

Company Registration No. 8314692 (England and Wales)

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

HOLLINGWORTH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Parker
J Packer
D Randle
A Moon

Trustees

D Randle (Accounting Officer)
J Packer
J Howard
R Parker (Chair of Governors)
K Butterfield
K Gilfroy-Muir
S Lowe
J Mellor
D Rutkins
N Brown
M Hirst
A Moon
P Muir
K Nelson
S Piprani
J Brown
M Cockcroft
J Frater
P McKeown

Senior management team

- Headteacher	D Randle
- Deputy Headteacher	S White
- Deputy Headteacher	M Kojder
- Deputy Headteacher	M Morrell
- Director of Support Services	J Hawkrigg
- Senior Assistant Headteacher	C Robbins
- Assistant Headteacher	A Smale
- Assistant Headteacher	B Larkin
- Assistant Headteacher	A Daubney
- Assistant Headteacher	C Williamson
- Associate Assistant Headteacher	J Howard
- Associate Assistant Headteacher	J Brown
- Clerk to the Governors	S Collinge

Company registration number 8314692 (England and Wales)

Registered office Cornfield Street
Milnrow
Rochdale
OL16 3DR

HOLLINGWORTH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in the Pennine district of Rochdale. It has a pupil capacity of 1,260 and had a roll of 1,244 in the school census on 2 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

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

Policies and procedures adopted for the induction and training of trustees

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

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Related parties and co-operation with other organisations

There are no connected organisations, including related party relationships.

Risk management

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

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

OBJECTIVES AND ACTIVITIES

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

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

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives, strategies and activities are formulated in response to thorough self-evaluation processes informed by external partners. The Senior Leadership Team create an annual School Improvement Plan (SIP) which is derived from this process of self-evaluation and our strategic plan to become a 'world class' school. For the academic year 2015 – 2016, the main priorities of the SIP were organised within the framework of our commitment to the values of Excellence, Equity, Engagement and Enterprise.

EXCELLENCE

This section of the School Improvement Plan contains a statement of expected academic outcomes for 2015-2016, along with proposed intervention strategies to achieve this. These 'expected outcomes' were set by the Governing body in October 2015 on a whole school and departmental level and are consistent with outstanding pupil achievement. An important focus this year was to further improve levels of pupil progress and attainment of pupils in English.

EQUITY

The principle of 'Equity' is applied to the school improvement plan through strategies which aim to; close attainment gaps particularly between pupil premium and non-pupil premium; remove barriers to learning; personalise provision and improve literacy skills.

ENGAGEMENT

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

ENTERPRISE

The principle of 'Enterprise' is applied to the school improvement plan through strategies which aim to; improve the quality of teaching; develop the learning capacity of pupils and improve the impact of leadership and management. The academy was awarded a number of awards and kite marks for offering an excellent educational provision. In 2015-2016 these included:

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

Public benefit

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

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

The Academy achieved excellent outcomes at KS4. This was a result of the hard work and commitment of both our staff and pupils during the last academic year. 73% of our pupils achieved A* - C in both English and Mathematics. This exceeded the FFTD targets and was 11% above the national average. These are the best results the Academy has ever achieved.

Mathematics achieved 83% A*- C exceeding all attainment and progress measures.

English achieved 77% A* - C. This exceeded national data. Established progress measures (VA, 3LP & 4LP) demonstrate high levels of progress.

Science had another fantastic year. 77% of pupils achieved at least 1 A*-C with strong values added progress measures. Triple science achieved outstanding results by all performance indicators.

The Academy's 2016 results in foundation subjects were very strong in Engineering, Spanish, Product Design, French, Art, RE, Information Technology, ECDL, Media Studies and Statistics . The results were good in Dance, Catering, PE, Geography, History and Computing.

Financial review

The Academy income is known at the beginning of the year. The main financial risk for the Academy this year is managing a low predicted end of year surplus. In 2015/16 the capital project was delayed by three months due to the complex PFI agreement and this attracted increase costs to the PFI legal fees, the changes to the new curriculum specifications also required an overspend on the Capitation budget in 2015/16. The new building will be completed in December 2016 and handed over to the Academy. We plan to use some of the spaces in January and offer new courses in June 2017, to fully use the building.

