

Holland Park School

Consolidated Annual Report and Financial Statements

Year to 31 August 2020

Company Limited by Guarantee
Registration Number
8588099 (England and Wales)

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	17
Statement of regularity, propriety and compliance	23
Statement of governors' responsibilities	24
Independent auditor's report on the financial statements	25
Independent accountant's report on regularity	29

Financial statements

Consolidated statement of financial activities	31
Balance sheets	32
Consolidated statement of cash flows	33
Principal accounting policies	35
Notes to the consolidated financial statements	41

Reference and administrative information

Members	Miss Margaret Allen Ms Anne Marie Carrie Professor Peter McCaffery Mrs Elizabeth Rutherford JP Dr Krish Soni Mr Michael Tory
Governors	Miss Margaret Allen Mrs Sally Bercow Ms Catherine Blackler* Ms Anne Marie Carrie (Chair) Mr David Chappell (Academy Head & Accounting Officer)* Mr Yasser el Gabry* Mr Colin Hall (Head) Professor Peter McCaffery Mrs Elizabeth Rutherford JP (Vice Chair) Dr Krish Soni* Mr Michael Tory
	*Members of the Resources & Audit Committee
Clerk to the Governors	Mrs Lyn Stanton
Company Secretary	Wilson Solicitors LLP
Leadership Team	2019 - 2020
Head Academy Head	Colin Hall David Chappell (Accounting Officer)
Associate Head	Nicholas Robson
Deputy Heads	Ross Wilson Faye Mulholland Robert Orr Joseph Holloway
Assistant Headteachers	Simon Dobson Benjamin Arnold
Chief Finance Officer	Shamsur Rahman
Registered address	Airlie Gardens London W8 7AF
Company registration number	8588099

Reference and administrative information

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank 112 Kensington High Street London W8 4SN
Solicitors	Wilson Solicitors LLP Alexandra House St John Street Salisbury SP1 2SB
	Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH

Governors' report Year to 31 August 2020

The governors present their annual report together with the financial statements and auditors' report of Holland Park School and the Group for the year to 31 August 2020. The Group consists of Holland Park School and HPS Trading Limited. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 40 of the attached financial statements and comply with the Academy's Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

Holland Park School (the "Academy Trust") operates a school for students aged 11 to 18 serving a catchment area primarily in Kensington and Chelsea. It has a student capacity of 1,430 (including a maximum of 230 in the Sixth Form) and had a roll of 1,389 (216 in the Sixth Form) on the census collection of Spring 2020.

The Academy Trust operates a subsidiary company: HPS Trading Limited (Company Registration Number 08083987). The principal activity of the company was that of operating some of the commercial activities of the Academy (see note 11).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Holland Park School is a charitable company limited by guarantee and is an exempt charity, incorporated on 27 June 2013 (company number 08588099). The Academy's Articles of Association and the Funding Agreement executed on 30 August 2013 are the primary governing documents of the Academy.

The governors act as trustees of the charity and are also directors of the charitable company for the purposes of company law. The company is known as Holland Park School.

Members' liability

Every member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves (Articles of Association section 8).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' indemnities

As stated in the Academy's Articles of Association (Clause 133): 'Subject to the provisions of the Companies Act 2006 every governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.'

The Academy Trust has an indemnity policy in place to cover the cost of any such claims up to a total of £5,000,000 in any one year.

Principal activities

1. 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 and carrying on, managing and developing a school offering a broad and balanced curriculum.
2. To be at the heart of our community promoting community cohesion and sharing facilities with other schools and this wider community.

Governors

The following governors were in office at 31 August 2020 and served throughout the period except where shown.

Governor	Appointed/Resigned	Appointing body
Miss Margaret Allen		
Mrs Sally Bercow		
Ms Catherine Blackler		
Ms Anne Marie Carrie		
Mr David Chappell		
Mr Yasser el Gabry		
Mr Colin Hall		
Prof Peter McCaffery		
Mrs Elizabeth Rutherford JP		
Dr Krish Soni		
Mr Michael Tory		

Method of recruitment and appointment or election of governors

Following election by the previous governing body, the members appointed a sixth member (to meet the requirements of voting rights associated with local authority representatives) and those governors required to complement the Articles of Association. These governors were appointed in accordance with the Articles and this defines their term of office.

Future governors shall be appointed or elected as the case may be under the Articles of Association and Funding Agreement.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors (continued)

A vacancy currently exists for a parent elected governor. The process to enable this appointment will be undertaken during the Autumn Term 2020.

The members, of whom there must be a minimum of three, may appoint up to eight Governors including:

- ◆ A minimum of two parent governors;
- ◆ The Head (Ex-officio);
- ◆ The Academy Head (Ex-officio); and
- ◆ Up to four co-opted governors.

The total number of governors who are employees of the Academy Trust must not exceed one third of the total number of governors. The parent governors are elected by parents of registered students at the Academy and should be a parent of a student at the Academy Trust at the time when they are elected. If this is not reasonably practical, then a person who is a parent of a child of compulsory school age may be appointed.

The term of office for any governor is four years except for:

- ◆ Parent governors who cease to be governors when they are no longer a parent of a student at the Academy Trust or four years, whichever is the shorter; and
- ◆ Staff governors who will only hold office for so long as they continue to be employed as a member of teaching or support staff.

Policies and procedures adopted for the induction and training of governors

Governance at Holland Park School is taken very seriously. Governors meet regularly to lead, control and monitor the overall performance of the Academy Trust. The governing body considers and decides on all major matters of Academy Trust strategy. Certain specific responsibilities are delegated to the governors' committees.

The governing body reviews its own performance and that of the committees, primarily through discussion with the Chair and the Head. On conversion to Academy Trust status, four of the original governors were elected as members of the new Academy Trust by the governing body of the time to ensure continuity of experience and knowledge. Two new governors were appointed through national selection consultants to ensure that the school had access to the widest and highest possible level of applicants. Parent governors are elected by the parent body. All new governors are briefed thoroughly by the Chair and the Head, with a tour of the school and extensive discussion on roles and responsibilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of governors (continued)

An annual skills audit has been put in place to ensure that any gaps in skills and knowledge within the governing body can be identified and rectified by training, or by ensuring that any new governors are able to offer those specific skills. All governors have access to the Bi-Borough's 'Training and Development for Governors' individual training programme. Governors have attended a wide range of courses, including safeguarding, exclusions and Ofsted. Governors' meetings are often preceded by training. This has included, social mobility, e-safety and exclusion appeals. In addition to governors' meetings, the entire governing body attend the school for two calendared days each year to critically observe staff and students at work.

Organisational structure

The Academy Trust's organisational leadership involves the governors and the Leadership Team.

The governors are responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring financial and operational performance, making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments. The full board meet four times per year and more often when necessary.

Governors fulfil their audit function and responsibilities through the work of the Resources and Audit Committee. Governors are mindful of, and adhere to, the guidance issued by the ESFA, in their annual publication, the *Academies Financial Handbook*. Governors have asked the Trust's external auditor to carry out a supplementary programme of work, throughout the year, looking specifically at financial operations and procedures. This year that included a detailed review of financial procedures.

The Academy Trust has the following governor committees:

- ◆ Remuneration;
- ◆ Personnel; and
- ◆ Resources & Audit.

All committees have approved terms of reference. Within these terms of reference authority and responsibility for decisions is delegated to the appropriate decision makers.

