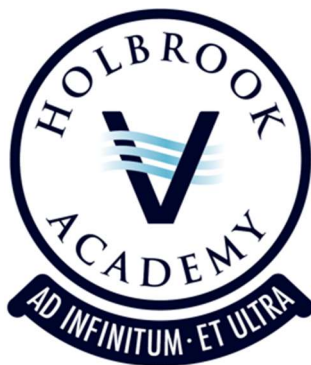


Holbrook Academy

(A Company Limited by Guarantee)



Annual Report and Financial Statements

For the year ended 31 August 2023

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

- J Hazlewood
- T Fenton (Resigned 30 March 2023)
- J Gould
- J Ambrose

Governors

- G Anstee-Parry (Appointed 1 September 2023)
- H Butler (Chair of Governors)
- D Cook
- N Cordle
- L Cullen (Vice Chair of Governors)
- L Curtis (Resigned 31 January 2023)
- T Maltby (Resigned 31 August 2023)
- C Norman (Appointed 29 June 2023)
- L Parker (Appointed 9 May 2023)
- M Pawlewski (Resigned 31 August 2023)
- A Peters
- P Sago (Appointed 29 June 2023)
- M Slattery
- S Spiers
- D Thomas
- A Williamson
- C Wise

Company Secretary

S Beazley

Governance Professional

Schools' Choice Governor Services

Senior Leadership Team:

- | | |
|---|---|
| ▪ Headteacher & Accounting Officer | T Maltby (Resigned 31 August 2023) |
| ▪ Acting Headteacher & Accounting Officer | G Anstee-Parry (Appointed 1 September 2023 from Deputy Headteacher) |
| ▪ Acting Deputy Headteacher | S Watson (Appointed 1 September 2023 from Assistant Headteacher) |
| ▪ Assistant Headteacher | K Newstead |
| ▪ Acting Assistant Headteacher | D Sansom (Appointed 1 September 2023) |

Company Name

Company Registration Number

Principal and 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 2022 to 31 August 2023. The annual report serves the purpose of both a trustees' report, and a directors' report and strategic report, under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area south of Ipswich. It has a pupil capacity of 600 and had a roll of 577 in the school census on 5 October 2023.

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.

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

The academy trust 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officer's indemnity element from the overall cost of the RPA scheme membership.

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 Articles of Association. 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 2023 and who served during the year are listed on page 2.

REPORT OF THE GOVERNORS (continued)

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 2022-23 academic year the full Governing Body formally met four 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.

From September 2023, the Senior Leadership Team (SLT) includes the Acting Headteacher, Acting Deputy Headteacher, Assistant Headteacher (Raising Standards Lead, Progress and Outcomes) and Acting Assistant Headteacher (Behaviour). The SLT are responsible for day-to-day operation of the Academy, in particular, organising the teaching staff, students and resources. The Acting Headteacher is the Accounting Officer for the Academy.

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 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.

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 (eg 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.

REPORT OF THE GOVERNORS (continued)

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering the period starting from 1 April each year and as follows:

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	£3,037,377
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	-
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Related Party Relationships

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 Acting 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**

This year the school posted an improved Progress 8 score of -0.28, in comparison to -0.35 in 2022. Our Attainment 8 score is: 43.38, 4+ Eng & Ma: 66% and 5+ Eng & Ma: 34%.

This indicates that outcomes are broadly improving for students, whilst highlighting some continuing areas to improve: the progress of boys, the disadvantaged and middle-high prior attainers.

The total number of students on roll in the year ended 31 August 2023 numbered 579.

From 1 September 2011, the Academy has a PAN (Pupil Admissions Number) of 120 in Year 7. The capacity of the school is 600 (increased from 590 in December 2022).

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 £4,582,593 (comprising £267,294 capital grants, £300,000 donated assets, and £4,015,299 revenue income). Of this sum £3,336,612 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 £4,159,749 (comprising £3,886,937 revenue expenditure, £232,812 capital depreciation and £40,000, 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	120,846	3,894,453	4,015,299
Expenditure	102,929	3,824,008	3,926,937
Net surplus for year (before transfers)	17,917	70,445	88,362

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 2022	(34,961)	208,763	173,802
Net surplus for the year (after transfers)	72,504	36,094	108,598
Reserves c/fwd to 1 September 2023	37,543	244,857	282,400

In total the Academy has positive revenue reserves totalling **£282,400**.