Reserves policy

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

The Academy is working towards a reserve policy that will allow changing needs to be addressed and opportunities to be grasped. The Academies current level of free reserves is £105,000 (2015: £1,103,000). This year's operating surplus was £778,000 (2015: £65,000). The Academy plans that this operating surplus is reduced over the next few years, once the new build is complete and all running costs are taken in to account.

Investment policy

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

Going concern

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

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

HOLLINGWORTH ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

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

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

Principal risks and uncertainties

This will link to the risk management process that the Academy Trust has in place. The Academies principal risk is the full admission of pupil places. This enables us to receive funding streams matching our current operational costs. The Academy continues to attract local interest in our places, as you can see from the Year 7 intake figures below for 2015 and 2016:

Preference	Sept 2015 (PAN 250)		Sept 2016 (PAN 270)	
	Applications	Admitted	Applications	Admitted
First	330	255	305	267
Second	220	6	207	6
Third	70	1	84	3
Fourth	37	0	31	0
Other	1	0	0	0

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

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

AUDITOR

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

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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.

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

.....
R Parker
Chair of Governors

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Hollingworth Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Hollingworth Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
D Randle (Accounting Officer)	3	3
J Packer	3	3
J Howard	1	3
R Parker (Chair of Governors)	3	3
K Butterfield	1	3
K Gilfroy-Muir	2	3
S Lowe	2	3
J Mellor	2	3
D Rutkins	3	3
N Brown	2	3
M Hirst	3	3
A Moon	2	3
P Muir	2	3
K Nelson	3	3
S Piprani	2	3
J Brown	2	3
M Cockcroft	2	3
J Frater	3	3
P McKeown	2	3

Governance reviews

The governors completed a Skills Audit in February 2014. We also completed the Financial Management and Governance Self-assessment (FMGS) and submitted this to the EFA in May 2014.

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Randle (Accounting Officer)	3	3
K Gilfroy-Muir	2	3
D Rutkins	3	3
M Hirst	2	3
A Moon	2	3
M Cockcroft	2	3

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

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

Review of value for money

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

- We carried out a Network review (May 2014), which focussed around infrastructure, devices, WAN provision and accessibility. Throughout the last 24 months we have been moving our major systems across to new sustainable systems and plan to continue on this course throughout the next year. These new systems will build a central resource which will be accessible at anytime, anywhere and on any device for all stakeholders. This will create savings on efficiencies, less add-ons required, IT infrastructure and the cost of devices required to access all systems for all stakeholders (giving more cost effective solutions for Home to School connection and increased engagement to learning).
- The Academy renegotiated its current photocopying lease agreement; this reduced our current lease payments and reduced the CPC (Cost Per Copy) maintenance costs. We were also able to replace heavily used classroom and work room printers with less CPC printers and small MFD's (Multi-Functional Devices). We have replaced our print management software with a more able solution which allows us to manage and log all printers and MFD's, allowing staff to use Follow Me printing to less costly devices. This allows us to monitor printer usage and train staff on more efficient use of printing. We are also asking departments to consider alternative methods of producing documents which will not affect the educational standards at the Academy but may reduce printing and costs. These methods include: Using the VLE as a method of sharing and access to documentation with pupils and staff; seek advice about less costly ways to produce a document; live department access to their print and log costs.
- In 2012 we carried out a catering review to our in-house service and although we have always provided a healthy set meal the uptake of meals were around 55%. Following this review we employed a chef and began developing various menus and meals prepared from fresh ingredients each day. This has shown an increase in covers year on year and from 2011/12 to 2015/16 we have increased by 34% covers (252,179 covers in 2015/16). This includes the lunch sittings which have increased by 30% covers. We have not been required to increase staffing to accommodate the rise in covers which has meant a positive increase in income.