There are also a number of panels which are convened as necessary, including:

- ◆ Admissions;
- ◆ Staff discipline appeals;
- ◆ Student discipline;
- ◆ Staff performance appeals.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The overall scheme of financial delegation and the finance policy incorporate the Academies Financial Handbook 2019. These policies are reviewed annually by the Resources & Audit Committee for approval by the full governing body.

Day to day management of the Academy is delegated to the Head and the Academy Head.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body recognises the importance of a consistent and recognised pay and conditions framework and is committed to abiding by or bettering those national terms and conditions for teachers. In addition, the Governing Body (or its representatives) acknowledges that it should recognise national guidance and local agreements on pay scales for all staff and will be mindful of any national developments in support staff conditions of service. It must however also take account of the constraints of the school budget and the overall staffing structure of the school. The Academy Trust's Pay Policy provides detailed guidance. All pay decisions are based on outcomes from annual performance reviews and considered by the Governors' Performance Committee.

Trade union facility time

During the period 2019/2020 no employees acted as union officials and therefore no time was allocated as facility time.

Connected organisations, including related party relationships

Holland Park School has long established links with The Holland Park School Trust, an independent charity which supports the student enrichment activities of the school such as the Duke of Edinburgh award scheme, sports and fitness coaching, science activities, visits and trips, as well as contributing towards the cost of the free breakfast provision for students. Additionally, the school provides regular use of its facilities by community user groups, amounting to some 750 users per week, including weekends. During the taught day we host a local primary school and they use the school's swimming pool.

OBJECTIVES AND ACTIVITIES

Objects and aims

Holland Park School is a highly successful and over-subscribed comprehensive school in the heart of west central London. It is recognised as "an outstanding school" by Ofsted (2011, 2014 and 2020), recorded as one of the country's highest performing schools and praised in the Good Schools Guide. In 2015 it was designated Teaching School Status by the Department for Education (DfE).

The school is committed to exacting high standards, to formality and to demanding creative excellence from its staff and students. It is a driven institution where students' success lies at the core of all planning. It seeks to be ambitious and to be bold for students' futures. Seeing people's potential and making detailed plans for its realisation is at the centre of its approach.

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

Career planning for staff and students is intentionally diverse and personalised, building on capacity and believing that aspiration is for all. Very little at Holland Park School happens by chance or accident: this is a planned, well-articulated institution which relishes its responsibility for driving forwards fast and is passionate about equality of opportunity and its secularity.

Public Benefit

In setting the Academy Trust's objectives and planning its activities, the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Results

In 2020, 71% of students achieved grades 5 to 9 GCSEs, in both English and Mathematics. In 2018, 66% of students achieved 5 or more grades 5 to 9 GCSEs, including English and Mathematics. The national average is 43%.

In 2020, the Academy Trust's **Progress 8 score** was not calculated. In 2019 this score placed the school in the top 10% nationally and placed the school in the DfE's *well above average* (highest) category. In 2019 our Progress 8 score was 0.54.

In 2020, our **Attainment 8 score** was 64.1 points. The England average was 46.7 points. In 2019 our Attainment 8 score was 61.3 points.

KS4 Exam Results GCSE 2020

YEAR 11	2019	National 2019	2020
% 5-9 including Maths and English Language	66.0	43	71.0
EBacc points score	5.86	4.07	6.19
% 4-9 English	92.5	75	65.0
% 5-9 English	85.8	70	89.0
% 4-9 Maths	92.0	75	95.0
% 5-9 Maths	68.1	49	72.0

ACHIEVEMENTS AND PERFORMANCE (continued)

Results (continued)

KS5 Exam Results A2 2020

	2014	2015	2016	2017	2018	2019	2020	2020 National
Pass rate (%)	100.0	99.6	98.8	98.2	99.1	96.4	100	100
A-C (%)	95.5	93.0	92.2	90.2	93.3	79.3	98	87
A-B (%)	76.3	72.6	77.3	73.3	80.0	61.3	96	65
A-A* (%)	45.5	39.6	53.1	45.6	46.7	35.7	55	38
A* (%)	16.7	11.7	18.8	17.5	15.1	11.8	19	14

University Destinations 2020

This year there were 107 applicants to UCAS from Holland Park School students. The final UCAS report shows the following:

	2019 number of students	2019 % of total	2020 number of students	2020 % of total
Students with places at Russell Group Universities	47	48%	62	58%
Students with places at universities that are not Russell Group	33	37%	21	20%
Art College	3	Included above	1	Included above
Total number of students placed	83	86%	84	80%
Total number of students not placed	14	14%	23	20%

Commentary about placements

A larger proportion of students went to Russell Group universities this year. This was largely as a result of improved (prior) achievement, reflected in their centre assessed grades. The larger number of students not placed, reflects a response to the pandemic in relation to unreduced university fees at a time when there is a 'reduced' learning experience and also a small number of students who believed they would have performed better had they sat terminal examinations rather than the awarded centre assessed grades. These students have deferred entry to 2021 following the resit of examinations.

ACHIEVEMENTS AND PERFORMANCE (continued)

Ofsted

The Ofsted section 8 review in 2020 judged Holland Park School to continue to be **outstanding** in all categories.

Awards currently held by the Academy include:

- ◆ Ofsted – Outstanding School
- ◆ Designated Teaching Status
- ◆ Investors in People - Platinum Award
- ◆ The Prince's Teaching Institute – 7 subjects
- ◆ SSAT – Educational Outcomes Awards
- ◆ The Teaching Awards – Distinction
- ◆ Educational Outcomes Award
- ◆ Leading Edge Partnership Programme
- ◆ Inclusion Quality Mark – Flagship School
- ◆ World Class Schools

Key financial performance indicators

The key financial performance indicators used by the Academy are:

- ◆ setting a balanced budget against decreasing delegated funds, without the need for recourse to the school's surplus;
- ◆ ensuring that staff costs, including agency and other temporary staffing, remain below 70% of the school's total delegated budget (excluding other unrestricted income);
- ◆ utilising the school's trading subsidiary to facilitate additional resourcing to enhance the students' experience;
- ◆ extending the use of the school's facilities by local users and documentary/film makers to generate additional income;
- ◆ finalising refurbishment and development work to Thorpe Lodge (November 2020) – this asset will enable future income for the school through hire;
- ◆ adequacy of reserves is scrutinised by the Resources and Audit Committee regularly, with the objective of maximising financial security and additional resourcing to support learning in line with the school improvement plan and our three-year financial forecast;
- ◆ a further year of growth of the Sixth Form to achieve its published capacity of 230; and
- ◆ having an agreed financial plan for the next three years.

ACHIEVEMENTS AND PERFORMANCE (continued)

Covid-19

On 20 March 2020, schools in England were instructed by the Government to close to all but the children of key workers and vulnerable students. In the week leading up to the period of closure the school mobilised and trained all staff to ensure that they were equipped to begin a virtual learning programme from Monday 23 March 2020. Our distance learning programme continued to follow the school's schemes of work and in accordance with the School timetable. Shortly after the announcement that examinations would be cancelled for Summer 2020 the School undertook the work required to move to its September timetable. This decision was taken to maximise the time available for students beginning new option subjects and to enable the development of relationships with new teachers. This decision was well received by parents and students. Tutoring activities and the PSHCE programme continued throughout this period.

