academies Accounts Direction 2020-2021.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area south of Ipswich. It has a pupil capacity of 590 and had a roll of 572 in the school census on 7 October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Holbrook Academy, hereafter referred to as the Academy, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association dated 1 June 2011 are the primary governing documents of the Academy. The Governors act as trustees for the charitable activities of the Academy and are also directors of the Charitable Company for the purposes of company law.

Details of the Governors who served throughout the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 2.

The name of the Charitable Company was changed at Companies House to Holbrook Academy with effect from 12 August 2013.

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

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy. As explained in Note 10 to the Financial Statements the limit of this indemnity is £10,000,000.

REPORT OF THE GOVERNORS (continued)

Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Academy deed. The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher, who shall hold office for so long as he/she continues to be employed. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected. The Governors who were in office at 31 August 2021 and who served during the year are listed on page 2.

Policies and Procedures adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience.

Where necessary induction will include training on educational, legal and financial matters. All new Governors will be given the opportunity of a tour of the Academy, have the chance to meet with staff and students and be provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors. As there is expected to be only a small number of new Governors a year, induction will be carried out informally and will be tailored specifically to the individual.

Organisational Structure

The Academy was set up with a management structure to support the Education Brief. The Academy's organisational structure consists of two levels: the Governors and the Senior Leadership Team.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

The Committee structure comprises the Finance and Personnel Committee and the Quality and Monitoring Committee. Each Committee meets at least once a term. During the course of the 2020-21 academic year the full Governing Body formally met three times.

The Governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Headteacher during the year.

The Senior Leadership Team (SLT) included the Headteacher, Deputy Headteacher, Assistant Headteacher (Progress & Outcomes), Assistant Headteacher (Teaching and Learning) and Assistant Headteacher (Behaviour). The SLT are responsible for day to day operation of the Academy, in particular organising the teaching staff, students and resources.

Arrangements for setting pay and remuneration of key management personnel

Governors review the Appraisal and Pay Policy annually. Pay scales for teachers are based on STRB (School Teachers Pay and Conditions document). Pay scales for support staff are based on Suffolk County Council's Single Status Agreement and local pay and grading arrangements.

Annual pay progression is not automatic. It will only be considered where staff have met the expectations described in the Pay Policy and the Academy's Appraisal Policy and through their appraisal process, and will be subject to the maximums of the employee's relevant pay range/grade/grade mid-point and the governing body's annual decision making processes.

REPORT OF THE GOVERNORS (continued)
Arrangements for setting pay and remuneration of key management personnel (continued)

Assessment of performance is based on evidence from a range of sources, as described in the Academy's Appraisal Policy. Although the Academy will establish a firm evidence base in relation to the performance of all employees, there is a responsibility on the individual and their appraiser to work together. Employees should gather any evidence that they deem is appropriate in relation to their objectives and other relevant criteria (e.g. the Teachers' Standards and criteria to be paid on Upper Pay Range), so that such evidence can be taken into account at the performance review. Appraisal objectives will become more challenging as staff progress up their pay range/grade.

Trade Union Facility Time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 2 | 1.4 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time:

| | |
|--|------------|
| Total cost of facility time | - |
| Total pay bill | £2,923,662 |
| Percentage of the total pay bill spent on facility time, calculated as (total cost of facility time divided by total pay bill) x 100 | - |

Paid trade union activities:

| | |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on trade union activities by relevant union officials during the relevant period divided by total paid facility time hours) x 100 | - |
|---|---|

Connected Organisations

The Academy purchased services from Suffolk County Council, under normal business arrangements.

Related Party Relationships

The Academy purchased careers advice for students from an organisation called Career Directions. The advisor is Mrs Sarah Pawlewski, the wife of one of the governors, Mr M Pawlewski.

The Academy purchased photography tuition for students from Anthony Cullen, husband of Mrs L Cullen, a governor.

The detail of all Related Party Transactions is provided in the Notes to the Financial Statements.

REPORT OF THE GOVERNORS (continued)

OBJECTIVES AND ACTIVITIES

Principal Activities

The Academy's objects, as set out in its Articles of Association, are

- a) 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;
- b) to promote for the benefit of the inhabitants of Holbrook 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 interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Aims and Objectives of the Academy

The Academy objectives are set out in its Articles of Association and referred to above. In summary, it is to establish, maintain, manage and develop a school offering a broad curriculum and to provide community facilities.

In accordance with the Articles of Association, the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the National Curriculum with an emphasis on English and Mathematics.

Objectives, Strategies and Activities

The Academy has a vision to produce young people with exemplary attitudes who will make a positive contribution to the community in which they live and to the wider world in the future. Our aim is that everybody can be somebody. The Academy has the ambition to become the educational hub to serve the local community.

The stated purpose of the Academy is to ensure that children learn for life by providing a distinctive educational experience and helping them to search for the qualities which will help them to stand out from the crowd. The Academy has a commitment to relentlessly focus on pupil achievement and the quality of provision in all areas. This will be achieved by continually improving teaching and learning and providing the best possible opportunities for all children to do the best they can.

A key objective is that examination results will improve so that all students will maximise their full potential.

The Academy's Improvement Plan is reviewed regularly during the year at meetings of the Governing Body.

Public Benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. Although our sporting facilities are currently shared with the local community, the Headteacher is currently working closely with Suffolk County Council to obtain grant funding to extend this provision, allowing elderly residents in the neighbourhood to have further access as part of our outreach work.

REPORT OF THE GOVERNORS (continued)**STRATEGIC REPORT****Achievements and Performance and Key Performance Indicators**

The grading process of 2021 was similar in many ways to the work undertaken in 2020 in the name of CAGs, but we remain extremely proud of the steps taken to ensure absolute integrity throughout the process and of the way teaching staff and school leaders rose to the challenge. The Academy are confident that every student left us in 2021 with a set of grades they were fully deserving of and which reflected the efforts put in across the school by staff and students alike despite the difficulties posed by the Covid-19 situation since March 2020.

In a more 'normal' year, students from Holbrook would have posted a good Progress 8 score in 2021.

From the grades awarded, 84% achieved a Grade 4 or better in Maths and English combined, with 42% achieving a Grade 5 or better. Separately, 78% of Holbrook students were awarded a Grade 4+ in English Language, compared to 74% nationally; 73% of Holbrook students were awarded a Grade 4+ in English Literature, compared to 81% nationally. Further, 74% of students were awarded a Grade 4+ in Maths, compared to 70% nationally.