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.

With close management of expenditure during 2022-23 the Academy managed a final in year surplus of £108,598. The surplus brought forward from 2021-22 of £173,802 increased the surplus carry forward balance into 2023-24 to £282,400.

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 2023, the Academy Trust had surplus reserves of £37,543 (2022: deficit of £34,961), calculated as unrestricted net assets as shown in note 17. The total restricted funds (excluding the pension reserve) at 31 August 2023 is a surplus of £244,857 (2022: £208,763).

Fixed Assets / Capital

The Academy held £7,280,068 restricted fixed asset funds as at 31 August 2023. 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)

In accordance with FRS 102, the Academy received an actuarial assessment of the pension scheme. Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS102 28.22.

The scheme is in surplus by £405k, however this surplus has not been recognised as an asset in these accounts in accordance with the academy trust’s accounting policy, as the academy trust is unable to recover the surplus through reduced contributions in the future, or through refunds from the plan.

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 2022-23, the Academy considered its risk management arrangements. The Strategic Risk Register is a working document that is continually updated by the Acting Headteacher 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 during the academic year. Most actions were completed within the year.

Principal Risks and Uncertainties

The Academy Risk Register is reviewed on an ongoing basis with the next full review to be completed during the Spring term 2024. The principal risks identified continue to include:-

- Uncertainty about ESFA funding in the future and ongoing inflationary pressures.
- Limited investment funds available which means a reliance on external income opportunities to support investment plans, building works and improvements.
- Impact on numbers on roll with a high percentage of students travelling to the school from out of catchment.

The Risk Register shows the risk level for each of the above to be low to medium. The latest confidential data on the anticipated number of Year 7 entries for 2024-25 provides reassurance that the Academy's popularity remains good within the local community.

Fundraising

The Academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees. The Academy reviews the systems in place to ensure compliance with legal rules and requirements for fundraising, including an open and accessible complaints procedure should any concerns be raised about fundraising. No complaints were received during the year.

PLANS FOR FUTURE PERIODS

The Academy Improvement Plan is reviewed on an ongoing basis. 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 14 December 2023 and signed on its behalf by:



H Butler
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.

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

The Governing Body has delegated the day-to-day responsibility to the Acting Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Holbrook Academy and the Secretary of State for Education. They are 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 four times during the year. Attendance during the year at meetings of the governing body was as follows:-

Governor	Meetings attended	Out of a possible
H Butler	3	4
D Cook	2	4
N Cordle	2	4
L Cullen	3	4
L Curtis (Resigned 31 January 2023)	0	2
T Maltby (Resigned 31 August 2023)	4	4
C Norman (Appointed 29 June 2023)	1	1
L Parker (Appointed 9 May 2023)	1	1
M Pawlewski (Resigned 31 August 2023)	1	4
A Peters	0	4
P Sago (Appointed 29 June 2023)	1	1
M Slattery	4	4
S Spiers	2	4
D Thomas	4	4
A Williamson	3	4
C Wise	4	4

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.

The main challenges that have arisen for the Governors this year were:

- Financial pressures including unfunded pay awards and rising fuel costs
- Responding to Progress 8 outcomes lower than national average
- Widening of the progress gap between Disadvantaged and Non-Disadvantaged cohort
- Exploration of Holbrook Academy joining a Multi-Academy Trust (MAT)
- The departure of our Headteacher

GOVERNANCE STATEMENT (continued)

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, the Academy fully repaid its funding advance to the ESFA. 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.

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
H Butler	5	5
D Cook	1	5
N Cordle	3	3
L Cullen	4	5
T Maltby (Resigned 31 August 2023)	5	5
P Sago (Appointed 29 June 2023)	1	1
S Spiers	5	5
A Williamson	4	5

Conflicts of interest

The Trust maintains and manages an up-to-date and complete register of interests. This is reviewed each term by the board of trustees. Senior Leadership are aware of the contents and ensure that any transactions are checked against the register.