Vulnerable children, and those of key workers, had opportunity to continue to attend school or were enabled with IT provision at home. Additional learning and engagement activities, outside of the curriculum, were provided throughout the spring break and May half term. Engagement by students was tracked and monitored, and celebrated where appropriate. Where concerns were evident, key staff intervened to support and further monitor.

Feedback from parents throughout this period recognised the exceptional effort made by staff to provide highly effective and stimulating learning activities, together with pastoral and safeguarding support. Reward and recognition underpinned this complex and difficult time for students.

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 in particular for a period of not less than one year from the date of approval of these financial statements. 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 principal accounting policies.

The continued provision of education is dependent on the ongoing funding by the Education and Skills Funding Agency of the Department for Education of which there is reasonable expectation of it continuing for the foreseeable future.

Financial review

Financial report for the period

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the ESFA and other government bodies during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the Group for the year was £10,417,000 (2019 – £10,387,000).

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial review (continued)

Financial report for the period (continued)

Total expenditure for the Group in the year including depreciation of £1,357,000 (2019 - £1,331,000) was £11,227,000 (2019 - £11,061,000). Included within total expenditure is £6,809,000 (2019: £6,285,000) of staff costs.

Taking into account the actuarial gain of £107,000 (2019 – loss of £445,000) on the revaluation of the Local Government Pension Scheme deficit, the net movement in funds for the year ended 31 August 2020 was a decrease of £703,000 (2019 – decrease of £1,119,000).

The operational deficit for the year excluding fixed asset purchases was £278,000 (2019 – operational surplus of £598,000). This figure excludes movements on the tangible fixed assets, the defined benefit pension liability, fixed asset purchases from revenue funds, and other non-recurring items.

The total funds of the Academy at 31 August 2020 were £49,471,000 (2019: £50,444,000).

This includes a designation of £602,000 (2019 – £1,393,000) of General funds in respect of anticipated capital work on the Thorpe Lodge.

The steps taken by the school to comply with government guidance during the nationwide lockdown from March 2020 and for the subsequent reopening in September 2020 has led to significant un-budgeted expenditure in 2019/20. The additional cost has been funded from both in-year budgeted contingency funds and reserves.

Part of the un-budgeted expenditure was on IT equipment (laptops and peripherals) and technical implementation services which enabled more than 110 teaching and support staff to continue to work remotely. The investment in equipment and infrastructure enabled the delivery of the full curriculum during the lockdown.

There was also significant expenditure on making the school building and its grounds Covid-19 compliant in preparation for the return of students in September 2020. This involved deployment of signage, hand sanitisation stations and enhanced sanitisation services. The school also invested in additional groundworks and CCTV monitoring facilities to accommodate year-group bubbles. Both the groundworks and the CCTV projects were part of an existing multi-year Premises Plan which were brought forward to 2019/20.

The school has undertaken a review of its Risk Register and Reserves Policy in light of the continued financial impact of Covid-19. It is confident that it has sufficient financial resources to continue to deliver balanced budgets in future years.

In addition, the school lost approximately 50% of its anticipated income from hire and letting agreements.

The results for the Group for the period are shown on page 31.

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial review (continued)

Reserves policy

The net reserve at 31st August is £3,013,000. These funds are available for the day-to-day operation of the school. This figure includes a capital commitment of £602,000 for the completion of the Thorpe Lodge refurbishment and extension project. It also anticipates the requirement for the school to replace defective internal fire doors at an estimated cost of £400,000.

Following completion of Thorpe Lodge the school will undertake in 2020/2021 a complete review of its IT infrastructure and hardware systems with a view to updating provision within all classrooms and offices.

The school's reserves policy ensures that the Academy is able to guarantee the stability of the its operations so that it has the ability to adjust quickly to unforeseen or planned changes in financial circumstances or unplanned expenditure, whilst also enabling the longer-term cyclical needs of planned improvements and capital investment.

Under FRS 102 Section 28: Employee benefits it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for associate staff to a specific restricted reserve. As at 31 August 2020 the deficit on this reserve amounted to £2,078,000 (2019 – £1,851,000). The Academy takes into account LGPS reserve liabilities and the likelihood of the liability crystallising in full over a 3-year budget forecasting cycle. This is balanced against more immediate objectives of the academy.

Investment policy

To ensure the best possible return on balances the Academy holds, governors opened a 32-day investment account with the Academy's bankers, Lloyds Bank Ltd. This is managed day to day by the Chief Finance Officer and reported to the Resources & Audit Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks to the Academy have been identified and a risk register established which is reviewed at the Resources & Audit Committee meetings and reported to the full governing body. This year particular consideration was given to the economic impact of Covid-19 on existing risks and identifying Covid-19 specific risks. Existing risks remain largely unaffected by Covid-19.

The highest financial risks identified are as follows. They are each being closely monitored by governors and expert advice will be obtained as required.

- ◆ a significant drop in funding following the introduction of the National Funding Formula;
- ◆ significant costs arising from existing building defects, including the internal fire doors and most notably the swimming pool;
- ◆ liabilities arising from the potential signing of a 125 year full repairing lease (currently a Tenancy at Will), given known building defects and potential 'unknown' and unquantifiable defects;

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- ◆ loss of the Sixth Form due to reduction in funding for small sixth forms; and
- ◆ future repayment requirements arising from the Local Government Pension Scheme (LGPS) deficit; and
- ◆ potential reduction of school generated income from lettings, donations and investments because of the impact on the wider economy.

The school, with the Royal Borough, has identified significant defects in the school building that will require considerable cost to rectify in future accounting periods. The school is working in collaboration with the Royal Borough to rectify these problems and actively seeking solutions. First, a continual ingress of water into the basement, which is causing flooding and potential irreparable damage to the swimming pool – this is compounded by concerns about the potential for unquantifiable structural damage within the basement; and second, concerns regarding the internal fire doors and their failure to meet required safety standards. At the date of approval of these accounts, the school does not have a reliable estimate as to how much this will ultimately cost and it is also unclear at what point in time the work will be required. The matter is further complicated by the lease status of the school and discussions are on-going with a view to determining who bears responsibility for carrying out this work. As a result, no adjustments have been made to the financial statements to recognise this future cost. Most latterly the DfE and the ESFA have been involved in extended dialogue between the school and the Royal Borough.

At the start of the financial year, there were also concerns arising from the discovery that the stone façade panels were not affixed to their steel railing as per the manufacturer's instructions, making them loose and prone to falling off and associated were issues with the integrity of the fire barriers behind the stone panels. The Royal Borough has now undertaken at its own expense to remedy this issue and works on site are complete.

FUNDRAISING

The academy is not directly involved in fundraising and has no plans to undertake such practice. The Holland Park School Trust, see page 8, is the working name of "The Holland Park School Charity" - Charity Commission number 1108984. The Trust was formed to support Holland Park School in its aim of improving the performance and opportunities of the students who attend this richly diverse, inner-city comprehensive school. The Trust takes a broad approach to helping the school - not only supporting better academic achievement but also funding initiatives which improve behaviour in and out of school. Grants are awarded to projects proposed by the school for activities that would not be possible without funding from the Trust. The Trust does not remove any funding responsibility from the state or local authority but enhances what is already provided. The Trust has a number of established patrons, benefactors and friends, who donate annually to the charity.