The total number of students on roll in the year ended 31 August 2021 numbered 582.

From 1 September 2011, the Academy has a PAN (Pupil Admissions Number) of 120 in Year 7. The capacity of the school is 590.

Going Concern

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

FINANCIAL REVIEW**Overview**

During the year the Academy received total income of £3,625,738 (comprising £105,249 capital grants and £3,520,489 revenue income). Of this sum £3,013,269 was received from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in respect of its General Annual Grant, used for its day to day running costs. Expenditure for the year totalled £3,791,569 (comprising £3,369,914 revenue expenditure, £230,655 capital depreciation and £191,000 additional pension costs regarding the Local Government Pension Scheme).

The financial position for revenue excluding the restricted pension fund and the restricted fixed asset fund was as follows:

| Revenue | Unrestricted Funds £ | Restricted General Funds £ | Total Revenue £ |
|--|-----------------------------|-----------------------------------|------------------------|
| Income | 19,639 | 3,500,850 | 3,520,489 |
| Expenditure | 17,871 | 3,352,043 | 3,369,914 |
| Net surplus for year (before transfers) | 1,768 | 148,807 | 150,575 |

REPORT OF THE GOVERNORS (continued)

The revenue reserves position is shown as follows:

| Revenue | Unrestricted Funds £ | Restricted General Funds £ | Total Revenue £ |
|--|----------------------|----------------------------|-----------------|
| Reserves b/fwd as at 1 September 2020 | 1,925 | 151,495 | 153,420 |
| Net surplus for the year (after transfers) | 1,768 | 27,748 | 29,516 |
| Reserves c/fwd to 1 September 2021 | 3,693 | 179,243 | 182,936 |

In total the Academy has positive revenue reserves totalling **£182,936**.

The Governors have a duty as a public body to be transparent about the Academy's finances and are fully cognisant of the Academy's financial risks. As a result, a management plan to address them is already in place and is under constant review.

The Academy applied to the Education and Skills Funding Agency in August 2015 for interim support, as budget forward planning highlighted that due to an historical falling roll, the Academy's GAG funding for the following few years would be far lower than in earlier years and that for the following 4 years the Academy would have to set deficit budgets. The Education and Skills Funding Agency agreed phased repayable advance funding of £155,000, £80,000 received in 2015-16 and £75,000 received in 2016-17. The Academy repaid the first two of three agreed instalments in August 2020 and August 2021. The final instalment of £55,000 will be paid in 2021-22.

With close management of expenditure during 2020-21 the Academy managed a final in year surplus of £29,516. The surplus brought forward from 2019-20 of £153,420 increased the surplus carry forward balance into 2021-22 to £182,936.

The Academy is on track to repay the advances as planned.

Reserves Policy

The Governing Body reviews the reserve levels of the Academy throughout the year, annually at the year-end and as a part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors determine what the level of uncommitted reserves should be. The main aims are to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance.

As at 31 August 2021, the Academy Trust had free reserves of £3,693 (2020: assets of £1,925), calculated as unrestricted net assets as shown in note 17. The total restricted funds (excluding the pension reserve) at 31 August 2021 is a surplus of £179,243 (2020: £151,495).

Fixed Assets / Capital

The Academy held £7,140,338 restricted fixed asset funds as at 31 August 2021. The fixed asset fund reflects both the funding received for capital investment purposes and the net book value of assets. It should be noted that the Academy's land and buildings are on a 125 year lease from Suffolk County Council.

Pension Fund (Local Government Pension Scheme)

Under Accounting Standard FRS 102 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As at 31 August 2021, the deficit on this reserve amounted to £1,766,000. It should be noted, however, that this does not present the Academy with a current liquidity problem. Increased contributions to the pension scheme are being made in order to reduce the deficit.

REPORT OF THE GOVERNORS (continued)

Investment Policy

During the period of these financial statements the Academy operated two bank accounts, one of which was an interest bearing deposit account for surplus funds. In balancing risk against return, the Academy policy is geared towards carefully managing the cash flow and maximising returns where possible but at very low risk.

Risk Management

During the course of 2020-21, the Academy considered its risk management arrangements. The Strategic Risk Register is a working document that is continually updated by a governor on the Finance and Personnel committee in conjunction with other governors and staff members. The Strategic Risk Register seeks to both identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk.

The Academy operates systems of internal financial control and checks which are examined periodically by the Academy's auditor and by independent professional reviews. Schools Choice Ltd completed an independent professional review on three dates throughout the academic year. All actions were completed within the year.

Principal Risks and Uncertainties

The Academy last reviewed its Risk Register, with governors, in the Autumn Term 2021. The key financial risks identified include:-

- Inadequate financial controls in place
- Uncertainty about ESFA funding in future and inflationary pressures.
- Little investment monies are available so need to consider external income stream opportunities in order to support its strategic investment plans.

The Academy Risk Register shows that the current risk level for each of the above is low. The Risk Register shows a higher concern for maintaining / increasing our numbers on roll given the high percentage of our cohort traveling to the school from out of catchment. However, the latest confidential data on the number of new Year 7 entries (2022-23) has reassured the Academy; and our popularity is increasing within our local community.

Fundraising

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

PLANS FOR FUTURE PERIODS

An updated Academy Improvement Plan was launched in Autumn 2020 and is renewed termly. Alongside this, the Academy launched a new 5 year strategic plan under the leadership of Tom Maltby, Headteacher. The plan demonstrates that the Academy aligns its strategic thinking with our shared ethos and values.

The Academy Improvement Plan (AIP) sets out areas identified for improvement. It is informed by:

- Key issues identified in the school's most recent Ofsted report (February 2019);
- The progress and outcomes of students;
- Internal reviews and monitoring;
- External support and reviews

The AIP enables the evaluation of the impact of the school's improvement strategies and forms the "mechanism" through which the governing body holds school leaders to account. It is a "living document", used routinely by members of staff as a point of reference and to inform practice, planning and decision making.

REPORT OF THE GOVERNORS (continued)

The **Strategic Plan** provides the broader context and backdrop within which the Academy Improvement Plan operates. Its focus is long term improvement, sustainability and growth and aims to set the direction for the Academy over the next 5 years and beyond. The Strategic Plan establishes a vision for the future; and a team of governors work closely with senior staff in establishing aims and objectives for long term, sustained improvement.