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. The following reviews were undertaken:

- Review of Skills audit for governors leading to bespoke CPD programme
- Review of Academy Improvement Plan based on whole school priorities
- Additional Saturday workshops for Governors / SLT to provide additional space to reflect and review
- Weekly review meetings between Head and Chair of Governors

Review of Value for Money

As Accounting Officer, the Acting Headteacher has responsibility for ensuring that the Academy 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, as well as estates safety and management, 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 Governors where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Identifying over £18,000 savings on non-pay expenditure from £50,000 total (37%) by reducing costs when entering into new contracts; procuring goods at reduced cost by searching for alternative suppliers or purchasing in bulk where appropriate; buying refurbished and negotiating prices where possible.
- Reviewing vacancies and staffing structures when opportunities

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 has been in place for Holbrook Academy for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

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's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 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.

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) Identification and management of risks.
- (v) Delegation of authority and segregation of duties.
- (vi) Clearly defined purchasing (asset purchase or capital investment) guidelines.

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 Ltd continued to provide guidance and support for finance, budget, payroll and HR throughout the year. A visit is planned for December 2023 and further work will be scheduled during 2023-24.

GOVERNANCE STATEMENT (continued)


Review of Effectiveness

As Accounting Officer the Acting 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 14 December 2023 and signed on its behalf by:


H Butler
Chair of Governors


G Anstee-Parry
Acting 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 governing body 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 Trust Handbook 2022.

I confirm that I and the Academy trust governing body 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 Trust Handbook 2021.

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

- **Non-financial issue**
No internal audits took place during the year.
- **Financial issue**
Alcohol of £37 was purchased during the year.



G Anstee-Parry
Acting Accounting Officer

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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2022 to 2023;
- 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 14/12/2023 and signed on its behalf by:



H Butler
Chair of Governors

Holbrook Academy

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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 2022 to 2023 issued by the Education & 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 2023, 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 2022 to 2023 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 Report of the Governors, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Holbrook Academy

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 Report of the Governors (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Governors 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 included in the Report of the Governors.

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, 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 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;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounting estimates for bias.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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.

Lovewell Blake LLP

MARK PROCTOR FCA DChA (Senior Statutory Auditor)

LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300

Peachman Way

Broadland Business Park

Norwich

NR7 0LB

21/12/2023

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 18 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Matter 1: Non-financial issue
No internal audits took place during the year.
- Matter 2: Financial issue
Alcohol of £37 was purchased during the year.

Lovewell Blake LLP

MARK PROCTOR FCA DChA (Reporting Accountant)

LOVEWELL BLAKE LLP

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Norwich

NR7 0LB

21/12/2023

Holbrook Academy

Statement of Financial Activities for the year ended 31 August 2023 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Fund	Total 2023	Total 2022
		£	£	£	£	£
Income from:						
Donations and capital grants	3	1,059	-	567,294	568,353	20,338
Charitable activities						
Funding for the academy's educational operations	4	-	3,860,723	-	3,860,723	3,600,209
Other trading activities	5	118,906	33,730	-	152,636	119,434
Investment income	6	881	-	-	881	41
Total income		<u>120,846</u>	<u>3,894,453</u>	<u>567,294</u>	<u>4,582,593</u>	<u>3,740,022</u>
Expenditure on:						
Raising funds	7	3,824	6,465	-	10,289	7,262
Charitable activities:						
Academy educational operations	7	99,105	3,817,543	232,812	4,149,460	4,251,410
Total expenditure	7	<u>102,929</u>	<u>3,824,008</u>	<u>232,812</u>	<u>4,159,749</u>	<u>4,258,672</u>
Net income/(expenditure) before transfers		17,917	70,445	334,482	422,844	(518,650)
Transfers between funds	17	54,587	(74,351)	19,764	-	-
Net income/(expenditure) before gains		<u>72,504</u>	<u>(3,906)</u>	<u>354,246</u>	<u>422,844</u>	<u>(518,650)</u>
Other recognised gains:						
Actuarial gains on defined benefit pension scheme	17,27	-	99,000	-	99,000	2,002,000
Net movement in funds		72,504	95,094	354,246	521,844	1,483,350
Reconciliation of funds						
Total funds at 1 September 2022	17	(34,961)	149,763	6,925,822	7,040,624	5,557,274
Total funds at 31 August 2023	17	<u>37,543</u>	<u>244,857</u>	<u>7,280,068</u>	<u>7,562,468</u>	<u>7,040,624</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 2022 is shown in note 2.