PLANS FOR FUTURE PERIODS

The key priorities for the year are published in our Staff Planner which is issued to all staff. In summary these are:

The Quality of Education

- ◆ Maintain, evaluate and enhance schemes of work.
- ◆ Improve the quality of training for economics, business, drama and PE by drawing upon a wide range of written and personal expertise.
- ◆ Prioritise the place of subject knowledge enhancement in staff development by making some autonomous activity a fundamental part of staff development.
- ◆ Ensure that revisiting learning is embedded across the curriculum and lesson plans so that the accumulation of subject knowledge is ensured and tracked.
- ◆ Enhance workbook reviews such that progress made in written work is the sole priority and ensure that there is adequate recognition and sharing of best practice.
- ◆ Ensure that teaching makes adequate provision for the most-able, elevating learning to a level of consistent scholarship and ensuring no child gets left behind.
- ◆ Ensure that provision available for students with SEND and PP is efficiently differentiated and that no child is left behind by means of weekly monitoring and regular training of LSAs to take a proactive role in promoting achievement.

Behaviour and Attitudes

- ◆ Continue to extend independence and autonomy in learning by enhancing the quality of independent study and by a more coherent approach to online technology.
- ◆ Continue to develop initiatives to improve further attendance and punctuality rates by deploying the wider behaviour team to work intensively with targeted students.
- ◆ Extend further the provision for students in developing resilience.

Personal Development

- ◆ Build on success with extra-curricular to make wider provision that reaches even more students and ensure that all members of staff make a contribution of substance.
- ◆ Ensure all students have good guidance about what to do beyond their current courses of study across all year groups and ensure that all students know how to draw upon impartial and professional careers advice.
- ◆ Make the engagement of students in school, the local community and the wider context a priority by heightening students' political literacy, their understanding of British Values and their understanding of how they can make a difference.

PLANS FOR FUTURE PERIODS (continued)

Leadership and Management

- ◆ Use the new plans for Staff Development, for school meetings and for Saturday Provision to ensure that the demands on teachers are more sharply focused on student outcomes and achievement and that all extraneous demands are removed or at least minimised.
- ◆ Develop leaders such that they have the skills and confidence to provide adequate support and guidance in subject pedagogy.
- ◆ Sharpen governor training so that it enables trustees to hold leaders to account under new frameworks and extends the drive of governors in shaping school's success.

The Quality of the Sixth Form

- ◆ Improve the quality of learning, by extending expectations on independent study and formalising the way it is set.
- ◆ Improve the quality of teaching, by providing staff development in defined subject areas to improve delivery and provision.
- ◆ Improve the quantity of the highest grades by integrating methods for engagement with scholarship and higher level learning and independent thought.

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.

The governors' report, incorporating a strategic report, was approved by the governors on and signed on their behalf by:



Chair of Governors

Anne Marie Carrie

Date: 26th November 2020

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Holland Park School 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 governors have delegated the day-to-day responsibility to the Academy Head, as Accounting Officer, for ensuring that 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 the Academy and the Secretary of State for Education. The Academy Head is also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. Since March, all calendared meetings convened and have been conducted over a digital platform.

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The board of governors has formally met 4 times during the year. The Board maintains effective oversight over the Trust's finances and other matters as required by meeting four times per year for the Resources and Audit Committee, three times per year for the Personnel Committee and once a year for the Performance Committee. Attendance during the period at meetings of the board of governors is listed below and attendance at the other committees is listed over the page.

Governor	Meetings attended	Out of a possible
Ms Anne Marie Carrie (Chair)	4	4
Mrs Elizabeth Rutherford JP	4	4
Miss Margaret Allen	3	4
Ms Catherine Blackler	3	4
Mrs Sally Bercow	3	4
Mr David Chappell	4	4
Mr Yasser el Gabry	3	4
Mr Colin Hall	4	4
Professor Peter McCaffery	4	4
Dr Krish Soni	4	4
Mr Michael Tory	2	4

Governance reviews

Governors took full part in the Ofsted inspection. Ofsted's comment was:

"Governors are proud to lead the Academy. They are unwavering in their commitment to its continued improvement. They are focused, skilled and assertive in their support and challenge for the Academy."

Governance reviews (continued)

Ofsted's further comments were:

"Governance of the Academy is outstanding. Governors know the Academy's strengths extremely well and offer the Headteacher and his senior team insightful, perceptive challenges."

The annual governors' skills' audit demonstrates the high levels of competence and confidence within the governing body. Governors are committed to attending relevant workshops run by the local authority and visit the school individually throughout the year with the aim of providing challenge and support to the Leadership Team. The school's governors represent a wide range of professions, including finance, architecture, medicine, education and local politics, and so are able to bring a diverse set of skills and knowledge to bear to the role.

Governors regularly review their statutory obligations. They are diligent, for example, in their scrutiny of financial management and safeguarding arrangements in the Academy. Ms Sally Bercow, as the governors' safeguarding and SEND link, attends school on a regular basis to meet with relevant staff and senior colleagues.

The Governors have three Committees: Resources and Audit Committee; Personnel Committee; and Performance Committee.

Attendance at Committee meetings in the year was as follows:

Resources and Audit Committee

Governor	Meetings attended	Out of a possible
Ms Catherine Blackler	4	4
Mr David Chappell	4	4
Mr Yasser el Gabry	4	4
Dr Krish Soni (Chair)	3	4

Personnel Committee

Governor	Meetings attended	Out of a possible
Mrs Elizabeth Rutherford JP (Chair)	2	2
Miss Margaret Allen	2	2
Mr Colin Hall	2	2
Professor Peter McCaffery	2	2

Remuneration Committee

Governor	Meetings attended	Out of a possible
Mrs Elizabeth Rutherford JP	1	1
Dr Krish Soni	1	1
Mr Michael Tory (Chair)	1	1

Review of value for Money

To minimise the impact of worsening economic conditions caused by the Covid-19 lockdown on continuity of the core services required by the school, we implemented the principles of both Policy Procurement Notes (PPNs). There were two suppliers that were at risk in the terminology used in the PPNs: Accent Catering and Busy Bee Cleaning services (BBCS).

How we applied the principles in the PPNs:

PPN 02/20 (March to June 2020):

- ◆ We did not enforce force majeure clauses in the contracts.
- ◆ We agreed contract variations to enable both suppliers to provide a reduced service at existing contractual rates.
- ◆ We disapplied the enforcement of contractual KPIs and performance related sanctions during the lockdown period.
- ◆ We agreed with Accent that we would pay 20% of the staffing costs that was not covered by the furlough scheme.
- ◆ We expedited the invoice authorisation and payment process (bank transfer rather than cheques) to aid their cashflow.
- ◆ No payments were made in advance.

PPN 04/20 (July to October 2020):

- ◆ We reviewed the school's operational needs and the suppliers' capacity and agreed timetables for transition to "normal" contractual service. BBCS from July 2020 and Accent from September 2020.
- ◆ Both suppliers remain solvent and continue to perform at pre-lockdown levels.

Value for money: by supporting the suppliers in accordance with the principles laid down in the PPNs, the school benefited from continuation of critical services (catering and cleaning) and avoided the cost and disruption associated with termination of the contracts. In taking the measures to support the suppliers at risk, the school did not make any advanced payments. Where the suppliers' contractual obligations were reduced by agreement, we ensured that there was a proportionate reduction in cost to the school.