Auditor

In so far as the Governors are aware:

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

Governors' report, incorporating strategic report, approved by order of the members of the Governing Body, as the company directors, on 7 December 2021 and signed on its behalf by:



Louise Cullen
Chair of Governors

GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Holbrook Academy 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 Governing Body 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 assigned to it in the Funding Agreement between Holbrook Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

| Governor | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| D Bedwell | 2 | 3 |
| H Butler | 3 | 3 |
| H Caston | 2 | 3 |
| K Clark | 1 | 3 |
| A Clarke * (resigned 13 October 2020) | 3 | 3 |
| J Crabtree * (resigned 13 October 2020) | 3 | 3 |
| L Cullen | 3 | 3 |
| L Curtis | 3 | 3 |
| C Graham (resigned 29 January 2021) | 1 | 1 |
| B Jones (resigned 1 January 2021) | 1 | 1 |
| R Lay * (resigned 13 October 2020) | 2 | 3 |
| M Le Marrec * (resigned 13 October 2020) | 3 | 3 |
| T Maltby (appointed 14 October 2020) | 3 | 3 |
| L Nunn | 0 | 3 |
| M Pawlewski | 3 | 3 |
| A Peters (appointed 1 August 2021) | 1 | 1 |
| M Slattery | 3 | 3 |
| S Spiers (appointed 1 August 2021) | 1 | 1 |
| D Thomas | 3 | 3 |
| A Williamson (appointed 1 August 2021) | 1 | 1 |
| B Zeneli (Resigned 11 March 2021) | 1 | 1 |

The Full Governing Body has met less than six times during the year but has received a detailed income and expenditure report showing any variations to the budget, a report explaining any variations and a cashflow report every month. This has ensured effective financial management throughout the year.

Finance and Personnel Committee

The Finance and Personnel Committee meets at least termly and is a sub-committee of the Full Governing Body. The Committee oversees the monitoring of the budget and forward financial planning of the Academy. During the year, it has closely monitored the current and predicted future year's cash flow projections to ensure that the Academy is on target to repay our advance to the ESFA. The Committee reviewed updated benchmarking data and completed the School Resource Management Self-Assessment tool to make sure that the Academy is spending in line with other similar Academies. The Committee also made sure the Academy has effective management structures in place and policies are regularly reviewed and updated to ensure the well-being and development of staff.

GOVERNANCE STATEMENT (continued)

The Finance and Personnel Committee has formally met five times during the year. Attendance during the year at meetings of the governing body was as follows:-

| Governor | Meetings attended | Out of a possible |
|--------------------------------------|--------------------------|--------------------------|
| D Bedwell | 3 | 5 |
| H Butler | 5 | 5 |
| L Cullen | 5 | 5 |
| B Jones (resigned 1 January 2021) | 2 | 2 |
| T Maltby (appointed 14 October 2020) | 5 | 5 |
| B Zeneli (Resigned 11 March 2021) | 2 | 2 |

Governance Review

Governors undertake a review of their work and effectiveness on a yearly basis and incorporate areas of improvement in their development plan and training plan.

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value for money in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the 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 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. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy 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 in place for Holbrook Academy for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements, has been developed and strengthened during the course of this year.

- (i) Policies and procedures continued to be reviewed and implemented.
- (ii) Financial delegations were approved by the Governing Body.
- (iii) The Governing Body continued to use Schools Choice Ltd an independent organisation within Suffolk County Council to conduct independent checks on financial controls.
- (iv) The development of data processes for tracking student progress and initiating intervention strategies continued.
- (v) Monitoring arrangements for assessing the quality of teaching and learning continued, including detailed faculty reviews by governors and internal staff.

Capacity to Handle Risk

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

During the course of the year the systems for identifying, evaluating and managing the Academy's significant risks were developed and strengthened. The Risk register is a working document that is regularly reviewed and updated.

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The Academy'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:

- (i) Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- (ii) Regular reviews by the Finance and Personnel Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes,
- (iii) Setting targets to measure financial and other performance,
- (iv) Clearly defining purchasing (asset purchase or capital investment) guidelines,
- (v) Delegation of authority and segregation of duties.

The Governors are cognisant of the Academy's key risks and have implemented management action accordingly.

The Governors continued to procure the services of Lovewell Blake LLP to act as the Academy's external auditor.

The Governing Body had considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

As set out in clause (iii) on page 12, the Governing Body continued to use Schools' Choice Ltd, an independent organisation within Suffolk County Council, to conduct independent checks for the year in question. This role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Schools' Choice performed a wide-ranging review of Payroll, Purchasing, Income Controls, Monitoring & Review, Governance, Audit and the Planning Cycle & Budget. Recommendations were actioned within the academic year.

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 external auditor,
- the work of the independent review of financial controls by Schools Choice Ltd,
- an update of the Academy's financial policy and procedures,
- the work of the Finance and Personnel Committee which has responsibility for the monitoring of the internal control framework, and
- the strong financial skill set of the Finance and Personnel Committee.

Approved by order of the members of the Governing Body on 7 December 2021 and signed on its behalf by:



Louise Cullen
Chair of Governors



Tom Maltby
Headteacher and Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Holbrook Academy I have considered my responsibility to notify the Academy trust board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy trust, under the funding agreement in place between the Academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the trustees and ESFA. If any instances are identified after the date of this statement, they will be notified to the board of trustees and ESFA:

Financial issues

- A member of staff was paid in accordance with their contracted hours however, they were working less hours than contracted due to the rota which was in place but this reduction in hours was not reflected in their pay. The overpayment of salary plus on costs amounted to £6,968 over a period of two accounting years. As this was an error made by the Academy, after careful consideration, the Governors have decided not to seek to recover the funds from the employee. Procedures have now been put in place to prevent such an error occurring again.

Signed.....