HOLLINGWORTH ACADEMY TRUST

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hollingworth Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

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

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

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

HOLLINGWORTH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee/Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

D Randle
Accounting Officer

R Parker
Chair of Governors

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hollingworth Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

D Randle
Accounting Officer

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HOLLINGWORTH ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

R Parker
Chair of Governors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLLINGWORTH ACADEMY TRUST

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Hollingworth Academy Trust for the year ended 31 August 2016 set out on pages 16 to 35. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 13, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLLINGWORTH
ACADEMY TRUST (CONTINUED)
YEAR ENDED 31 AUGUST 2016**

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Dated:

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	932	932	25
Charitable activities:						
- Funding for educational operations	4	-	7,399	-	7,399	7,378
Other trading activities	5	415	-	-	415	302
Investments	6	7	-	-	7	5
Total income and endowments		<u>422</u>	<u>7,399</u>	<u>932</u>	<u>8,753</u>	<u>7,710</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	360	7,508	107	7,975	7,645
Total expenditure	7	<u>360</u>	<u>7,508</u>	<u>107</u>	<u>7,975</u>	<u>7,645</u>
Net income/(expenditure)		62	(109)	825	778	65
Transfers between funds		(1,061)	(1,221)	2,282	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(1,012)	-	(1,012)	42
Net movement in funds		<u>(999)</u>	<u>(2,342)</u>	<u>3,107</u>	<u>(234)</u>	<u>107</u>
Reconciliation of funds						
Total funds brought forward		1,104	(184)	323	1,243	1,135
Total funds carried forward		<u>105</u>	<u>(2,526)</u>	<u>3,430</u>	<u>1,009</u>	<u>1,242</u>

HOLLINGWORTH ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016 £'000	2015 £'000	2015 £'000
Fixed assets				
Tangible assets	12		3,038	323
Current assets				
Stocks	13	2	-	
Debtors	14	773	455	
Cash at bank and in hand		152	2,127	
		<u>927</u>	<u>2,582</u>	
Current liabilities				
Creditors: amounts falling due within one year	15	(430)	(255)	
Net current assets			<u>497</u>	<u>2,327</u>
Net assets excluding pension liability			<u>3,535</u>	<u>2,650</u>
Defined benefit pension liability	23		(2,526)	(1,408)
Net assets			<u>1,009</u>	<u>1,242</u>
Funds of the Academy Trust:				
Restricted funds	17			
- Restricted fixed asset funds			3,430	323
- Restricted general funds			-	1,224
- Pension reserve			(2,526)	(1,408)
Total restricted funds			<u>904</u>	<u>139</u>
Unrestricted income funds	17		<u>105</u>	<u>1,103</u>
Total funds			<u>1,009</u>	<u>1,242</u>

The financial statements set out on pages 16 to 35 were approved by the board of trustees and authorised for issue on and are signed on its behalf by:

R Parker
Chair of Governors

.....

HOLLINGWORTH ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	£'000	2015 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	21		(92)		(2)
Cash flows from investing activities					
Dividends, interest and rents from investments		7		5	
Capital grants from DfE and EFA		924		24	
Capital funding from sponsors and others		8		-	
Payments to acquire tangible fixed assets		(2,822)		(13)	
			(1,883)		16
Change in cash and cash equivalents in the reporting period			(1,975)		14
Cash and cash equivalents at beginning of the year			2,127		2,113
Cash and cash equivalents at end of the year			152		2,127

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

General information

Hollingworth Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Hollingworth Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

These financial statements are the first financial statements of Hollingworth Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Hollingworth Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

Going concern

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

Income

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

Grants

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

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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

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

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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

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

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

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

Assets under construction	No depreciation charged until brought into use
Computer equipment	20% straight line
Fixtures, fittings and equipment	20% straight line

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

Liabilities

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

Leased assets

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

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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

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

Fund accounting

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

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

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

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	924	924	24
Other donations	-	8	8	1
	<u>-</u>	<u>932</u>	<u>932</u>	<u>25</u>
	<u><u>-</u></u>	<u><u>932</u></u>	<u><u>932</u></u>	<u><u>25</u></u>