The notes on pages 25 to 41 form part of these financial statements.

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	11	7,265,113	6,927,172
Current assets			
Stocks	12	9,472	13,486
Debtors	13	434,287	223,991
Cash at bank and in hand		317,278	190,798
		761,037	428,275
Current liabilities			
Creditors: amounts falling due within one year	14	(463,682)	(255,823)
Net current assets			
		297,355	172,452
Total assets less current liabilities			
		7,562,468	7,099,624
Creditors: amounts falling due after more than one year	16	-	-
Net assets excluding pension liability			
		7,562,468	7,099,624
Defined benefit pension scheme liability	27	-	(59,000)
Total net assets			
		7,562,468	7,040,624
Funds of the Academy			
Restricted funds			
- Fixed asset fund	17	7,280,068	6,925,822
- General funds	17	244,857	208,763
- Pension reserve	17	-	(59,000)
Total restricted funds			
		7,524,925	7,075,585
Unrestricted funds			
	17	37,543	(34,961)
TOTAL FUNDS			
		7,562,468	7,040,624

The financial statements on pages 22 to 41 were approved by the Governors, and authorised for issue on 14/12/2023 and are signed on their behalf by:

H Butler
Chair of Governors



The notes on pages 25 to 41 form part of these financial statements.

Holbrook Academy

Statement of Cash Flows for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows provided by operating activities			
Net cash provided/(used in) by operating activities	21	130,408	(79,073)
Cash flows (used in) financing activities			
	22	(1,350)	(57,700)
Cash flows (used in) investing activities			
	23	(2,578)	(375)
Change in cash and cash equivalents in the year		126,480	(137,148)
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2022		190,798	327,946
Cash and cash equivalents at 31 August 2023	24	317,278	190,798

The notes on pages 25 to 41 form part of these financial statements.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023

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 trust's 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 2022 to 2023 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023

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. 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% to 5%
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 consumables and 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.

Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS102 28.22.

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 asset or 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 26, will impact on 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 2023 (Continued)

2 Statement of Financial Activities for the year ended 31 August 2022

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Fund	Total 2022
		£	£	£	£
Income from:					
Donations and capital grants	3	984	-	19,354	20,338
Charitable activities					
Funding for the academy's educational operations	4	162	3,600,047	-	3,600,209
Other trading activities	5	107,554	11,880	-	119,434
Investment income	6	41	-	-	41
Total income		<u>108,741</u>	<u>3,611,927</u>	<u>19,354</u>	<u>3,740,022</u>
Expenditure on:					
Raising funds	7	4,396	2,866	-	7,262
Charitable activities:					
Academy educational operations	7	142,999	3,868,768	239,643	4,251,410
Total expenditure	7	<u>147,395</u>	<u>3,871,634</u>	<u>239,643</u>	<u>4,258,672</u>
Net (expenditure) before transfers		(38,654)	(259,707)	(220,289)	(518,650)
Transfers between funds	17	-	(5,773)	5,773	-
Net (expenditure) before gains		<u>(38,654)</u>	<u>(265,480)</u>	<u>(214,516)</u>	<u>(518,650)</u>
Other recognised gains:					
Actuarial gains on defined benefit pension scheme	17,26	-	<u>2,002,000</u>	-	<u>2,002,000</u>
Net movement in funds		(38,654)	1,736,520	(214,516)	1,483,350
Reconciliation of funds					
Total funds brought forward restated	17	<u>3,693</u>	<u>(1,586,757)</u>	<u>7,140,338</u>	<u>5,557,274</u>
Total funds carried forward	17	<u>(34,961)</u>	<u>149,763</u>	<u>6,925,822</u>	<u>7,040,624</u>

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

3 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Capital grants	-	267,294	267,294	13,863
Donations	1,059	-	1,059	984
Donated assets	-	300,000	300,000	5,491
	<u>1,059</u>	<u>567,294</u>	<u>568,353</u>	<u>20,338</u>

Capital grants of £267,294 (2022: £13,863) were received from the ESFA. Donated assets of £300,000 represent works completed to the school premises by Suffolk County Council.