Tom Maltby
Accounting Officer

7 December 2021

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as Trustees for charitable activities of Holbrook Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 year. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of priority and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 7 December 2021 and signed on its behalf by:



Louise Cullen
Chair of Governors

Independent Auditor's Report to the members of Holbrook Academy

Opinion

We have audited the financial statements of Holbrook Academy (the 'academy trust') for the year ended 31 August 2021 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Independent Auditor's Report to the members of Holbrook Academy (continued)

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

We have nothing to report in this regard.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or 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 directors' 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 trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the members of Holbrook Academy (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance to confirm there are no instances of fraud or non-compliance with laws and regulations
- Reviewing journal entries to ensure they are appropriate and do not indicate management override
- Review of key accounting estimates, to ensure reasonable and no signs of management bias
- Review of disclosures within the financial statements and vouching these to supporting documentation to ensure compliance with applicable laws and regulations
- We also considered whether the results of our assurance on regularity work identified any indicators of fraud or non-compliance of laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



MARK PROCTOR FCA DChA (Senior Statutory Auditor)

LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300

Peachman Way

Broadland Business Park

Norwich

NR7 0LB

20/12/2021

Independent Reporting Accountant's Assurance Report on Regularity to Holbrook Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holbrook Academy during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Holbrook Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Holbrook Academy's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

Delegated authorities:

Carrying out the suggested procedures detailed in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.62 – 4.67 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2020 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNTI have been complied with;

Independent Reporting Accountant's Assurance Report on Regularity to Holbrook Academy and the Education and Skills Funding Agency (continued)

Transactions with connected parties:

Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.68 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2020 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

Governance:

Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.69 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2020 regarding its governance arrangements;

Internal controls:

Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.70 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2020 regarding its internal controls;

Procurement:

Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.71 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2020 regarding its procurement procedures; and

Income:

Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- **Matter 1:** A member of staff was paid in accordance with their contracted hours however, they were working less hours than contracted due to the rota which was in place but this reduction in hours was not reflected in their pay. The overpayment of salary plus on costs amounted to £6,968 over a period of two accounting years. As this was an error made by the Academy, after careful consideration, the Governors have decided not to seek to recover the funds from the employee. Procedures have now been put in place to prevent such an error occurring again.



MARK PROCTOR FCA DChA (Reporting Accountant)
LOVEWELL BLAKE LLP
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB
20/12/2021

Statement of Financial Activities for the year ended 31 August 2021 (Including Income and Expenditure Account)

| | Notes | Unrestricted Funds | Restricted General Funds | Restricted Fixed Assets Fund | Total 2021 | Total 2020 |
|--|-------|--------------------|--------------------------|------------------------------|------------------|------------------|
| | | £ | £ | £ | £ | £ |
| Income from: | | | | | | |
| Donations and capital grants | 3 | 167 | 4,871 | 105,249 | 110,287 | 264,692 |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 4 | - | 3,484,207 | - | 3,484,207 | 3,173,852 |
| Other trading activities | 5 | 19,472 | 11,772 | - | 31,244 | 110,083 |
| Investment income | 6 | - | - | - | - | 478 |
| Total income | | <u>19,639</u> | <u>3,500,850</u> | <u>105,249</u> | <u>3,625,738</u> | <u>3,549,105</u> |
| Expenditure on: | | | | | | |
| Raising funds | | 4,147 | 1,987 | - | 6,134 | 16,034 |
| Charitable activities: | | | | | | |
| Academy educational operations | | 13,724 | 3,541,056 | 230,655 | 3,785,435 | 3,475,282 |
| Total expenditure | 7 | <u>17,871</u> | <u>3,543,043</u> | <u>230,655</u> | <u>3,791,569</u> | <u>3,491,316</u> |
| Net (expenditure)/income before transfers | | 1,768 | (42,193) | (125,406) | (165,831) | 57,789 |
| Transfers between funds | 17 | - | (121,059) | 121,059 | - | - |
| Net (expenditure)/income | | <u>1,768</u> | <u>(163,252)</u> | <u>(4,347)</u> | <u>(165,831)</u> | <u>57,789</u> |
| Other recognised (losses) and gains: | | | | | | |
| Actuarial (losses)/gains on defined benefit pension scheme | 17,27 | - | (323,000) | - | (323,000) | (93,000) |
| Net movement in funds | | 1,768 | (486,252) | (4,347) | (488,831) | (35,211) |
| Reconciliation of funds | | | | | | |
| Total funds brought 1 September 2020 | 17 | 1,925 | (1,100,505) | 7,144,685 | 6,046,105 | 6,081,316 |
| Total funds carried forward | 17 | <u>3,693</u> | <u>(1,586,757)</u> | <u>7,140,338</u> | <u>5,557,274</u> | <u>6,046,105</u> |

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

An analysis by fund of the comparatives figures for 2020 is shown in note 2.

The notes on pages 24 to 39 form part of these financial statements.

Holbrook Academy

Balance Sheet as at 31 August 2021

Company No: 07654882

| | Notes | 2021 £ | 2020 £ |
|---|-------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 11 | 7,147,045 | 7,151,270 |
| Current assets | | | |
| Stocks | 12 | 4,839 | 5,081 |
| Debtors | 13 | 81,288 | 244,517 |
| Cash at bank and in hand | | 327,946 | 340,956 |
| | | 414,073 | 590,554 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (236,494) | (384,669) |
| Net current assets | | 177,579 | 205,885 |
| Total assets less current liabilities | | 7,324,624 | 7,357,155 |
| Creditors: amounts falling due after more than one year | | | |
| Long term Liabilities | 16 | (1,350) | (59,050) |
| Net assets excluding pension liability | | 7,323,274 | 7,298,105 |
| Defined benefit pension scheme liability | 27 | (1,766,000) | (1,252,000) |
| Total net assets | | 5,557,274 | 6,046,105 |
| Funds of the Academy | | | |
| Restricted funds | | | |
| - Fixed asset fund | 17 | 7,140,338 | 7,144,685 |
| - General funds | 17 | 179,243 | 151,495 |
| - Pension reserve | 17 | (1,766,000) | (1,252,000) |
| Total restricted funds | | 5,553,581 | 6,044,180 |
| Unrestricted funds | 17 | 3,693 | 1,925 |
| TOTAL FUNDS | | 5,557,274 | 6,046,105 |

The financial statements on pages 21 to 39 were approved by the Governors, and authorised for issue on and are signed on their behalf by:

7 DECEMBER
2021



Louise Cullen
Chair of Governors

The notes on pages 24 to 39 form part of these financial statements.

Holbrook Academy

Statement of Cash Flows for the year ended 31 August 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|-----------------|----------------|
| Cash flows provided by operating activities | | | |
| Net cash provided by operating activities | 21 | 160,871 | 180,275 |
| Cash flows from financing activities | 22 | (52,700) | (52,700) |
| Cash flows from investing activities | 23 | (121,181) | (36,647) |
| Change in cash and cash equivalents in the year | 24 | <u>(13,010)</u> | <u>90,928</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Cash and cash equivalents at 1 September 2020 | | 340,956 | 250,028 |
| Cash and cash equivalents at 31 August 2021 | 24 | <u>327,946</u> | <u>340,956</u> |

The notes on pages 24 to 39 form part of these financial statements.

1 Statement of Accounting policies

General information

Holbrook Academy is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Governors' Report on pages 3 to 10.

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of 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.