The income from donations and capital grants was £932,000 (2015: £25,000) of which £nil was unrestricted (2015: £1,000) and £932,000 was restricted fixed assets (2015: £24,000).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	6,991	6,991	6,956
Other DfE / EFA grants	-	326	326	350
	<u>-</u>	<u>7,317</u>	<u>7,317</u>	<u>7,306</u>
Other government grants				
Local authority grants	-	63	63	72
	<u>-</u>	<u>63</u>	<u>63</u>	<u>72</u>
Other funds				
Other incoming resources	-	19	19	-
	<u>-</u>	<u>19</u>	<u>19</u>	<u>-</u>
Total funding	<u>-</u>	<u>7,399</u>	<u>7,399</u>	<u>7,378</u>

The income from funding for educational operations was £7,399,000 (2015: £7,378,000) of which £7,399,000 was restricted (2015: £7,378,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	17	-	17	18
Catering income	287	-	287	261
Other income	111	-	111	23
	<u>415</u>	<u>-</u>	<u>415</u>	<u>302</u>

The income from other trading activities was £415,000 (2015: £302,000) of which £415,000 was unrestricted (2015: £302,000).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Other investment income	7	-	7	5
	<u>7</u>	<u>-</u>	<u>7</u>	<u>5</u>

The income from funding for investment income was £7,000 (2015: £5,000) of which £7,000 was unrestricted (2015: £5,000).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	4,276	-	537	4,813	4,663
- Allocated support costs	1,056	1,473	633	3,162	2,982
Total expenditure	5,332	1,473	1,170	7,975	7,645

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor		
- Audit	7	7
- Other services	3	2
Operating lease rentals	588	493
Net interest on defined benefit pension liability	55	50
Depreciation of tangible fixed assets	107	105

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	-	4,813	4,813	4,663
Support costs - educational operations	360	2,802	3,162	2,982
	360	7,615	7,975	7,645

The expenditure on educational operations was £7,975,000 (2015: £7,645,000) of which £360,000 was unrestricted (2015: £352,000), £7,508,000 was restricted (2015: £7,188,000) and £107,000 was restricted fixed assets (2015: £105,000).

	2016 £'000	2015 £'000
Analysis of support costs		
Support staff costs	1,056	1,175
Depreciation and amortisation	107	105
Premises costs	1,366	1,157
Other support costs	560	511
Governance costs	73	34
	3,162	2,982

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

	2016	2015
	£'000	£'000
Wages and salaries	4,107	4,044
Social security costs	346	306
Other pension costs	696	720
	<hr/>	<hr/>
Total staff costs	5,149	5,070
Supply staff costs	120	65
Staff development and other staff costs	63	36
	<hr/>	<hr/>
	<u>5,332</u>	<u>5,171</u>

Staff numbers

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

	2016	2015
	Number	Number
Teachers	73	74
Administration and support	63	55
Management	10	10
	<hr/>	<hr/>
	<u>146</u>	<u>139</u>

Higher paid staff

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

	2016	2015
	Number	Number
£60,000 - £70,000	3	3
£100,001 - £110,000	1	1
	<hr/>	<hr/>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £870,199 (2015: £879,452).

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

10 Trustees' remuneration and expenses

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

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

	2016	2015
D Randle		
Remuneration	£105,000 to £110,000	£100,000 to £105,000
Employer's pension contributions	£15,000 to £20,000	£10,000 to £15,000
J Hawkrigg (resigned Sep. 2014)		
Remuneration	£nil	£55,000 to £60,000
Employer's pension contributions	£nil	£10,000 to £15,000
J Howard		
Remuneration	£40,000 to £45,000	£40,000 to £45,000
Employer's pension contributions	£5,000 to £10,000	£5,000 to £10,000
J Brown		
Remuneration	£35,000 to £40,000	£30,000 to £35,000
Employer's pension contributions	£5,000 to £10,000	£5,000 to £10,000
N Bowker (resigned April 2015)		
Remuneration	£nil	£55,000 to £60,000
Employer's pension contributions	£nil	£5,000 to £10,000

During the year expense payments totalling £506 (2015: £nil) were made to the trustees in respect of travel and subsistence.