4 Funding for Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	3,336,612	3,336,612	3,270,819
Other DfE/ESFA grants				
Schools Supplementary Grant	-	101,845	101,845	42,435
Pupil Premium	-	133,826	133,826	125,879
Recovery Premium	-	35,500	35,500	18,198
National Tutoring Programme	-	21,384	21,384	7,238
Mainstream Schools Additional Grant	-	53,008	53,008	-
Others	-	31,254	31,254	29,111
	-	<u>3,713,429</u>	<u>3,713,429</u>	<u>3,493,680</u>
Other Government Grants				
Local authority grants	-	147,294	147,294	106,367
Other grants	-	-	-	162
	-	<u>3,860,723</u>	<u>3,860,723</u>	<u>3,600,209</u>

5 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Academy Trips	-	28,754	28,754	7,763
Catering Income	97,114	-	97,114	87,704
Income from services provided	3,940	535	4,475	5,390
Items sold	3,407	3,427	6,834	5,825
Hire of facilities	13,976	-	13,976	12,752
Fundraising	469	769	1,238	-
Other income	-	245	245	-
	<u>118,906</u>	<u>33,730</u>	<u>152,636</u>	<u>119,434</u>

6 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Bank interest	881	-	881	41

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

7 Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other costs £	Total 2023	Total 2022
Expenditure on raising funds – Direct costs	-	-	10,289	10,289	7,262
Academy’s educational operations:					
Direct costs	2,573,687	232,812	232,246	3,038,745	2,939,638
Allocated Support costs	543,455	186,595	380,665	1,110,715	1,311,772
Total expenditure	3,117,142	419,407	623,200	4,159,749	4,258,672

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Operating lease rentals	6,985	14,141
Depreciation	232,812	239,643
Fees payable to auditor for:		
Audit	14,855	10,495
other services	2,380	2,280

Analysis of support costs

	Total 2023 £	Total 2022 £
Support staff costs	503,455	464,057
Pension finance costs	40,000	295,000
Premises costs	186,595	141,316
Other support costs	360,318	394,225
Governance costs	20,347	17,174
Total support costs	1,110,715	1,311,772

Analysis of governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2023	Total 2022
Auditor’s remuneration				
- Audit of financial statements	-	14,855	14,855	10,495
- Other services	-	2,380	2,380	2,280
Legal and professional fees	-	3,112	3,112	4,399
	-	20,347	20,347	17,174

8 Staff

	2023	2022
	£	£
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	2,287,287	2,170,562
Social security costs	214,455	203,558
Pension costs – Teachers’ Pension Scheme	338,573	327,407
Pension costs – Operating costs of defined pension schemes	197,062	462,383
	<u>3,037,377</u>	<u>3,163,910</u>

Supply staff costs	75,113	106,536
Staff restructuring costs	4,652	-
	<u>3,117,142</u>	<u>3,270,446</u>

Staff restructuring costs comprise:

	2023	2022
	£	£
Severance payments	<u>4,652</u>	<u>-</u>

b. Staff numbers

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

Charitable Activities

Teachers	39	38
Administration and support	37	40
Management	4	4
	<u>80</u>	<u>82</u>

c. Higher paid staff

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

	2023	2022
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	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 key management personnel benefits (including employer pension costs and employer national insurance contributions) received by key management personnel for their services to the academy trust was £353,348 (2022: £337,026).

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

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	
	2023	2022	2023	2022
Tom Maltby	£90,000-£95,000	£85,000-£90,000	£20,000-£25,000	£20,000-£25,000

During the year ended 31 August 2023, expenses totalling £Nil were reimbursed to governors (2022: £Nil).

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. The cost of this insurance is in the total costs of insurance and the cost for the period ended 31 August 2023 was £16,108.

11 Tangible fixed assets

	Long leasehold land and buildings	Plant and machinery	Furniture and equipment	Computer equipment and software	Total
	£	£	£	£	£
Cost:					
At 1 September 2022	8,051,288	414,501	106,010	364,270	8,936,069
Additions	333,632	-	228,680	8,441	570,753
At 31 August 2023	8,384,920	414,501	334,690	372,711	9,506,822
Depreciation:					
At 1 September 2022	1,445,023	226,084	40,499	297,291	2,008,897
Charge for period	154,964	26,973	6,629	44,246	232,812
At 31 August 2023	1,599,987	253,057	47,128	341,537	2,241,709
Net written down value					
At 31 August 2023	6,784,933	161,444	287,562	31,174	7,265,113
At 31 August 2022	6,606,265	188,417	65,511	66,979	6,927,172

Included within Leasehold Land and Buildings are the valuations prepared on behalf of the Education and Skills Funding Agency on conversion to an academy of £6,862,686 (Land £2,109,830 and Buildings £4,752,856). All other additions post conversion are included at cost.

The Academy trust holds a long-term lease of 125 years for the Land and Buildings owned by Suffolk County Council for nil consideration.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

12 Stock

	2023 £	2022 £
Consumables	4,775	10,799
Items for re-sale	4,697	2,687
	<u>9,472</u>	<u>13,486</u>

13 Debtors

	2023 £	2022 £
Prepayments and accrued income	284,637	121,336
VAT recoverable	118,688	102,311
Other Debtors	<u>30,962</u>	<u>344</u>
	<u>434,287</u>	<u>223,991</u>

Included within prepayments is £38,658 (2022: £49,135) relating to services in advance. Of the £38,658 included in prepayments £23,628 (2022: £34,692) is due after more than one year.

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	59,361	82,388
Taxation and social security	50,985	47,263
Other creditors	72,693	67,338
Accruals and deferred income	280,643	57,484
Loans	-	1,350
	<u>463,682</u>	<u>255,823</u>

Loans was an interest free loan from Salix of £Nil (2022: £1,350).

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

	2023 £	2022 £
Deferred income		
Deferred income at 1 September 2022	-	8,467
Resources deferred in year	-	-
Amounts released from previous year	-	(8,467)
	<u>-</u>	<u>-</u>
Deferred income at 31 August 2023	-	-

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

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Loans	-	-
	<u>-</u>	<u>-</u>

Loans was an interest free loan from Salix of £Nil (2022: £Nil) which was repayable as follows:

	2023 £	2022 £
Amounts due within one year	-	1,350
Amounts due between one and five years	-	-
	<u>-</u>	<u>-</u>

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant	166,521	3,438,457	(3,341,471)	(74,351)	189,156
Pupil Premium	-	133,826	(133,826)	-	-
Recovery Premium	3,705	35,500	(39,205)	-	-
National Tutoring Programme	-	21,384	(21,384)	-	-
Mainstream Schools Additional Grant	-	53,008	(53,008)	-	-
Other DfE/ESFA grants	2,879	31,254	(25,556)	-	8,577
Special Educational Needs	-	111,733	(111,733)	-	-
Other Local Authority grants	-	35,561	(29,339)	-	6,222
Other Restricted Funds	<u>35,658</u>	<u>33,730</u>	<u>(28,486)</u>	<u>-</u>	<u>40,902</u>
	<u>208,763</u>	<u>3,894,453</u>	<u>(3,784,008)</u>	<u>(74,351)</u>	<u>244,857</u>
Restricted pension fund					
Pension reserve	<u>(59,000)</u>	-	<u>(40,000)</u>	<u>99,000</u>	-
Restricted Fixed Assets					
Transferred on conversion	5,546,110	-	(111,936)	-	5,434,174
DfE/ESFA capital grants	1,232,858	567,294	(120,614)	-	1,679,538
Capital expenditure from GAG	146,800	-	(262)	19,764	166,302
Capital expenditure from other funds	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>
	<u>6,925,822</u>	<u>567,294</u>	<u>(232,812)</u>	<u>19,764</u>	<u>7,280,068</u>
Total Restricted Funds	<u>7,075,585</u>	<u>4,461,747</u>	<u>(4,056,820)</u>	<u>44,413</u>	<u>7,524,925</u>
Unrestricted funds					
Unrestricted funds	<u>(34,961)</u>	<u>120,846</u>	<u>(102,929)</u>	<u>54,587</u>	<u>37,543</u>
Total Funds	<u>7,040,624</u>	<u>4,582,593</u>	<u>(4,159,749)</u>	<u>99,000</u>	<u>7,562,468</u>

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

17 Funds (continued)

31 August 2022

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant	143,843	3,313,254	(3,284,803)	(5,773)	166,521
Pupil Premium	-	125,879	(125,879)	-	-
Recovery Premium	-	18,198	(14,493)	-	3,705
National Tutoring Programme	-	7,238	(7,238)	-	-
Other DfE/ESFA grants	-	29,111	(26,232)	-	2,879
Other Restricted Funds	<u>35,400</u>	<u>118,247</u>	<u>(117,989)</u>	<u>-</u>	<u>35,658</u>
	<u>179,243</u>	<u>3,611,927</u>	<u>(3,576,634)</u>	<u>(5,773)</u>	<u>208,763</u>
Restricted pension fund					
Pension reserve	<u>(1,766,000)</u>	-	<u>(295,000)</u>	<u>2,002,000</u>	<u>(59,000)</u>
Restricted Fixed Assets					
Transferred on conversion	5,658,045	-	(111,935)	-	5,546,110
DfE/ESFA capital grants	1,339,454	19,354	(125,950)	-	1,232,858
Capital expenditure from GAG	142,785	-	(1,758)	5,773	146,800
Capital expenditure from other funds	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>
	<u>7,140,338</u>	<u>19,354</u>	<u>(239,643)</u>	<u>5,773</u>	<u>6,925,822</u>
Total Restricted Funds	<u>5,553,581</u>	<u>3,631,281</u>	<u>(4,111,277)</u>	<u>2,002,000</u>	<u>7,075,585</u>
Unrestricted funds					
Unrestricted funds	<u>3,693</u>	<u>108,741</u>	<u>(147,395)</u>	<u>-</u>	<u>(34,961)</u>
Total Funds	<u>5,557,274</u>	<u>3,740,022</u>	<u>(4,258,673)</u>	<u>2,002,000</u>	<u>7,040,624</u>

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

Restricted general funds relate to GAG, other DfE/ESFA grants and local authority. 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.

Other restricted funds relates to funding received from other bodies towards a specific purpose.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

18 Analysis of net assets between funds

	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	Total Funds 2023
				£
Funds balances at 31 August are represented by				
Tangible fixed assets	-	-	7,265,113	7,265,113
Current assets	37,543	499,582	223,912	761,037
Current liabilities	-	(254,725)	(208,957)	(463,682)
Pension scheme liabilities	-	-	-	-
Total net assets	<u>37,543</u>	<u>244,857</u>	<u>7,280,068</u>	<u>7,562,468</u>

	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	Total Funds 2022
				£
Funds balances at 31 August are represented by				
Tangible fixed assets	-	-	6,927,172	6,927,172
Current assets	(34,961)	463,236	-	428,275
Current liabilities	-	(254,473)	(1,350)	(255,823)
Pension scheme liabilities	-	(59,000)	-	(59,000)
Total net assets	<u>(34,961)</u>	<u>149,763</u>	<u>6,925,822</u>	<u>7,040,624</u>

19 Financial commitments

At 31 August 2023 the Academy had annual commitments under non-cancellable operating leases as follows:

	2023 £	2022 £
Amounts due within one year	6,801	8,313
Amounts due between one and five years	491	2,346
	<u>7,292</u>	<u>10,659</u>

20 Capital commitments

At 31 August 2023 the Academy had capital commitments relating to an ongoing capital project totalling £14,954 (2022: £Nil).

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

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

	2023	2022
	£	£
Net income/(expenditure) for the year	422,844	(518,650)
Depreciation (note 11)	232,812	239,643
Capital grants from DfE and other capital income (note 3)	(567,294)	(19,354)
Interest receivable (note 6)	(881)	(41)
Defined benefit pension scheme cost less contributions payable (note 27)	37,000	264,000
Defined benefit pension scheme finance cost (note 27)	3,000	31,000
Decrease/(increase) in stocks	4,014	(8,647)
Increase in debtors	(210,296)	(142,703)
Increase in creditors	209,209	75,679
Net cash provided by/(used by) operating activities	130,408	(79,073)

22 Cash flows (used in) financing activities

	2023	2022
	£	£
Repayments of borrowing	(1,350)	(57,700)
Net cash (used in) financing activities	(1,350)	(57,700)

23 Cash flows from investing activities

	2023	2022
	£	£
Interest received	881	41
Capital grants from DfE/ESFA	267,294	19,354
Purchase of tangible assets	(270,753)	(19,770)
Net cash (used in) investing activities	(2,578)	(375)

24 Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	317,278	190,798
	317,278	190,798

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

25	Analysis of changes in debt	At 1 September 2022 £	Cash Flows £	Other non- cash changes £	At 31 August 2023 £
	Cash	190,798	126,480	-	317,278
	Loans falling due within one year	(1,350)	1,350	-	-
	Total	189,448	127,830	-	317,278

26 Members' Liability

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £55,826 (2022: £55,339) were payable to the schemes at 31 August 2023 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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

27 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £338,573 (2022: £327,407).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

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 2023 was £197,000 (2022: £199,000), of which employer's contributions totalled £153,000 (2022: £156,000) and employees' contributions totalled £44,000 (2022: £43,000). 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.

Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS102 28.22.

The scheme is in surplus by £405k, however this surplus has not been recognised as an asset in these accounts in accordance with the academy trust's accounting policy, as the academy trust is unable to recover the surplus through reduced contributions in the future, or through refunds from the plan.

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, and on 21 July 2023, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal Actuarial Assumptions

	At 31 August 2023	At 31 August 2022
	% p.a.	% p.a.
Pension increase rate	3.00	3.05
Salary increase rate	4.00	3.75
Discount rate	5.20	4.25
Inflation assumption (CPI)	3.00	3.05
Commutation of pensions to lump sums	55.00	25 & 63

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

Change in assumptions at 31 August 2023	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	55
1 year increase in member life expectancy	4%	108
0.1% increase in Salary increase rate	0%	3
0.1% increase in Pension increase rate	2%	54

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 2023 Years	At 31 August 2022 Years
<i>Retiring today</i>		
Male	19.4	21.9
Female	24.9	24.3
<i>Retiring in 20 years</i>		
Male	21.2	22.9
Female	25.9	26.1

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2023 (Continued)

27 Pension and similar obligations (continued)

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

	Value at 31 August 2023 £000	Value at 31 August 2022 £000
Equities	2,050	1,926
Bonds	777	623
Property	249	283
Cash	31	-
Asset ceiling adjustment	(405)	-
Total market value of assets	2,702	2,832

The actual return on scheme assets was £151,000 (2022: (£24,000)).

Amounts recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost	190	420
Interest cost	126	77
Interest income	(123)	(46)
Total amount recognised in the statement of financial activities	193	451

Changes in the present value of defined benefit obligations:

	2023 £000	2022 £000
At 1 September	2,891	4,472
Current service cost	190	420
Interest cost	126	77
Employee contributions	44	43
Actuarial gain	(476)	(2,072)
Benefits paid	(73)	(49)
At 31 August	2,702	2,891

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

	2023 £000	2022 £000
At 1 September	2,832	2,706
Interest income	123	46
Actuarial gain/(loss)	28	(70)
Employer contributions	153	156
Employee contributions	44	43
Benefits paid	(73)	(49)
Asset ceiling adjustment	(405)	-
At 31 August	2,702	2,832

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 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 2022-23 totalled £4,645 excluding VAT (2021-22: £4,010).
- S Beazley, husband of S Beazley the company secretary, is employed by the academy trust as site manager. S Beazley's appointment was made in open competition and S Beazley was not involved in the decision-making process regarding appointment. S Beazley is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship with the company secretary.

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