The governors have taken into account the effects of COVID-19 in making this assessment.

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 and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

Donated fixed assets (excluding Transfers on conversion/into the Trust)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

1 Accounting policies (*continued*)

Expenditure (*continued*)

Raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. 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 at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

| | |
|---------------------------------|-----------|
| Leasehold land | 125 years |
| Leasehold buildings | 2% |
| Plant and machinery | 5 to 20% |
| Furniture and equipment | 10% |
| Computer equipment and software | 33% |

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.

Stock

Stock consists of goods for resale and is valued at the lower of cost and net realisable value.

Liabilities

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

Leased Assets

Rentals under operating leases are charged to the Statement of Financial Activities on straight line basis over the lease term.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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 based on of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employees. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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 Department for Education Group.

Critical accounting estimates and areas of judgement

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trust has recognised the value of its leasehold property at a valuation prepared on behalf of the Education and Skills Funding Agency. This property is depreciated over 50 years with the land over the life of the lease, which in most cases is 125 years.

Concessionary Loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

2 Statement of Financial Activities for the year ended 31 August 2020

| | Notes | Unrestricted Funds | Restricted General Funds | Restricted Fixed Assets Fund | Total 2020 |
|---|-------|---------------------|---------------------------|------------------------------|-------------------------|
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations and capital grants | 3 | 2,485 | 6,176 | 256,031 | 264,692 |
| Charitable activities Funding for the academy's educational operations | 4 | - | 3,173,852 | - | 3,173,852 |
| Other trading activities | 5 | 81,467 | 28,616 | - | 110,083 |
| Investment income | 6 | 478 | - | - | 478 |
| Total income | | <u>84,430</u> | <u>3,208,644</u> | <u>256,031</u> | <u>3,549,105</u> |
| Expenditure on: | | | | | |
| Raising funds | 7 | 13,390 | 2,644 | - | 16,034 |
| Charitable activities: Academy educational operations | 7 | 68,309 | 3,206,493 | 200,480 | 3,475,282 |
| Total expenditure | 7 | <u>81,699</u> | <u>3,209,137</u> | <u>200,480</u> | <u>3,491,316</u> |
| Net (expenditure)/income before transfers | | 2,731 | (493) | 55,551 | 57,789 |
| Transfers between funds | 17 | - | (33,540) | 33,540 | - |
| Net (expenditure)/income | | <u>2,731</u> | <u>(34,033)</u> | <u>89,091</u> | <u>57,789</u> |
| Other recognised (losses) and gains: Actuarial (losses)/gains on defined benefit pension scheme | 17,27 | <u>-</u> | <u>(93,000)</u> | <u>-</u> | <u>(93,000)</u> |
| Net movement in funds | | 2,731 | (127,033) | 89,091 | (35,211) |
| Reconciliation of funds | | | | | |
| Total funds brought forward as previously stated | | (806) | (973,472) | 7,055,594 | 6,081,316 |
| Prior year adjustment | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funds brought forward restated | 16 | <u>(806)</u> | <u>(973,472)</u> | <u>7,055,594</u> | <u>6,081,316</u> |
| Total funds carried forward | 16 | <u><u>1,925</u></u> | <u><u>(1,100,505)</u></u> | <u><u>7,144,685</u></u> | <u><u>6,046,105</u></u> |

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

3 Donations and capital grants

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 96,177 | 96,177 | 256,031 |
| Donations | 167 | 4,871 | 5,038 | 8,661 |
| Donated assets | - | 9,072 | 9,072 | - |
| | <u>167</u> | <u>110,120</u> | <u>110,287</u> | <u>264,692</u> |

Capital grants of £96,177 (2020: £256,031 received from the ESFA and Suffolk County Council) were received from the ESFA.

4 Funding for Academy Trust's educational operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA Grants | | | | |
| General Annual Grant (GAG) | - | 3,013,269 | 3,013,269 | 2,774,265 |
| Other DfE/ESFA grants | - | 126,777 | 126,777 | 119,410 |
| Pupil Premium | - | 175,684 | 175,684 | 176,414 |
| Others | - | 3,315,730 | 3,315,730 | 3,070,089 |
| Other Government Grants | | | | |
| Local authority grants | - | 93,967 | 93,967 | 101,653 |
| Other grants | - | - | - | 2,110 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | - | 46,680 | 46,680 | - |
| Other DfE/ESFA COVID-19 funding | - | 27,830 | 27,830 | - |
| | <u>-</u> | <u>3,484,207</u> | <u>3,484,207</u> | <u>3,173,852</u> |

5 Other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Academy Trips | - | 183 | 183 | 19,475 |
| Catering Income | 13,459 | - | 13,459 | 66,163 |
| Income from services provided | 324 | 5,764 | 6,088 | 16,088 |
| Insurance income | - | - | - | 380 |
| Items sold | 2,558 | 2,125 | 4,683 | 5,018 |
| Hire of facilities | 3,131 | - | 3,131 | 324 |
| Fundraising | - | 3,700 | 3,700 | 2,635 |
| | <u>19,472</u> | <u>11,772</u> | <u>31,244</u> | <u>110,083</u> |

6 Investment income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest | - | - | - | 478 |

7 Expenditure

| | Staff costs £ | Non Pay Premises £ | Expenditure Other costs £ | Total 2021 £ | Total 2020 £ |
|---|---------------------|--------------------------|---------------------------------|--------------------|--------------------|
| Expenditure on raising funds – Direct costs | - | 1,968 | 4,166 | 6,134 | 16,034 |
| Academy's educational operations: | | | | | |
| Direct costs | 2,383,167 | 230,655 | 160,268 | 2,774,090 | 2,541,372 |
| Allocated Support costs | 620,792 | 137,154 | 253,399 | 1,011,345 | 933,910 |
| Total expenditure | 3,003,959 | 369,777 | 417,833 | 3,791,569 | 3,491,316 |

Net (expenditure)/income for the year includes:

| | 2021 £ | 2020 £ |
|------------------------------|-----------|-----------|
| Operating lease rentals | 14,141 | 7,018 |
| Depreciation | 230,655 | 200,480 |
| Fees payable to auditor for: | | |
| Audit | 6,000 | 6,000 |
| other services | 6,055 | 6,170 |

Analysis of support costs

| | Total 2021 £ | Total 2020 £ |
|----------------------------|--------------------|--------------------|
| Support staff costs | 606,792 | 522,025 |
| Premises costs | 137,132 | 136,422 |
| Other support costs | 237,043 | 259,317 |
| Governance costs | 16,378 | 16,146 |
| Total support costs | 997,345 | 933,910 |