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

Review of value for Money (continued)

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ the deletion of a deputy head post following the resignation of the post holder and absorption of these responsibilities by the remaining leadership team members;
- ◆ restructuring the duties of Leading Practitioners to support the quality of teaching and to improve the line management of teaching colleagues;
- ◆ recruiting an increased number of students to the Sixth Form (219 against a capacity of 230) to maximise the school's delegated budget;
 - ◇ establishing the Trading Company to manage lettings income;
 - ◇ increasing PPA (Planning, Preparation and Assessment) time for English teachers to enable high-quality written feedback;
 - ◇ sustaining two primary trained teachers to work directly with students in KS3 most challenged by learning;
 - ◇ investment in on-line learning IT resources and platform to deliver lessons remotely during closure;
 - ◇ providing FSM to students prior to the introduction of the government scheme;
 - ◇ reclaimed losses due to the cancellation of school trips through existing insurance cover;
 - ◇ enhancing extra-curricular opportunity for all students;
 - ◇ continuing the Holland Park School allowance and Responsibility Allowances for subject leadership, to assist with the retention of colleagues and provide extended learning opportunities for students on Saturdays;
 - ◇ in-house professional development programme for teachers;
 - ◇ generating additional income to the school through community hire agreements and short term film contracts;
 - ◇ tendering the school's substantive cleaning contract to ensure best value.

The effectiveness of these, and other non-costed initiatives, can be seen in the Academy's outstanding examination performance and national analysis in the Academy's national performance documents.

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's 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 at the Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. In accordance with revised requirements to deliver internal scrutiny in the way most appropriate to its circumstances, the governors intend to use a bought-in internal audit service. This will comply with the Financial Reporting Council's revised Ethical Standard and differ to the firm providing external audit.

Capacity to handle risk

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- ◆ regular reviews by the Resources and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ the feedback from the internal auditor visits (twice annually);
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ monthly account reporting to governors;
- ◆ benchmarking against other similar schools; and
- ◆ identification and management of risks.

The risk and control framework (continued)

The governors considered the need for a specific internal audit function and appointed Buzzacott LLP to undertake this role in the financial year. This function replaces the work undertaken previously by the Responsible Officer.

Review of effectiveness

As Accounting Officer, the Academy Head has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- ◆ the internal assurance work of Buzzacott LLP;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

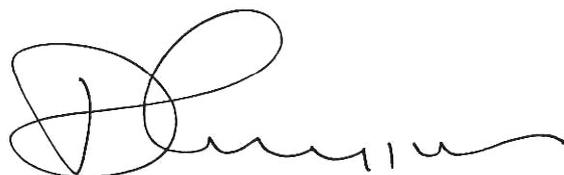
The Accounting Officer has advised the Resources and Audit Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure that continuous improvement of the system is in place.

Approved by order of the governors on 26th November 2020 and signed on their behalf by:



Chair of Governors

Anne Marie Carrie



Accounting Officer

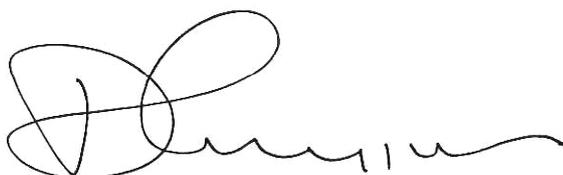
David Chappell

Statement of regularity, propriety and compliance 31 August 2020

As Accounting Officer of Holland Park School, I have considered my responsibility to notify the Academy Trust board of governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of irregularity, impropriety or funding non-compliance were discovered.

A handwritten signature in black ink, appearing to read 'D. Chappell', with a large, stylized initial 'D'.

David Chappell

Accounting Officer

Date: 26th November 2020

Statement of governors' responsibilities 31 August 2020

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

Company law requires the 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

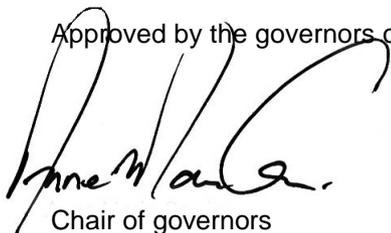
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy applies financial and other controls, which conform with the requirements both of propriety 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 charity and financial information included on the Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the governors on 26th November 2020 and signed on their behalf by:



Chair of governors

Anne Marie Carrie

Independent auditor's report to the members of Members of Holland Park School

Opinion

We have audited the financial statements of Holland Park School (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP (FRS 102)) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group and charitable parent company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and Academies Accounts Direction 2019 to 2020.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- ◆ the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ◆ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information (covers the reference and administrative details, the report of the governors and strategic report and the governance statement)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the governors' report which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report which is also the directors' report for the purposes of company law and includes the strategic report has been prepared in accordance with applicable legal requirements.

We would like to draw readers' attention to note 15 to the accounts (page 49) and the narrative within the governors' report (page 13), which discloses significant uncertainty regarding the value and timing of work required to rectify defects identified at the school building during the year. Our report is not qualified in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors 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 governors 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 governors are responsible for assessing the group and charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless governors either intend to liquidate the group and charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

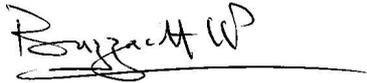
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors report on the financial statements 31 August 2020

Use of our report

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

A handwritten signature in black ink, appearing to read 'Avnish Savjani', with a horizontal line underneath it.

Avnish Savjani (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 8 December 2020

Independent reporting accountant's assurance report on regularity to Holland Park School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holland Park School during the period from 1 September 2019 to 31 August 2020 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 Holland Park School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holland Park School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Holland Park School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Holland Park School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Holland Park School's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook 2019, extant from 1 September 2018, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by the 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.

Approach (continued)

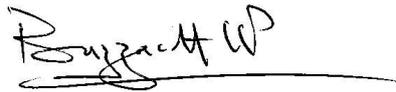
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

8 December 2020

Consolidated statement of financial activities Year to 31 August 2020
(including income and expenditure account)

	Notes	Restricted funds			2020 Total funds £'000	2019 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	63	—	29	92	171
Charitable activities						
Funding for the academy's educational operations	4	—	10,235	—	10,235	9,901
Other trading activities	2	51	27	—	78	245
Investments	3	12	—	—	12	24
Teaching School	23	—	—	—	—	46
Total income		126	10,262	29	10,417	10,387
Expenditure on:						
Academy's educational operations	6	39	9,831	1,357	11,227	11,015
Teaching School	23	—	—	—	—	46
Total expenditure	5	39	9,831	1,357	11,227	11,061
Net income (expenditure)	5	87	431	(1,328)	(810)	(674)
Transfers between funds	16	(791)	(339)	1,130	—	—
Other recognised gains (losses)						
Actuarial gains (losses) on defined benefit pension scheme	21	—	107	—	107	(445)
Net movement in funds		(704)	199	(198)	(703)	(1,119)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		1,992	(552)	49,004	50,444	51,563
Total fund balances carried forward at 31 August 2020		1,288	(353)	48,806	49,741	50,444

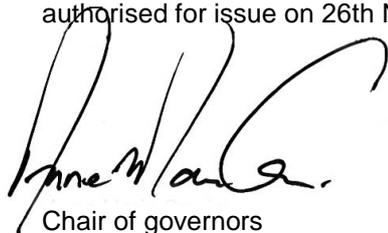
All of the Academy Trust's activities derived from operations which commenced during the above two periods.

All recognised gains and losses are included in the statement of financial activities.