Other related party transactions involving the trustees are set out in note 24.

11 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 is not separately identifiable, but is included within the total insurance cost.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible fixed assets

	Assets under constr- uction £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 September 2015	-	527	-	527
Additions	2,816	4	2	2,822
	<u>2,816</u>	<u>531</u>	<u>2</u>	<u>3,349</u>
At 31 August 2016	2,816	531	2	3,349
	<u>2,816</u>	<u>531</u>	<u>2</u>	<u>3,349</u>
Depreciation				
At 1 September 2015	-	204	-	204
Charge for the year	-	107	-	107
	<u>-</u>	<u>311</u>	<u>-</u>	<u>311</u>
At 31 August 2016	-	311	-	311
	<u>-</u>	<u>311</u>	<u>-</u>	<u>311</u>
Net book value				
At 31 August 2016	2,816	220	2	3,038
	<u>2,816</u>	<u>220</u>	<u>2</u>	<u>3,038</u>
At 31 August 2015	-	323	-	323
	<u>-</u>	<u>323</u>	<u>-</u>	<u>323</u>

13 Stocks

	2016 £'000	2015 £'000
Catering stock	2	-
	<u>2</u>	<u>-</u>

14 Debtors

	2016 £'000	2015 £'000
Trade debtors	1	2
VAT recoverable	259	347
Other debtors	2	1
Prepayments and accrued income	511	105
	<u>773</u>	<u>455</u>
	<u>773</u>	<u>455</u>

15 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	201	20
Other taxation and social security	100	92
Other creditors	-	3
Accruals and deferred income	129	140
	<u>430</u>	<u>255</u>
	<u>430</u>	<u>255</u>

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16	Deferred income	2016 £'000	2015 £'000			
	Deferred income is included within:					
	Creditors due within one year	83	58			
		<u>83</u>	<u>58</u>			
	Deferred income at 1 September 2015	58	62			
	Released from previous years	(58)	(62)			
	Amounts deferred in the year	83	58			
		<u>83</u>	<u>58</u>			
	Deferred income at 31 August 2016	<u>83</u>	<u>58</u>			
17	Funds	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
	Restricted general funds					
	General Annual Grant	1,185	6,991	(6,955)	(1,221)	-
	Other DfE / EFA grants	39	326	(365)	-	-
	Other government grants	-	63	(63)	-	-
	Other restricted funds	-	19	(19)	-	-
		<u>1,224</u>	<u>7,399</u>	<u>(7,402)</u>	<u>(1,221)</u>	<u>-</u>
	Funds excluding pensions	1,224	7,399	(7,402)	(1,221)	-
	Pension reserve	(1,408)	-	(106)	(1,012)	(2,526)
		<u>(184)</u>	<u>7,399</u>	<u>(7,508)</u>	<u>(2,233)</u>	<u>(2,526)</u>
		<u>1,040</u>	<u>7,399</u>	<u>(7,508)</u>	<u>(2,233)</u>	<u>(2,526)</u>
	Restricted fixed asset funds					
	DfE / EFA capital grants	35	924	(107)	-	852
	Capital expenditure from GAG	3	-	-	2,282	2,285
	Other capital grants	-	8	-	-	8
	Amounts transferred from local authority on conversion	285	-	-	-	285
		<u>323</u>	<u>932</u>	<u>(107)</u>	<u>2,282</u>	<u>3,430</u>
		<u>323</u>	<u>932</u>	<u>(107)</u>	<u>2,282</u>	<u>3,430</u>
	Total restricted funds	<u>139</u>	<u>8,331</u>	<u>(7,615)</u>	<u>49</u>	<u>904</u>
	Unrestricted funds					
	General funds	1,104	422	(360)	(1,061)	105
		<u>1,104</u>	<u>422</u>	<u>(360)</u>	<u>(1,061)</u>	<u>105</u>
	Total funds	<u>1,243</u>	<u>8,753</u>	<u>(7,975)</u>	<u>(1,012)</u>	<u>1,009</u>

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds (Continued)

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

Restricted general fund

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

Fixed assets fund

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

Other restricted funds

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

Unrestricted funds

This fund primarily relates to income from lettings and catering.