Analysis of governance costs

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Auditor's remuneration | - | 6,000 | 6,000 | 6,000 |
| - Audit of financial statements | - | 6,055 | 6,055 | 6,170 |
| - Other services | - | 4,323 | 4,323 | 3,976 |
| Legal and professional fees | - | 16,378 | 16,378 | 16,146 |

8 Staff

| | 2021 | 2020 |
|--|------------------|------------------|
| a. Staff costs | | |
| | £ | £ |
| Staff costs during the period were: | | |
| Wages and salaries | 2,064,249 | 1,854,966 |
| Social security costs | 188,010 | 167,371 |
| Pension costs – Teachers' Pension Scheme | 311,883 | 281,271 |
| Pension costs – Operating costs of defined pension schemes | 359,520 | 317,006 |
| | <u>2,923,662</u> | <u>2,620,614</u> |
| Supply staff costs | 80,297 | 27,953 |
| | <u>3,003,959</u> | <u>2,648,567</u> |

| | | |
|---|-----------|-----------|
| b. Staff numbers | 2021 | 2020 |
| The average number of persons employed by the academy during the year was as follows: | | |
| Charitable Activities | | |
| Teachers | 33 | 31 |
| Administration and support | 44 | 43 |
| Management | 5 | 5 |
| | <u>82</u> | <u>79</u> |

c. Higher paid staff

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

| | 2021 | 2020 |
|-------------------|------|------|
| £60,001 - £70,000 | 1 | - |
| £70,001 - £80,000 | - | 1 |
| £80,001- £90,000 | 1 | - |

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension costs and employer national insurance contributions) received by key management personnel for their services to the academy trust was £427,612 (2020: £387,751).

9 Related Party Transactions – Trustees' Remuneration and expenses

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

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

| | Remuneration | | Employer's pension contributions | |
|------------|-----------------|-------------------|----------------------------------|-------------------|
| | 2021 | 2020 (whole year) | 2021 | 2020 (whole year) |
| Tom Maltby | £85,000-£90,000 | - | £20,000-£25,000 | - |

The below staff trustees resigned as trustees on 13 October 2020, therefore their salaries have been prorated accordingly.

| | £0-£5,000 | £15,000-£20,000 | £0-£5,000 | £0-£5,000 |
|-------------|----------------|-----------------|-----------|-----------------|
| J Crabtree | £0-£5,000 | £35,000-£40,000 | £0-£5,000 | £5,000-£10,000 |
| A Clarke | £5,000-£10,000 | £45,000-£50,000 | £0-£5,000 | £10,000-£15,000 |
| R Lay | £0-£5,000 | £25,000-£30,000 | £0-£5,000 | £5,000-£10,000 |
| M Le Marrec | | | | |

During the year ended 31 August 2021, expenses totalling £Nil were reimbursed to governors (2020: £110 to 1 governors).

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

10 Governors and officers insurance

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

11 Tangible fixed assets

| | Long leasehold land and buildings £ | Plant and machinery £ | Furniture and equipment £ | Computer equipment and software £ | Total £ |
|-------------------------------|---|-----------------------------|------------------------------------|--|------------------|
| Cost: | | | | | |
| At 1 September 2020 | 7,947,518 | 414,501 | 82,102 | 245,748 | 8,689,869 |
| Additions | 100,750 | - | 18,208 | 107,472 | 226,430 |
| At 31 August 2021 | 8,048,268 | 414,501 | 100,310 | 353,220 | 8,916,299 |
| Depreciation: | | | | | |
| At 1 September 2020 | 1,148,061 | 168,548 | 24,920 | 197,070 | 1,538,599 |
| Charge for period | 148,124 | 29,274 | 7,699 | 45,558 | 230,655 |
| At 31 August 2021 | 1,296,185 | 197,822 | 32,619 | 242,628 | 1,769,254 |
| Net written down value | | | | | |
| At 31 August 2021 | 6,752,083 | 216,679 | 67,691 | 110,592 | 7,147,045 |
| At 31 August 2020 | 6,799,456 | 245,953 | 57,182 | 48,678 | 7,151,270 |

12 Stock

| | 2021 £ | 2020 £ |
|-------------------|--------------|--------------|
| Consumables | 3,409 | 3,967 |
| Items for re-sale | 1,430 | 1,114 |
| | 4,839 | 5,081 |

13 Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|---------------|----------------|
| Prepayments and accrued income | 66,677 | 223,734 |
| VAT recoverable | 14,411 | 20,783 |
| Other Debtors | 200 | - |
| | 81,288 | 244,517 |

14 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 11,333 | 26,897 |
| Taxation and social security | 46,818 | 40,260 |
| Other creditors | 111,236 | 101,687 |
| Accruals and deferred income | 67,107 | 215,825 |
| | 236,494 | 384,669 |

Included in other creditors are a repayable funding advance from the ESFA of £55,000 (2020: £50,000) and an interest free loan from Salix of £2,700 (2020: £2,700).

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

15 Creditors: amounts falling due within one year (continued)

| | 2021 £ | 2020 £ |
|-------------------------------------|--------------|---------------|
| Deferred income | | |
| Deferred income at 1 September 2020 | 13,929 | 10,646 |
| Resources deferred in year | 8,467 | 13,929 |
| Amounts released from previous year | (13,929) | (10,646) |
| | <u>8,467</u> | <u>13,929</u> |
| Deferred income at 31 August 2021 | <u>8,467</u> | <u>13,929</u> |

Deferred income relates to grant and educational trip income received in advance.

16 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|-----------------|--------------|---------------|
| Other creditors | <u>1,350</u> | <u>59,050</u> |

Included in other creditors are a repayable funding advance from the ESFA of £Nil (2020: £55,000) and an interest free loan from Salix of £1,350 (2020: £4,050) which are repayable as follows:

| | 2021 £ | 2020 £ |
|--|--------------|---------------|
| Amounts due within one year (included in other creditors in note 14) | 57,700 | 52,700 |
| Amounts due between one and five years | <u>1,350</u> | <u>59,050</u> |

17 Funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, Losses and Transfers £ | Balance at 31 August 2021 £ |
|--------------------------------------|--|-------------------------|---------------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | 139,057 | 3,013,269 | (2,887,424) | (121,059) | 143,843 |
| Pupil Premium | - | 126,777 | (126,777) | - | - |
| COVID-19 catch-up premium | - | 46,680 | (46,680) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 27,830 | (27,830) | - | - |
| Other DfE/ESFA grants | - | 175,684 | (175,684) | - | - |
| Other Restricted Funds | 12,438 | 110,610 | (87,648) | - | 35,400 |
| | <u>151,495</u> | <u>3,500,850</u> | <u>(3,352,043)</u> | <u>(121,059)</u> | <u>179,243</u> |
| Restricted pension fund | | | | | |
| Pension reserve | <u>(1,252,000)</u> | - | <u>(191,000)</u> | <u>(323,000)</u> | <u>(1,766,000)</u> |
| Restricted Fixed Assets | | | | | |
| Transferred on conversion | 5,795,299 | - | (137,254) | - | 5,658,045 |
| DfE/ESFA capital grants | 1,321,611 | 105,249 | (87,406) | - | 1,339,454 |
| Capital expenditure from GAG | 27,633 | - | (5,907) | 121,059 | 142,785 |
| Capital expenditure from other funds | 142 | - | (88) | - | 54 |
| | <u>7,144,685</u> | <u>105,249</u> | <u>(230,655)</u> | <u>121,059</u> | <u>7,140,338</u> |
| Total Restricted Funds | <u>6,044,180</u> | <u>3,606,099</u> | <u>(3,773,698)</u> | <u>(323,000)</u> | <u>5,553,581</u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | <u>1,925</u> | <u>19,639</u> | <u>(17,871)</u> | - | <u>3,693</u> |
| Total Funds | <u>6,046,105</u> | <u>3,625,738</u> | <u>(3,791,569)</u> | <u>(323,000)</u> | <u>5,557,274</u> |

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

17 Funds (continued)

31 August 2020

| | Balance at 1 September 2019 £ | Income £ | Restated Expenditure £ | Gains, Losses and Transfers £ | Balance at 31 August 2020 £ |
|--------------------------------------|--|-------------------------|------------------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | 19,954 | 2,774,265 | (2,621,622) | (33,540) | 139,057 |
| Pupil Premium | - | 119,410 | (119,410) | - | - |
| COVID-19 catch-up premium | - | - | - | - | - |
| Other DfE/ESFA COVID-19 funding | - | - | - | - | - |
| Other DfE/ESFA grants | - | 176,414 | (176,414) | - | - |
| Other Restricted Funds | <u>3,574</u> | <u>138,555</u> | <u>(129,691)</u> | <u>-</u> | <u>12,438</u> |
| | <u>23,528</u> | <u>3,208,644</u> | <u>(3,047,137)</u> | <u>(33,540)</u> | <u>151,495</u> |
| Restricted pension fund | | | | | |
| Pension reserve | <u>(997,000)</u> | <u>-</u> | <u>(162,000)</u> | <u>(93,000)</u> | <u>(1,252,000)</u> |
| Restricted Fixed Assets | | | | | |
| Transferred on conversion | 5,932,553 | - | (137,254) | - | 5,795,299 |
| DfE/ESFA capital grants | 1,122,811 | 256,031 | (57,231) | - | 1,321,611 |
| Capital expenditure from GAG | - | - | (5,907) | 33,540 | 27,633 |
| Capital expenditure from other funds | <u>230</u> | <u>-</u> | <u>(88)</u> | <u>-</u> | <u>142</u> |
| | <u>7,055,594</u> | <u>256,031</u> | <u>(200,480)</u> | <u>33,054</u> | <u>7,144,685</u> |
| Total Restricted Funds | <u>6,082,122</u> | <u>3,464,675</u> | <u>(3,409,617)</u> | <u>-</u> | <u>6,044,180</u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | <u>(806)</u> | <u>84,430</u> | <u>(81,699)</u> | <u>-</u> | <u>1,925</u> |
| Total Funds | <u>6,081,316</u> | <u>3,549,105</u> | <u>(3,491,316)</u> | <u>(93,000)</u> | <u>6,046,105</u> |

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

Restricted general funds relate to GAG and other DfE/ESFA grants. The restricted income fund is for the purpose of specific expenditure within the Academy's declared objectives. DfE/ESFA grants relate to government funding for the provision of education by the Academy. Funding may be repayable if the Academy does not meet all funding requirements.

The pension reserve relates to the deficit on the local government pension fund. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the academy's budgeted annual income.

Fixed asset funds are the value of fixed assets acquired on conversion, from DfE/ESFA capital grants, GAG funding and other funds used for capital projects less related depreciation.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

18 Analysis of net assets between funds

| | Unrestricted funds | Restricted General funds | Restricted Fixed asset funds | Total Funds 2021 |
|--|--------------------|--------------------------|------------------------------|------------------|
| | | | | £ |
| Funds balances at 31 August are represented by | | | | |
| Tangible fixed assets | - | - | 7,147,045 | 7,147,045 |
| Current assets | 4,693 | 410,567 | (1,187) | 414,073 |
| Current liabilities | (1,000) | (231,324) | (4,170) | (236,494) |
| Non-current liabilities | - | - | (1,350) | (1,350) |
| Pension scheme liabilities | - | (1,766,000) | - | (1,766,000) |
| Total net assets | 3,693 | (1,586,757) | 7,140,338 | 5,557,274 |

| | Unrestricted funds | Restricted General funds | Restricted Fixed asset funds | Total Funds 2020 |
|--|--------------------|--------------------------|------------------------------|------------------|
| | | | | £ |
| Funds balances at 31 August are represented by | | | | |
| Tangible fixed assets | - | - | 7,151,270 | 7,151,270 |
| Current assets | 3,175 | 421,585 | 165,794 | 590,554 |
| Current liabilities | (1,250) | (215,090) | (168,329) | (384,669) |
| Non-current liabilities | - | (55,000) | (4,050) | (59,050) |
| Pension scheme liabilities | - | (1,252,000) | - | (1,252,000) |
| Total net assets | 1,925 | (1,100,505) | 7,144,685 | 6,046,105 |

19 Financial commitments

At 31 August 2021 the Academy had annual commitments under non-cancellable operating leases as follows:

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Amounts due within one year | 14,141 | 8,237 |
| Amounts due between one and five years | 9,945 | 12,143 |
| | 24,086 | 20,380 |

20 Capital Commitments

Contracted for, but not provided in the financial statements:

| | 2021 £ | 2020 £ |
|---|-----------|---------------|
| - to be met from CIF funding | - | 37,035 |
| - to be met from academy trust's reserves | - | 5,700 |
| | - | 42,735 |

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

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

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Net income/(expenditure) for the year | (165,831) | 57,789 |
| Depreciation (note 11) | 230,655 | 200,480 |
| Capital grants from DfE and other capital income (note 3) | (105,249) | (256,031) |
| Interest receivable (note 6) | - | (478) |
| Defined benefit pension scheme cost less contributions payable (note 27) | 168,000 | 143,000 |
| Defined benefit pension scheme finance cost (note 27) | 23,000 | 19,000 |
| (Increase)/decrease in stocks | 242 | (2,134) |
| (Increase)/decrease in debtors | 163,229 | (190,193) |
| Increase/(decrease) in creditors | (153,175) | 208,844 |
| Net cash provided by operating activities | 160,871 | 180,275 |

22 Cash flows from financing activities

| | 2021 | 2020 |
|--|-----------------|-----------------|
| | £ | £ |
| Repayments of borrowing | (52,700) | (52,700) |
| Net cash (used in) financing activities | (52,700) | (52,700) |

23 Cash flows from investing activities

| | 2021 | 2020 |
|--|------------------|-----------------|
| | £ | £ |
| Interest received | - | 478 |
| Capital grants from DfE/YPLA | 105,249 | 256,031 |
| Purchase of tangible assets | (226,430) | (293,156) |
| Net cash (used in) investing activities | (121,181) | (36,647) |

24 Analysis of cash and cash equivalents

| | 2021 | 2020 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Cash at bank and in hand | 327,946 | 340,956 |
| | 327,946 | 340,956 |

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

| 25 | Analysis of changes in debt | At 1 September 2020 £ | Cash Flows £ | Other non- cash changes £ | At 31 August 2021 £ |
|----|--|--------------------------------|--------------------|------------------------------------|------------------------------|
| | Cash | 340,956 | (13,010) | - | 327,946 |
| | Loans falling due within one year | (52,700) | 52,700 | (57,700) | (57,700) |
| | Loans falling due after more than one year | (59,050) | - | 57,700 | (1,350) |
| | Total | 229,206 | 39,690 | - | 268,896 |

26 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.

27 Pensions and similar obligations

The academy'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 Suffolk County Council. Both are multi-employer defined-benefit schemes. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £53,524 (2020: £48,943) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

27 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £311,883 (2020: £281,271).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £211,000 (2020: £192,000), of which employer's contributions totalled £169,000 (2020: £155,000) and employees' contributions totalled £42,000 (2020: £37,000).

The agreed contribution rates for future years are 5.5% to 12.5% for employees and between 21.1% to 27.6% for employers together.

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.

Principal Actuarial Assumptions

| | At 31 August 2021 | At 31 August 2020 |
|--------------------------------------|-------------------|-------------------|
| | % p.a. | % p.a. |
| Pension increase rate | 2.90 | 2.20 |
| Salary increase rate | 3.60 | 2.90 |
| Discount rate | 1.65 | 1.70 |
| Inflation assumption (CPI) | 2.90 | 2.20 |
| Commutation of pensions to lump sums | 25% & 63% | 25% & 63% |

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

| Change in assumptions at 31 August 2021 | Approximate % increase to Employer Liability | Approximate monetary amount £000 |
|---|--|----------------------------------|
| 0.1% decrease in Real Discount Rate | 2% | 98 |
| 0.1% increase in Salary increase rate | 0% | 6 |
| 0.1% increase in Pension increase rate | 2% | 91 |

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

| | At 31 August 2021 Years | At 31 August 2020 Years |
|-----------------------------|----------------------------|----------------------------|
| <i>Retiring today</i> | | |
| Male | 22.1 | 21.9 |
| Female | 24.5 | 24.1 |
| <i>Retiring in 20 years</i> | | |
| Male | 23.2 | 22.7 |
| Female | 26.4 | 25.6 |

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2021 (Continued)

27 Pension and similar obligations (continued)

The Academy's share of the assets in the scheme were:

| | Value at 31 August 2021 £000 | Value at 31 August 2020 £000 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Equities | 1,786 | 1,273 |
| Bonds | 677 | 561 |
| Property | 189 | 194 |
| Cash | 54 | 129 |
| Total market value of assets | 2,706 | 2,157 |

The actual return on scheme assets was £378,000 (2020: £43,000)

Amounts recognised in the statement of financial activities

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Current service cost | 337 | 298 |
| Past service cost | - | - |
| Interest cost | 61 | 56 |
| Interest income | (38) | (37) |
| Total amount recognised in the statement of financial activities | 360 | 317 |

Changes in the present value of defined benefit obligations:

| | 2021 £000 | 2020 £000 |
|-------------------------|--------------|--------------|
| At 1 September | 3,409 | 2,961 |
| Current service cost | 337 | 298 |
| Interest cost | 61 | 56 |
| Employee contributions | 42 | 37 |
| Actuarial loss/(gain) | 663 | 99 |
| Estimated benefits paid | (40) | (42) |
| At 31 August | 4,472 | 3,409 |

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

| | 2021 £000 | 2020 £000 |
|---------------------------|--------------|--------------|
| At 1 September | 2,157 | 1,964 |
| Expected return on assets | 38 | 37 |
| Actuarial gain | 340 | 6 |
| Employer contributions | 169 | 155 |
| Employee contributions | 42 | 37 |
| Estimated benefits paid | (40) | (42) |
| At 31 August | 2,706 | 2,157 |

28 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. The following related party transactions took place during the year:

Expenditure Related Party Transactions

- the Academy purchased careers advice for students from an organisation called Career Directions. The advisor is Mrs Sarah Pawlewski, the wife of one of the governors, Mr M Pawlewski. An exercise was done to check availability and cost of similar services and it was determined that this service was the best in terms of price and quality. The value of the transactions during 2020-21 totalled £2,375 excluding VAT (2019-20: £2,436).
- the Academy purchased photography and programmes relating to the school theatre production from Come Hither Design, a company controlled by Mr D Thomas who is also one of the governors. An exercise was done to check availability and cost of similar services and it was determined that this service was the best in terms of price and quality. The value of the transactions during 2020-21 totalled £Nil excluding VAT (2019-20: £349).
- The Academy purchases photography tuition for students from Anthony Cullen, husband of Mrs L Cullen, a governor. An exercise was done to check availability and cost of similar services and it was determined that this service was the best in terms of price and quality. The value of the transactions during 2020-21 totalled £1,000 excluding VAT (2019-20: £Nil).

In entering into the above transactions the academy has complied with the requirements of the ESFA's Academies Financial Handbook.