Balance sheets 31 August 2020

	Notes	2020		2019	
		Group £'000	Holland Park School £'000	Group £'000	Holland Park School £'000
Fixed assets					
Tangible fixed assets	12	48,806	48,806	48,682	48,682
Current assets					
Debtors	13	215	257	365	365
Cash at bank and in hand		3,565	3,523	4,600	4,600
		3,780	3,780	4,965	4,965
Liabilities					
Creditors: amounts falling due within one year	14	(767)	(767)	(1,352)	(1,352)
Net current assets		3,013	3,013	3,613	3,613
Net assets excluding pension scheme liability					
		51,819	51,819	52,295	52,295
Pension scheme liability		(2,078)	(2,078)	(1,851)	(1,851)
Total net assets		49,741	49,741	50,444	50,444
Funds of the Academy					
Restricted funds					
. Fixed assets fund		48,806	48,806	49,004	49,004
. Restricted income funds		1,725	1,725	1,299	1,299
. Pension reserve	21	(2,078)	(2,078)	(1,851)	(1,851)
Total restricted funds	16	48,453	48,453	48,452	48,452
Unrestricted income funds					
General fund		686	686	599	599
Designated fund		602	602	1,393	1,393
Total funds	16	49,741	49,741	50,444	50,444

The financial statements on page 31 to 58 were approved by the governors, and authorised for issue on 26th November 2020 and are signed on their behalf by:



Anne Marie Carrie

Chair of governors

Holland Park School
Company Limited by Guarantee
Registration Number: 8588099 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2020

		2020 £'000	2019 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	404	1,654
Cash flows from investing activities			
	B	(1,439)	(1,580)
Change in cash and cash equivalents in the year		<u>(1,035)</u>	<u>74</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		4,600	4,526
Cash and cash equivalents at 31 August 2020	C	<u>3,565</u>	<u>4,600</u>

A Reconciliation of net expenditure to net cash flow from operating activities

		2020 £'000	2019 £'000
Net expenditure for the year (as per the statement of financial activities)			
		(810)	(674)
Adjusted for:			
Depreciation charges (note 12)		1,357	1,331
Capital grants from DfE and other capital income		(29)	(83)
Interest receivable (note 3)		(12)	(24)
Defined benefit pension scheme cost less contributions payable (note 21)		299	228
Defined benefit pension scheme finance cost (note 21)		34	30
Decrease in debtors		150	12
(Decrease) increase in creditors		(585)	834
Net cash provided by operating activities		<u>404</u>	<u>1,654</u>

B Cash flows from investing activities

		2020 £'000	2019 £'000
Dividends, interest and rents from investments		12	24
Purchase of tangible fixed assets		(1,480)	(1,687)
Capital grants from DfE/ESFA		29	83
Net cash used in investing activities		<u>(1,439)</u>	<u>(1,580)</u>

C Analysis of cash and cash equivalents

		2020 £'000	2019 £'000
Cash at bank and in hand		3,565	4,600
Total cash and cash equivalents		<u>3,565</u>	<u>4,600</u>

Consolidated statement of cash flows Year to 31 August 2020

D Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Total: cash	4,600	(1,035)	3,565

Statement of accounting policies

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holland Park School meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The consolidated statement of financial activities and group balance sheets consolidate the financial statements of the company and those of its subsidiary made up a the balance sheet date. No separate statement of financial activities has been prepared for Westside Academy Trust, as permitted by section 408 of the Companies Act 2006 and SORP (FRS 102).

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

Income (continued)

Grants (continued)

The 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 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

Expenditure

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

Expenditure (continued)

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.

All resources expended are stated net of recoverable 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Long leasehold buildings	2% per annum
◆ Fixtures, fittings and equipment	10% per annum
◆ IT equipment	33% per annum
◆ Motor vehicles	20% per annum reducing balance

A full year's depreciation is charged in the year of acquisition. None is charged in the year of disposal.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 under operating leases are charged on a 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. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy 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 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'). 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 on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and 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 recognised in the period to which they relate.

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 operating surplus 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 at the discretion of the governors.

Designated funds represent resources that have been set aside by governors for specific future purposes.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, the Royal Borough of Kensington and Chelsea.

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 useful economic lives of tangible fixed assets have been estimated in accordance with the policy.
- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- ◆ The Academy Trust has estimated the impact of the Covid-19 pandemic on the future income and expenditure flows of the charity and on its short to medium term financial stability in assessing going concern.

Critical areas of judgement

There have been no judgements made in the preparation of these financial statements that are considered to have had a significant impact on the amounts recognised.

Notes to the consolidated financial statements 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	29	29	83
Other donations	63	—	63	88
	63	29	92	171

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
<i>Capital grants</i>	—	83	83
<i>Other donations</i>	88	—	88
	88	83	171

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Lettings income	39	—	39	93
Trip income	—	27	27	117
Miscellaneous income	12	—	12	35
	51	27	78	245

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>Lettings income</i>	93	—	93
<i>Trip income</i>	—	117	117
<i>Miscellaneous income</i>	35	—	35
	128	117	245

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Interest receivable	12	—	12	24
	12	—	12	24

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>Interest receivable</i>	24	—	24
	24	—	24

4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA grants				
. General Annual Grant (GAG)	—	9,510	9,510	9,119
. Other DfE / ESFA	—	387	387	467
. Teaching School Grants	—	1	1	—
	—	9,898	9,898	9,586
Other government grants				
. Local Authority grants	—	337	337	315
2020 Total funds	—	10,235	10,235	9,901

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	9,119	9,119
. Other DfE / ESFA	—	467	467
	—	9,586	9,586
<i>Other government grants</i>			
. Local Authority grants	—	315	315
2019 Total funds	—	9,901	9,901

5 Expenditure

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000	2019 Total funds £'000
		Premises £'000	Other costs £'000		
Charitable activities					
. Academy's educational operations					
.. Direct costs	5,528	1,086	577	7,191	6,881
.. Allocated support costs	1,281	2,014	741	4,036	4,134
Teaching School	—	—	—	—	46
	6,809	3,100	1,318	11,227	11,061

	Staff costs £'000	Non pay expenditure		Other costs £'000	2019 Total funds £'000
		Premises £'000	Other costs £'000		
Charitable activities					
. Academy's educational operations					
.. Direct costs	5,168	1,065	648	6,881	6,881
.. Allocated support costs	1,071	2,107	956	4,134	4,134
Teaching School	46	—	—	46	46
	6,285	3,172	1,604	11,061	11,061

	2020 Total funds £'000	2019 Total funds £'000
Net expenditure for the year includes:		
Operating lease rentals	93	93
Depreciation	1,357	1,331
Fees payable to auditor		
. Audit	10	10
. Other services	14	8

6 Charitable activities - academy's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	7,191	6,881
Support costs	4,036	4,134
	11,227	11,015
	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	1,281	1,071
Depreciation (note 12)	271	266
Technology costs	221	339
Premises costs	1,743	1,841
Legal costs – other	45	—
Other support costs	439	493
Governance costs	36	124
Total support costs	4,036	4,134

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Notes	Restricted funds			2019 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000	
Income from:					
Donations and capital grants	1	88	—	83	171
Charitable activities					
. Funding for the academy's educational operations	4	—	9,901	—	9,901
Other trading activities	2	128	117	—	245
Investments	3	24	—	—	24
Teaching School	23	—	46	—	46
Total income		240	10,064	83	10,387
Expenditure on:					
Academy's educational operations	6	—	9,684	1,331	11,015
Teaching School	23	—	46	—	46
Total expenditure	5	—	9,730	1,331	11,061
Net income (expenditure)	5	240	334	(1,248)	(674)
Transfers between funds	16	—	(234)	234	—
Other recognised losses					
Actuarial losses on defined benefit pension scheme	21	—	(445)	—	(445)
Net movement in funds		240	(345)	(1,014)	(1,119)
Reconciliation of funds					
Total fund balances brought forward at 1 September 2018		1,752	(207)	50,018	51,563
Total fund balances carried forward at 31 August 2019		1,992	(552)	49,004	50,444

8 Staff

(a) Staff costs

Staff costs during the period were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	4,934	4,602
Social security costs	555	503
Pension costs	1,084	796
	6,573	5,901
Supply staff costs	236	382
Staff restructuring costs	—	2
	6,809	6,285

	2020 £'000	2019 £'000
Staff restructuring costs comprise		
Redundancy payments	—	2
	—	2

(b) Staff severance payments

There were no non-statutory/non-contractual severance payments in the year to 31 August 2020 (2019 – £2,000 made to one member of staff).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 expressed as full-time equivalents was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	79	81
Administration and support	27	24
Management	10	7
	116	112

8 Staff (continued)

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	3	3
£70,001 - £80,000	1	2
£80,001 - £90,000	3	1
£90,001 - £100,000	2	2
£110,001 - £120,000	—	1
£120,001 - £130,000	1	—
£150,001 - £160,000	—	1
£160,001 - £170,000	1	—
£180,001 - £190,000	—	1
£190,001 - £200,000	1	—
£270,001 - £280,000	—	1
£280,001 - £290,000	1	—

During the year ended 31 August 2020 employer's pension contributions for these staff amounted to £161,606 (2019 - £114,901).

(e) 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 employee pension contributions) received by key management personnel for their services to the academy trust was £1,134,000 (2019 - £1,044,000)

9 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration and other benefits was as follows:

	2020 £'000	2019 £'000
C Hall, Head and Governor		
. Remuneration	280 – 285	270 – 275
. Employer's pension contributions	—	—
D Chappell, Academy Head and Governor		
. Remuneration	190 – 195	185 – 190
. Employer's pension contributions	—	—

During the year ended 31 August 2020, no expenses were reimbursed to Governors (2019 – none).

Other related party transactions involving the governors are set out in note 22.

10 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2m on any one claim and is included as part of a wider insurance package. The cost in relation to the governors and officers is not separately identifiable.

11 Commercial trading operations

The charity has a wholly owned trading subsidiary, HPS Trading Limited which is incorporated in the UK. The company managed and operated lettings.

	2020 £'000	2019 £'000
Turnover	39	—
Costs of sales	(3)	—
Gross profit	36	—
Administration expenses	(36)	—
Profit on ordinary activities before taxation	—	—
Tax	—	—
Profit on ordinary activities after taxation	—	—

The assets and liabilities of the trading subsidiary were:

	2020 £	2019 £
Current assets	42	—
Creditors: amounts falling due within one year	(42)	—
Total assets less current liabilities	—	—

HPS Trading Limited was dormant until it became active on 1 September 2019.

12 Tangible fixed assets

Group and Holland Park School	Assets under construction £'000	Leasehold land and buildings (note 15) £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation						
At 1 September 2019	1,651	52,502	1,492	1,231	41	56,917
Additions	1,284	—	76	120	—	1,480
At 31 August 2020	2,935	52,502	1,568	1,351	41	58,397
Depreciation						
At 1 September 2019	—	6,300	883	1,019	32	8,234
Charge in year	—	1,050	157	148	2	1,357
At 31 August 2020	—	7,350	1,040	1,167	34	9,591
Net book value						
At 31 August 2020	2,935	45,152	528	184	7	48,806
At 31 August 2019	1,651	46,201	609	212	9	48,682

The lease for the land and buildings has not yet been finalised. However, the School is occupying and using the land and buildings, and hence their value has been included above.

13 Debtors

	Group 2020 £'000	Holland Park School 2020 £'000	Group 2019 £'000	Holland Park School 2019 £'000
Trade debtors	1	1	41	41
VAT recoverable	104	104	186	186
Prepayments and accrued income	110	110	138	138
Amounts owed from HPS Trading Limited	—	42	—	—
	215	257	365	365

14 Creditors: amounts falling due within one year

	Group 2020 £'000	Holland Park School 2020 £'000	Group 2019 £'000	Holland Park School 2019 £'000
Trade creditors	92	92	610	610
Taxation and social security	150	150	143	143
Accruals and deferred income	525	525	599	599
	767	767	1,352	1,352
Deferred income				
Deferred income at 1 September 2019	100	100	15	15
Released during the year	(100)	(100)	(15)	(15)
Resources deferred in the year	110	110	100	100
Deferred income at 31 August 2020	110	110	100	100

15 Contingent liability

The school, with the Royal Borough, has identified significant defects in the school building that will require considerable cost to rectify in future accounting periods. The school is working in collaboration with the Royal Borough to rectify these problems and actively seeking solutions. First, a continual ingress of water into the basement, which is causing flooding and potential irreparable damage to the swimming pool – this is compounded by concerns about the potential for unquantifiable structural damage within the basement; and second, concerns regarding the internal fire doors and their failure to meet required safety standards. At the date of approval of these accounts, the school does not have a reliable estimate as to how much this will ultimately cost and it is also unclear at what point in time the work will be required. The matter is further complicated by the lease status of the school and discussions are on-going with a view to determining who bears responsibility for carrying out this work. As a result, no adjustments have been made to the financial statements to recognise this future cost. Most latterly the DfE and the ESFA have been involved in extended dialogue between the school and the Royal Borough.

Notes to the consolidated financial statements 31 August 2020

16 Funds

Group	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	1,002	9,510	(8,448)	(339)	1,725
Pupil Premium	—	334	(334)	—	—
Other grants	59	81	(140)	—	—
Local Authority grants	238	337	(575)	—	—
Pension reserve	(1,851)	—	(334)	107	(2,078)
	(552)	10,262	(9,831)	(232)	(353)
Restricted fixed assets fund					
Transfer on conversion	46,538	—	(1,289)	—	45,249
DfE/ESFA capital grants	162	29	(4)	—	187
Capital expenditure from GAG	2,304	—	(64)	1,130	3,370
	49,004	29	(1,357)	1,130	48,806
Total restricted funds	48,452	10,291	(11,188)	898	48,453
Unrestricted funds					
General funds	599	87	—	—	686
HPS Trading Limited	—	39	(39)	—	—
Designated funds	1,393	—	—	(791)	602
Total unrestricted funds	1,992	126	(39)	(791)	1,288
Total funds	50,444	10,417	(11,227)	107	49,471
	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Holland Park School					
Restricted general funds					
General Annual Grant (GAG)	1,002	9,510	(8,448)	(339)	1,725
Pupil Premium	—	334	(334)	—	—
Other grants	59	81	(140)	—	—
Local Authority grants	238	337	(575)	—	—
Pension reserve	(1,851)	—	(334)	107	(2,078)
	(552)	10,262	(9,870)	(232)	(353)
Restricted fixed assets fund					
Transfer on conversion	46,538	—	(1,289)	—	45,249
DfE/ESFA capital grants	162	29	(4)	—	187
Capital expenditure from GAG	2,304	—	(64)	1,130	3,370
	49,004	29	(1,357)	1,130	48,806
Total restricted funds	48,452	10,291	(11,188)	898	48,453
Unrestricted funds					
General funds	599	87	—	—	686
Designated funds	1,393	—	—	(791)	602
Total unrestricted funds	1,992	87	—	(791)	1,288
Total funds	50,444	10,378	(11,188)	107	49,471

16 Funds (continued)

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Fixed assets fund

These grants relate to capital funding to carry out works of a capital nature. The transfer between funds related to the purchase of capital items using ESFA restricted or unrestricted general funds.

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

Designated funds

The designated funds are resources that the trustees have set aside to meet the costs of future work on the refurbishment of Thorpe Lodge.

Comparative information

Comparative information in respect of the preceding period is as follows:

Group	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	644	9,119	(8,527)	(234)	1,002
Pupil Premium	—	360	(360)	—	—
Other grants	59	270	(270)	—	59
Local Authority grants	238	315	(315)	—	238
Pension reserve	(1,148)	—	(258)	(445)	(1,851)
	(207)	10,064	(9,730)	(679)	(552)
Restricted fixed assets fund					
Transfer on conversion	47,810	—	(1,272)	—	46,538
DfE/ESFA capital grants	98	83	(19)	—	162
Capital expenditure from GAG	2,110	—	(40)	234	2,304
	50,018	83	(1,331)	234	49,004
Total restricted funds	49,811	10,147	(11,061)	(445)	48,452
Unrestricted funds					
General funds	262	240	—	97	599
Designated funds	1,490	—	—	(97)	1,393
Total unrestricted funds	1,752	240	—	—	1,992
Total funds	51,563	10,387	(11,061)	(445)	50,444

Notes to the consolidated financial statements 31 August 2020

16 Funds (continued)

Holland Park School	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	644	9,119	(8,527)	(234)	1,002
Pupil Premium	—	360	(360)	—	—
Other grants	59	270	(270)	—	59
Local Authority grants	238	315	(315)	—	238
Pension reserve	(1,148)	—	(258)	(445)	(1,851)
	(207)	10,064	(9,730)	(679)	(552)
Restricted fixed assets fund					
Transfer on conversion	47,810	—	(1,272)	—	46,538
DfE/ESFA capital grants	98	83	(19)	—	162
Capital expenditure from GAG	2,110	—	(40)	234	2,304
	50,018	83	(1,331)	234	49,004
Total restricted funds	49,811	10,147	(11,061)	(445)	48,452
Unrestricted funds					
General funds	262	240	—	97	599
Designated funds	1,490	—	—	(97)	1,393
Total unrestricted funds	1,752	240	—	—	1,992
Total funds	51,563	10,387	(11,061)	(445)	50,444

17 Analysis of net assets between funds

Group	Designated fund £'000	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	—	48,806	48,806
Current assets	602	686	2,492	—	3,780
Current liabilities	—	—	(767)	—	(767)
Pension scheme liability	—	—	(2,078)	—	(2,078)
Total net assets	602	686	(353)	48,806	49,471
Holland Park School					
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	—	48,806	48,806
Current assets	602	686	2,492	—	3,780
Current liabilities	—	—	(767)	—	(767)
Pension scheme liability	—	—	(2,078)	—	(2,078)
Total net assets	602	686	(353)	48,806	49,471

17 Analysis of net assets between funds

Group	Designated fund £'000	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2019 £'000
<i>Fund balances at 31 August 2019 are represented by:</i>					
Tangible fixed assets	—	—	—	48,682	48,682
Current assets	599	1,393	2,651	322	4,965
Current liabilities	—	—	(1,352)	—	(1,352)
Pension scheme liability	—	—	(1,851)	—	(1,851)
Total net assets	599	1,393	(552)	49,004	50,444

Holland Park School	Designated fund £'000	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2019 £'000
<i>Fund balances at 31 August 2019 are represented by:</i>					
Tangible fixed assets	—	—	—	48,682	48,682
Current assets	599	1,393	2,651	322	4,965
Current liabilities	—	—	(1,352)	—	(1,352)
Pension scheme liability	—	—	(1,851)	—	(1,851)
Total net assets	599	1,393	(552)	49,004	50,444

18 Capital commitments

Group and Holland Park School	2020 £'000	2019 £'000
Contracted for, but not provided in the financial statements	602	1,393

The capital commitment included above represents amounts to be used to complete the redevelopment of Thorpe Lodge.

19 Commitments under operating leases**Operating leases**

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

Group and Holland Park School	2020 £'000	2019 £'000
Amounts due within one year	23	93
Amounts due between one and five years	—	23
	23	116

20 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

21 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

No contributions were payable to the schemes at 31 August 2020 (2019 – no contributions payable at the year end and included within creditors).

The Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the period amounted to £602,000 (2019 - £399,000).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £258,000 (2019 - £231,000), of which employer's contributions totalled £183,000 (2019 - £169,000) and employees' contributions totalled £75,000 (2019 - £62,000).

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

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.20%	3.65%
Rate of increase for pensions in payment / inflation	2.20%	2.15%
Discount rate for scheme liabilities	1.65%	1.90%

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 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.7

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	486	378
Discount rate -0.1%	(524)	(402)
Mortality assumption – 1 year increase	523	404
Mortality assumption – 1 year decrease	(488)	(376)
Salary +0.1%	505	390
Salary -0.1%	(505)	(390)
Pension +0.1%	524	402
Pension -0.1%	(487)	(378)

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	3,043	2,450
Property	199	119
Cash and other liquid assets	23	9
Investment funds	—	279
Other	702	474
Total market value of assets	3,967	3,331
Present value of scheme		
Funded	(6,045)	(5,182)
Deficit in the scheme	(2,078)	(1,851)

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost	299	228
Interest income	(66)	(79)
Net interest cost	99	108
Admin expenses	2	1
Total amount recognised in the SOFA	334	258

	2020 £'000	2019 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2019	5,182	3,972
Current service cost	482	325
Interest cost	99	108
Employee contributions	75	62
Actuarial loss (gain)	210	644
Benefits paid	(3)	(1)
Past service cost	—	72
At 31 August 2020	6,045	5,182

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	3,331	2,824
Interest income	66	79
Actuarial gain	317	199
Employer contributions	183	169
Employee contributions	75	62
Administration expenses	(2)	(1)
Benefits paid	(3)	(1)
At 31 August 2020	3,967	3,331

22 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Holland Park School Trust (charity registration number 1108984) was formed to support the Academy by funding initiatives which improve behaviour in and out of school and increase the performance and opportunities of the students. During the year, Anne Marie Carrie and Michael Tory, who are governors of the Academy, were also trustees of the Holland Park School Trust. During the year, the Academy received donations totalling £62,652 (2019 - £78,400) from the Holland Park School Trust. This funded a range of extra-curricular activities (including the Breakfast Club and Fitness 300 Club) that the Academy would have otherwise been unable to run.

The academy trust did not enter into any other related party transactions in the year (2019 – none).

23 Teaching School

The results for the year of the Teaching School were as follows:

	2020	2019
	£'000	£'000
Income		
<i>Direct income</i>		
Teaching School Core Grant	—	40
School Direct grants	—	6
Total income	—	46
Expenditure		
<i>Direct costs</i>		
Staff costs	—	46
Total direct costs	—	46
<i>Other costs</i>		
Support staff costs	—	—
Total other costs	—	—
Total expenditure	—	46
Teaching school balances at 1 September 2019	—	—
Teaching school balances at 31 August 2020	—	—