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,038	3,038
Current assets	105	430	392	927
Creditors falling due within one year	-	(430)	-	(430)
Defined benefit pension liability	-	(2,526)	-	(2,526)
	<u>105</u>	<u>(2,526)</u>	<u>3,430</u>	<u>1,009</u>

19 Capital commitments

	2016 £'000	2015 £'000
Expenditure contracted for but not provided in the financial statements	<u>455</u>	<u>300</u>

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	2015
	£'000	£'000
Amounts due within one year	587	588
Amounts due between one and five years	2,348	2,315
Amounts due after five years	8,679	9,206
	<u>11,614</u>	<u>12,109</u>

21 Reconciliation of net income to net cash flows from operating activities

	2016	2015
	£'000	£'000
Net income for the reporting period	779	65
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(932)	(24)
Interest receivable	(7)	(5)
Defined benefit pension scheme cost less contributions payable	51	70
Defined benefit pension scheme finance cost/(income)	55	50
Depreciation of tangible fixed assets	107	105
(Increase)/decrease in stocks	(2)	-
(Increase)/decrease in debtors	(318)	(109)
Increase/(decrease) in creditors	175	(154)
Net cash used in operating activities	<u>(92)</u>	<u>(2)</u>

22 Members' liability

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

23 Pensions and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

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

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Pensions and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £487,000 (2015: £421,000).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below

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.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Pensions and similar obligations (Continued)

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	171	174
Employees' contributions	54	58
Total contributions	<u>225</u>	<u>232</u>

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.9
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8

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

	2016 Years	2015 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

The Academy Trust's share of the assets in the scheme	2016 Fair value £'000	2015 Fair value £'000
Equities	3,150	2,537
Bonds	744	634
Cash	219	141
Property	262	211
Total fair value of assets	<u>4,375</u>	<u>3,523</u>
Actual return on scheme assets - gain/(loss)	<u>722</u>	<u>(78)</u>

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Pensions and similar obligations (Continued)

Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost	222	244
Net interest cost	55	50
Total operating charge	<u>277</u>	<u>294</u>
Changes in the present value of defined benefit obligations		2016 £'000
Obligations at 1 September 2015		4,931
Current service cost		222
Interest cost		191
Employee contributions		54
Actuarial loss		1,598
Benefits paid		(95)
At 31 August 2016		<u>6,901</u>
Changes in the fair value of the Academy Trust's share of scheme assets		2016 £'000
Assets at 1 September 2015		3,523
Interest income		136
Return on plan assets (excluding net interest on the net defined pension liability)		586
Employer contributions		171
Employee contributions		54
Benefits paid		(95)
At 31 August 2016		<u>4,375</u>

24 Related party transactions

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

Key management personnel disclosure is included in note 9.

HOLLINGWORTH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

25 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	1,771	1,242
	=====	=====

Reconciliation of net income for the previous financial period

	2015 £'000
Net income as reported under previous UK GAAP and under FRS 102	107
	=====

Notes to reconciliations on adoption of FRS 102

(i) Defined benefit scheme adjustment

On transition to FRS102, the return on plan assets excluding any amounts included in net interest is recognised in other recognised gains and losses rather than net income.

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

In accordance with the terms of our engagement letter dated 4 August 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/6, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hollingworth Academy Trust during the period 1 September 2015 to 31 August 2016 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 Hollingworth Academy Trust and the EFA in accordance with the terms of our engagement letter dated 4 August 2015. Our work has been undertaken so that we might state to the Hollingworth Academy Trust and the EFA 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 the Hollingworth Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Hollingworth Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015/6. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015/6 issued by the EFA. 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

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

Dated:
