

**Company Limited by Guarantee**  
**Registration number: 7661205 (England and Wales)**

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

# **THE HOLT SCHOOL**

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# THE HOLT SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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|                                    |   |  |
|------------------------------------|---|--|
| <b>Members</b>                     | Mr David Ronald Fisher<br>Mr Ian Gowlett<br>Mr Toby Marsden<br>Mr Peter Mercer<br>Mrs Sandra Miall<br>Mrs Lynne Griffith<br>Mr Ron Stewart  |  |
| <b>Governors</b>                   | Mr Graham Blogg<br>Mr Christopher Cottam<br>Ms Fiona Cross (appointed 19 October 2015)<br>Mr William Grainger Ferguson (appointed 19 October 2015)<br>Mr David Ronald Fisher (term of office ended 18 June 2016)<br>Mr Ian Gowlett (resigned 4 July 2016)<br>Mrs Lynne Elizabeth Griffith (term of office ended 18 June 2016)<br>Mr Toby Marsden<br>Mr Peter Mercer (Chairman)<br>Mrs Sandra Clare Miall<br>Mrs Jan Percival (term of office ended 4 July 2016)<br>Miss Suzanne Richards<br>Mrs Charlotte Selby<br>Mrs Arvind Kaur Sidhu<br>Mrs Wendy Simmons<br>Mr Richard Smith<br>Mrs Yvonne Joy Smith<br>Mr Ronald Thomas Stewart<br>Mr Jonathan Patrick Taylor<br>Ms Margaret Taylor (resigned 6 October 2015)<br>Mrs Michelle Worthington |  |
| <b>Company Secretary</b>           | Mrs Janet Perry   |  |
| <b>Senior Leadership Team</b>      | Miss Suzanne Richards<br>Mrs Anne Kennedy Deputy<br>Mrs Katie Pearce Deputy<br>Mr Ben Adams Assistant<br>Mrs Kate Rees-Royal<br>Mrs Janet Perry   | Headteacher<br>Deputy Headteacher<br>Deputy Headteacher<br>Assistant Headteacher<br>Assistant Headteacher<br>School Business Manager |
| <b>Registered Office</b>           | The Holt School<br>Holt Lane<br>Wokingham<br>Berkshire<br>RG41 1EE  |  |
| <b>Company Registration Number</b> | 07661205  |  |
| <b>Auditors</b>                    | Crowe Clark Whitehill LLP<br>Aquis House<br>49-51 Blagrove Street<br>Reading<br>Berkshire<br>RG1 1PL  |  |

# **THE HOLT SCHOOL**

## **REPORT OF THE GOVERNORS**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 23-27 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, the charities SORP (FRS102), and the Academies Accounts Direction.

The trust operates an academy for girls aged 11-16 and a co-educational 6<sup>th</sup> form serving a catchment area in central Wokingham. It has a student capacity in the main school of 1020 in 2015/16 and had a roll of 1001 in the school census on 11<sup>th</sup> October 2015 and an additional 255 students in the 6<sup>th</sup> form.

#### **Structure, Governance and Management**

##### **Constitution**

The Holt School is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 7<sup>th</sup> June 2011 and The Holt School converted to an Academy on 1<sup>st</sup> July 2011.

The governors act as the trustees for the charitable activities of The Holt School and as directors of the Charitable Company for the purposes of company law. The Charitable Company is incorporated as The Holt School.

Details of the governors who served The Holt School throughout 2015/16 are included in the Reference and Administrative details on page 1.

##### **Members' Liability**

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

##### **Governors' (Directors') Indemnities**

As discussed in note 10.

##### **Method of Recruitment and Appointment or Election of Governors / Directors**

The Academy's Directors are subject to re-election every four years although this time limit does not apply to the Head teacher. New directors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.'

##### **Policies and Procedures Adopted for the Induction and Training of Governors**

The School continues to procure Governor Support services provided by Wokingham Borough Council, the local authority. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

# THE HOLT SCHOOL

## REPORT OF THE GOVERNORS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### **Organisation Structure**

The structure of the School consists of three senior levels: the Board of Directors (Governing Body), the Head teacher and the broader Senior Leadership Team which includes Deputy Head Teachers, Assistant Head Teachers and the School Business Manager. Together this group comprise the key management personnel. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the School nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the School's policies, adopting the School Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the School including its curriculum, the achievement and welfare of students and staffing.

The Head teacher and Senior Leadership Team control the School at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established three sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Head teacher (The Accounting Officer) and to the Senior Leadership Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-Committee detail the School's authorised spending limits.

The sub-committees of the Governing Body for the year 2015/16 are the,

- Strategic Planning Committee
- Standards and Curriculum Committee
- Finance and Premises Committee

Groups of governors may be formally organised outside of the sub-committee structure to support the School as required, to consider:

- Head teacher, and SLT recruitment.
- Appraisal of the Head teacher
- Pupil Discipline
- Staff Discipline
- Complaints
- Significant areas of change management, i.e. a major building project

The Strategic Planning Committee reviews annually the governance arrangements for the school and makes recommendations for changes to the Full Governing Body. A review was undertaken in March 2015 and concluded that in the year 2015-16 the committees for Finance and Site and Buildings would be merged under the title of Finance and Premises so as to operate more effectively in the light of more tightened financial circumstances. No further changes are proposed for the coming year.

#### **Policy for setting the remuneration of Key Management Personnel**

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other local academies from time to time to ensure that The Holt remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

**THE HOLT SCHOOL**  
**REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Connected Organisations including Related Party Relationships**

During 2015-16, the Academy continued to work with The Emmbrook School providing shared sixth form classes and furthering the pursuit of the Academy's charitable activities to meet the needs of 6<sup>th</sup> form students in a cost effective way whilst taking advantage of teaching expertise across the local schools. In addition, a Senior Leader has been seconded for the equivalent of one day per week in the first instance to lead and develop the MFL department at a school in Maidenhead.

The link with Wellington College through the ISSP (Independent State School Partnership) has continued offering numerous opportunities across a wide range of subjects for the most able, gifted and talented students including Oxbridge interview support. Following Wellington's designation as a Teaching School The Holt joined the Wellington Teaching School Alliance and are engaging in the NCTL "Big 6" – ITT (Initial Teacher Training), SLE (Specialist Leaders of Education), School to School Support, Research and Development, CPD/Leadership Development and Succession Planning and talent management.

The school is also a member of the Wokingham Federation of Secondary Schools and is a founding member of the Girls School Network (which includes all the girls schools in Berkshire (Baylis Court, Kendrick, Newlands, Reading Girls and Windsor Girls). Through these networks The Holt have shared practice, giving and receiving, across a range of whole school (e.g. internet safety, alternative curriculum,) and subject specific (e.g. mfl, maths, art) areas.

Our Head teacher also continues to be an Ofsted Inspector and is able to share good practice within and beyond the school.

**Objectives and Principal Activities**

The Holt School is a girls' comprehensive which is consistently oversubscribed and highly regarded.

Founded in 1931, The Holt School is proud of its history and promotes traditional values alongside 21st century learning. Our mission statement "To inspire all members of The Holt community by challenging them to maintain a safe and caring environment in which they achieve success whilst preparing for a future in an ever changing global society" regularly shortened to "Inspire, challenge, achieve" underpins all that we do.

The object of The Holt School is set out in the Company's Articles of Association, namely "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".

**Public Benefit**

In setting objectives and planning the Academy's activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

**Strategic Report**

**Achievements and Performance in the year 2015-16**

The main activity during the period under review was to continue to ensure that students' attainment and achievement was outstanding.

# THE HOLT SCHOOL

## REPORT OF THE GOVERNORS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### Strategic Report (continued)

Significant achievements include:

- Our best ever examination results at GCSE, placing the school 33<sup>rd</sup> in the list of top comprehensive schools in the country for 5A\*-C including English and maths results (83.9%) and 16<sup>th</sup> nationally for A\*-A results (45%). For the first time Key Stage 4 had an Alps report which placed the school along with the very best in the country (Alps band 1) with better or equal to the best score achieved in the indicator – 'outstanding value added'.
- At A Level (year 13, upper sixth) success continued with 28.6%, of A\*A grades and A\*-C of 81.1%, (giving the school a grading of Alps band 4).
- Providing a wide ranging programme of enrichment activities, including the production of Oliver to full houses over four nights in November 2015, 82 day trips/events (not including sports fixtures and events) and 14 residential school trips, 10 of which were overseas.
- Success in the Magistrates Trials – the school reached the National Finals and came 6<sup>th</sup> out of 350 entrants.
- A significant growth in the level of support provided to a wide range of schools by an increasing number of staff recognising levels of expertise available
- A programme of staff cpd, assemblies, display and department teaching embedding 'Growth Mindset' amongst students and broadening to include Character education more generally.
- Success in our bid to the EFA for funding for a new Sixth Form block. Building is now underway and completion is anticipated by November 2016

Tables 1 and 2 below provide a summary of the School's performance in the summer 2016 examination season:

**Table 1. Comparison of GCSE examination results**

|                              | 2015  | 2016  | National average |
|------------------------------|-------|-------|------------------|
| No. of students              | 196   | 193   | -                |
| A*-A                         | 41.1% | 45%   | 21%              |
| 5A*-C                        | 92.3% | 89.6% | 69%              |
| 5A*-C Inc. English and Maths | 83.7% | 83.9% | 50%              |
| 5A*-G                        | 100%  | 99.8% | 98.6%            |

**Table 2. Comparison of A2 Examination results**

|                  | 2015  | 2016  | National average |
|------------------|-------|-------|------------------|
| A*               | 8.6%  | 9.2%  | 8.2%             |
| A*-A             | 28.7% | 28.6% | 25%              |
| A*-B             | 58%   | 57%   | 52%              |
| A*-C             | 82.7% | 81.1% | 77.3%            |
| A*-E (pass rate) | 98.8% | 98.9% | 98%              |
| Alps VA Grade    | 3     | 4     |                  |

**THE HOLT SCHOOL**  
**REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Objectives for 2016-17, Strategies and Activities**

The Board of Directors have set the School's strategic aims through the School Improvement Plan. These aims are monitored closely by the Board of Directors by way of Head teacher and Senior Leadership Team Reports and through the work of the sub committees.

The whole school Improvement Plan 2016-17 is set against the key priority of Teaching and Learning (T&L) supported by:

- 1: Pedagogy; including a focus on the disadvantaged
- 2: Curriculum; including a focus on Assessment
- 3: Stakeholders; underpinned by the continued development of 'character' education (including Growth Mindset) and coaching
4. Environment; ensuring students care for their environment

The key targets for the forthcoming year are:

| Area               | Description  | Target |
|--------------------|--|--------|
| <b>Key Stage 4</b> | 5 A*-C grades at GCSE  | 94%    |
|                    | 5 A*-C at GCSE including maths and English   | 92.5%  |
|                    | 5 A*-C at GCSE including maths, English, Science and a humanities subject and a language | 77%    |
|                    | Students achieving 8+ A*/A   | 35%    |
|                    | 1+ A*-G at GCSE including  | 100%   |
|                    | Average point score per student  | 56.9   |
|                    | Average point score per entry  | 6.6    |
| <b>Key Stage 5</b> | Overall VA Grade   | 3      |
|                    | Single T Score   | 2      |
| <b>Attendance</b>  | Absence not to exceed  | 3.5%   |

**Plans for Future Periods**

The Holt School strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education, training or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The School believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the School strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

**Going Concern**

After consideration of the school's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Directors have a reasonable expectation that the School has and will continue to have adequate resources to enable it to be a sustainable going concern in 2016/17 and for the foreseeable future. For this reason the School continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.



**THE HOLT SCHOOL**  
**REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Key Financial Performance Indicators and Financial Review**

The Academy received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2015/16:

**Restricted General Fund**

The majority of the Academy's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £6,139,258; expenditure against the fund was £6,091,933 giving a restricted revenue fund carry forward of (£17,121) after a transfer to capital fund of £33,000 and before accounting for the pension deficit.

**Unrestricted Funds**

Income received into the Unrestricted Fund was £521,261. This was predominantly attributable to the school's in-house catering and local authority funding for statemented pupils. Expenditure against the fund was £446,200 for the year, giving an Unrestricted Fund carry forward of £391,968.

**Restricted Other Funds**

The Academy also received private income of £260,514 of restricted funds due mainly to the large number of school trips as the school has 'International School' status. Expenditure against this fund was £333,435, giving a Restricted Other Funds carry forward of £56,285.

**Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund totalled £1,221,920 and included Formula Capital Funding of £26,472, a CIF grant of £1,128,000 towards a new sixth form centre, donations of £67,448 and a transfer of £33,000 from the Restricted General Fund to meet in-year and future capital funding requirements. The balance remaining at the end of the financial year after in year capital purchases and the sixth form centre stage payments was £1,307,737.

Further payments of £1,165,999 are committed to the sixth form project in 2016-17 which is expected to be completed by November 2016.

The SOFA details a £16,256,916 Restricted Fixed Asset Fund year end position after transfers between funds. This is detailed in note 16 to the accounts.

**Summary of Financial Performance**

Fund balances as at 31<sup>st</sup> August 2016 totalled £13,986,290. This is comprised of £391,968 of Unrestricted Funds, £2,718,879 (deficit) of Restricted General Funds (after accounting for pension deficit of £2,736,000), £16,256,916 of Restricted Fixed Asset Funds and £56,285 of Restricted Other Funds.

**THE HOLT SCHOOL**  
**REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students. Some assets were let to the local community, predominantly for sports and a holiday activity club.

The net book value of the Academy's tangible fixed assets was £14,949,179 as at 31<sup>st</sup> August 2016. The movement in this account is detailed in note 12.

Cash in hand at 31<sup>st</sup> August 2016 was £877,368 and short-term investments totalled £1,013,094.

The Reserves and Investment Policies are detailed below.

**Reserves level and policy**

The Board of Directors reviews the Academy's Reserve Policy annually. The Board of Directors have determined that the appropriate level of revenue reserves should continue to be a minimum of £200,000. The policy of the Academy is to ensure a carry forward of a prudent level of resources designed to meet the challenges of anticipated future falls in revenue funding due to national educational funding cuts, to meet the long-term cyclical needs of capital maintenance and to provide for any other unforeseen contingencies.

The Academy's free reserves as at 31st August 2016 were £465,374. This represents an increase of £148,467 on the previous year which the Board of Directors considers prudent given the Academy's long term budget forecast which indicates future years where in-year deficits may be seen pending action needed to balance the budget.

**Principal Risks and Uncertainties**

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

During the year 2015-16 the governors have given particular regard to mitigating the following risks:

- A potential fall in demand in pupil numbers following the opening of a new secondary school locally and increased competition for sixth form places. Applications to join the school in Year 7 have remained oversubscribed and a new Sixth Form centre is being built to enhance Sixth Form facilities
- The requirement for Trustees to have sufficient expertise following the retirement/resignation of two governors with Accounting expertise. The Trustees have recruited for 2016-17 a new governor with relevant qualifications in this respect.
- The valuation of the defined benefit pension scheme is a liability of £2,736,000. On the balance sheet, this is offset by Academy's reserves.

**THE HOLT SCHOOL**  
**REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Investment Policy**

The Academy has invested the sum of £103,979 with Scottish Widows Bank and £909,115 on a Lloyds Bank 32 day notice account. These are a low risk short term investments. The objective of these accounts are to hold the Academy's reserve at low risk.

The Academy does not have any endowment funds.

**Funds held as Custodian Trustee on behalf of others**

Neither The Holt School or the Board of Directors / Trustees are acting as third party custodial trustees.

**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.

A resolution to appoint Auditors for the period 2016-17 will be proposed at the Annual General Meeting following the retender of the contract in the Autumn term.

The report of the Directors was approved by the members of the Governing Body on 5<sup>th</sup> December 2016 and signed on its behalf by:



**Peter Mercer**  
**Chair of Governors**



**Miss S Richards**  
**Accounting Officer**

**THE HOLT SCHOOL**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that The Holt 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Holt School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The Governing Body has formally met four times during the period covered by these accounts. Attendance during the period at meetings of the Governing Body was as follows:

| Governor                 | Meetings attended | Out of a possible |
|--------------------------|-------------------|-------------------|
| Mr Graham Blogg          | Two               | Four              |
| Mr Christopher Cottam    | Four              | Four              |
| Mr David Fisher          | One               | Three             |
| Mrs Fiona Cross          | Three             | Three             |
| Mr Grainger Ferguson     | Three             | Three             |
| Mr Ian Gowlett           | Three             | Four              |
| Mrs Lynne Griffith       | Three             | Three             |
| Mr Toby Marsden          | Three             | Four              |
| Mr Peter Mercer          | Four              | Four              |
| Mrs Sandra Miall         | Four              | Four              |
| Mrs Jan Percival         | Two               | Four              |
| Miss Suzanne Richards    | Four              | Four              |
| Mrs Charlotte Selby      | One               | Four              |
| Mrs Arvind Sidhu         | Three             | Four              |
| Mrs Wendy Simmons        | Four              | Four              |
| Mr Richard Smith         | Four              | Four              |
| Mrs Yvonne Smith         | Four              | Four              |
| Mr Ronald Stewart        | Four              | Four              |
| Mr Jonathan Taylor       | Three             | Four              |
| Mrs Michelle Worthington | Three             | Four              |

During the year Mr Ian Gowlett resigned and Mr David Fisher, Mrs Lynne Griffith, Mrs Margaret Taylor and Mrs Jan Percival retired as governors and two new governors were appointed; Mr Grainger Ferguson and Mrs Fiona Cross, (parent governors).

**Governance reviews**

The Finance and Premises Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. During the period, the committee has focused on continuing to ensure good financial practice and policy and that the school budget is used to meet the schools objectives whilst maintaining a secure financial position in the context of reducing school budgets.

**THE HOLT SCHOOL**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Strategic Planning Committee reviews annually the overall governance arrangements for the school and makes recommendations for changes to the Full Governing Body. A review was undertaken in March 2015 and concluded that in the 2015-16 financial year the Finance Committee and Site and Buildings Committee would be merged under the title of Finance and Premises Committee so as to operate more effectively in the light of tightened financial circumstances. Membership of the Strategic Planning Committee was also increased to include the chair and vice-chairs of all other sub committees.

Attendance at meetings in the year was as follows:

| <b>Governor</b>       | <b>Meetings attended</b> | <b>Out of a possible</b> |
|-----------------------|--------------------------|--------------------------|
| Mr Graham Blogg       | Four                     | Four                     |
| Mr Chris Cottam       | Three                    | Four                     |
| Mr Grainger Ferguson  | Three                    | Three                    |
| Mr David Fisher       | Three                    | Four                     |
| Mr Ian Gowlett        | Two                      | Four                     |
| Mr Peter Mercer       | Three                    | Four                     |
| Mrs Sandra Miall      | Two                      | Four                     |
| Mrs Jan Percival      | Three                    | Four                     |
| Miss Suzanne Richards | Four                     | Four                     |
| Mrs Wendy Simmons     | Four                     | Four                     |
| Mrs Yvonne Smith      | Four                     | Four                     |
| Ms Margaret Taylor    | One                      | One                      |

**Review of Value for Money**

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

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

- With over 80% of school expenditure on staffing, all appointments have been very carefully considered and one Head of Faculty post has not been replaced.
- Staff cover for absence of staff due to illness has been provided by existing staff regularly throughout the year rather than employing agency staff
- The school's curriculum at Key Stages 4 and 5 were reviewed and a few courses attracting low numbers of students were not run.
- Other income is generated for the benefit of the school through donations from The Holt School Trust, The Holt Association and The Holt Parent Teachers' Association. The School has also increased its income from support provided to other schools by Senior Leaders within the year.

**THE HOLT SCHOOL**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Holt School for the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, independent checks of the financial controls, systems, transactions and risks have been carried out during the year and were undertaken by a peer review in the autumn and summer term. Reports to the Finance and Premises Committee advised on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. During the period, no material control issues have been identified requiring remedial action. A termly programme of ongoing peer review has been agreed for the year 2016-17.

**THE HOLT SCHOOL**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Review of Effectiveness**

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

- the work of peer review;
- The Academies Financial Handbook;
- the work of the external auditor;
- the work of the School Business Manager within the academy trust who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and is pleased to report that no weaknesses have been identified. A programme of further review will however ensure continuous development of the system is in place.

Approved by order of the members of the governing body on 5<sup>th</sup> December 2016 and signed on its behalf by:



Mr Peter Mercer  
Chair of Governors



Miss Suzanne Richards  
Accounting Officer

**THE HOLT SCHOOL**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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As accounting officer of the Holt School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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

**Miss Suzanne Richards**  
**Accounting Officer**

A handwritten signature in black ink, appearing to read 'Suzanne Richards', written over a dotted line.



**THE HOLT SCHOOL**  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors (who are also directors of The Holt School for the purposes of company law) are responsible for preparing the Governors' Annual Report, Strategic Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2015 and the Academies Accounts Direction 2015 to 2016.
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

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

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

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

Approved by order of the members of the governing body on 5 December 2016 and signed on its behalf by:



**Mr Peter Mercer**  
**Chair of Governors**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLT SCHOOL**

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We have audited the financial statements of The Holt School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLT SCHOOL (CONTINUED)**

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### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept; 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.



Janette Joyce  
Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date: 9.12.16

## **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE GOVERNING BODY OF THE HOLT SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 July 2015 (and amended on 3 October 2012) and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Holt School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Holt School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Holt School's funding agreement with the Secretary of State of Education dated 16 June 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

## INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE GOVERNING BODY OF THE HOLT SCHOOL AND THE EDUCATION FUNDING AGENCY

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### Approach (continued)

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

### Conclusion

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

*Crowe Clark Whitehill LLP*

**Crowe Clark Whitehill LLP**  
Reporting Accountant  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date: 9.12.16

**THE HOLT SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

|   | Notes | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>General<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | 2016<br>Total<br>£ | 2015<br>Total<br>£ |
|---|-------|---------------------------------|-------------------------------------|---|--------------------|--------------------|
| <b>Income from:</b>   |       |                                 |                                     |   |                    |                    |
| Donations and capital grants                                | 4     | 1,355                           | 8,611                               | 1,221,920                               | 1,231,886          | 47,674             |
| <i>Charitable activities:</i>                               |       |                                 |                                     |   |                    |                    |
| Funding for the academy trust's educational operations      | 5     | 59,958                          | 6,357,207                           | -                                       | 6,417,165          | 6,597,556          |
| Other trading activities                                    | 6     | 451,309                         | 33,954                              | -                                       | 485,263            | 497,419            |
| Investments – Bank interest                                 |       | <u>8,639</u>                    | <u>-</u>                            | <u>-</u>                                | <u>8,639</u>       | <u>3,753</u>       |
| <b>Total</b>  |       | <u>521,261</u>                  | <u>6,399,772</u>                    | <u>1,221,920</u>                        | <u>8,142,953</u>   | <u>7,146,402</u>   |
| <b>Expenditure on:</b>                                      |       |                                 |                                     |   |                    |                    |
| <i>Charitable activities:</i>                               |       |                                 |                                     |   |                    |                    |
| Academy's educational operations                            | 7     | <u>446,200</u>                  | <u>6,456,368</u>                    | <u>398,599</u>                          | <u>7,301,167</u>   | <u>7,497,734</u>   |
| <b>Total resources expended</b>                             |       | <u>446,200</u>                  | <u>6,456,368</u>                    | <u>398,599</u>                          | <u>7,301,167</u>   | <u>7,497,734</u>   |
| <b>Net income/(expenditure)</b>                             |       | 75,061                          | (56,596)                            | 823,321                                 | 841,786            | (351,332)          |
| <b>Transfers between funds</b>                              | 16    | -                               | (33,000)                            | 33,000                                  | -                  | -                  |
| <b>Other recognised gains/(losses)</b>                      |       |                                 |                                     |   |                    |                    |
| Actuarial (losses)/gains on defined benefit pension schemes |       | <u>-</u>                        | <u>(1,216,000)</u>                  | <u>-</u>                                | <u>(1,216,000)</u> | <u>15,000</u>      |
| <b>Net movement in funds</b>                                |       | 75,061                          | (1,305,596)                         | 856,321                                 | (374,214)          | (336,332)          |
| <b>Reconciliation of funds</b>                              |       |                                 |                                     |   |                    |                    |
| Total funds brought forward                                 |       | <u>316,907</u>                  | <u>(1,356,998)</u>                  | <u>15,400,595</u>                       | <u>14,360,504</u>  | <u>14,696,836</u>  |
| <b>Total funds carried forward</b>                          |       | <u>391,968</u>                  | <u>(2,662,594)</u>                  | <u>16,256,916</u>                       | <u>13,986,290</u>  | <u>14,360,504</u>  |

COMPANY NUMBER: 7661205

**THE HOLT SCHOOL**

**BALANCE SHEET**

**31 AUGUST 2016**

|  | Note | 2016<br>£          | 2015<br>£          |
|--|------|--------------------|--------------------|
| <b>Fixed assets</b>                            |      |                    |                    |
| Tangible assets                                | 12   | <u>14,949,179</u>  | <u>15,135,380</u>  |
| <b>Current assets</b>                          |      |                    |                    |
| Debtors  | 13   | 169,750            | 185,420            |
| Short-term deposits                            |      | 1,013,094          | 605,399            |
| Cash at bank and in hand                       |      | <u>877,368</u>     | <u>232,968</u>     |
|  |      | 2,060,212          | 1,023,787          |
| <b>Current liabilities</b>                     |      |                    |                    |
| Creditors: amounts falling due within one year | 14   | <u>(287,101)</u>   | <u>(309,663)</u>   |
| <b>Net current assets</b>                      |      | <u>1,773,111</u>   | <u>714,124</u>     |
| <b>Net assets excluding pension liability</b>  |      | 16,722,290         | 15,849,504         |
| Defined benefit pension scheme liability       | 25   | <u>(2,736,000)</u> | <u>(1,489,000)</u> |
| <b>Total net assets</b>                        |      | <u>13,986,290</u>  | <u>14,360,504</u>  |
| <b>Funds of the academy trust</b>              |      |                    |                    |
| <b>Restricted funds</b>                        |      |                    |                    |
| General funds                                  | 16   | 73,406             | 132,002            |
| Pension deficit reserve                        | 16   | (2,736,000)        | (1,489,000)        |
| Fixed asset fund                               | 16   | <u>16,256,916</u>  | <u>15,400,595</u>  |
| <b>Total restricted funds</b>                  |      | 13,594,322         | 14,043,597         |
| <b>Unrestricted funds</b>                      |      |                    |                    |
| General funds                                  | 16   | <u>391,968</u>     | <u>316,907</u>     |
| <b>Total funds</b>                             | 17   | <u>13,986,290</u>  | <u>14,360,504</u>  |

The financial statements were approved by the Directors and authorised for issue on ..... and are signed on their behalf by

.....  
**Mr P Mercer**  
**Chair of Governors**

The notes on pages 23 – 42 form part of these financial statements

**THE HOLT SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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|   | Notes | 2016<br>£'000           | 2015<br>£'000         |
|---|-------|-------------------------|-----------------------|
| Cash flows from operating activities              | 22    | 33,934                  | 216,099               |
| Cash flows from investing activities              | 23    | <u>1,018,161</u>        | <u>(23,006)</u>       |
| Change in cash and cash equivalents in the year   |       | 1,052,095               | 193,093               |
| Cash and cash equivalents at 1 September 2015     |       | <u>838,367</u>          | <u>645,274</u>        |
| Total cash and cash equivalents at 31 August 2016 | 24    | <u><u>1,890,462</u></u> | <u><u>838,367</u></u> |

The notes on pages 23 – 42 form part of these financial statements



**THE HOLT SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. CHARITY INFORMATION**

The principal activity of the Holt School is to provide secondary education for pupils aged 11 to 18. The Trust is an exempt charity and a company limited by guarantee (company number: 07661205). It is incorporated and domiciled in the UK. The address of the registered office is The Holt School, Holt Lane, Wokingham, Berkshire, RG41 1EE.

**2. ACCOUNTING POLICIES**

**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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Holt School meets the definition of a public benefit entity under FRS 102.

**Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval 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.

**Incoming resources**

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

**Grants receivable**

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

**General Annual Grant**

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**

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 Sheet in the restricted fixed asset fund.

**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 the receipt is probable and it can be measured reliably.

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

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**2. ACCOUNTING POLICIES (continued)**

**Incoming resources (continued)**

**Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

**Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Interest receivable is included within the statement of financial activities on a receivable basis.

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is classified by activity. Where costs cannot be directly attributed to a particular activity they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

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**2. ACCOUNTING POLICIES (continued)**

**Tangible Fixed Assets**

Assets costing £1,000 or more, which have been acquired since the Academy was established, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Long leasehold land and buildings that were acquired when the academy was established are now valued at depreciated replacement cost, in accordance with a site valuation received from the EFA (undertaken by Drivers Jonas Deloitte). The governors are not expecting to revalue the property in the future.

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 the 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 Trust's depreciation policy.

It is the academy trust's policy to transfer any amounts in the Unrestricted Fund that have been spent on capitalised fixed assets to the Restricted Fixed Asset Fund. This policy has been formally approved, minuted and adopted by the Governing Body.

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

|                              |     |
|------------------------------|-----|
| Leasehold land and buildings | 2%  |
| Fixtures and fittings        | 20% |
| Motor vehicles               | 20% |
| Plant and machinery          | 20% |
| Computer equipment           | 33% |

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.

Included within fixed assets is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Maintained School. This took place in the period ended 31 August 2012. The Academy received a site valuation from EFA on a Depreciated Replacement cost basis (undertaken by Drivers Jonas Deloitte).

**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.

**Financial instruments**

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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**2. ACCOUNTING POLICIES (continued)**

**Operating Leases**

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

**Taxation**

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

**Pension Schemes**

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 quinquennial valuations using a prospective benefit method. As stated in Note 25, 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 as they are paid each year.

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 funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are applied to capital purposes imposed by funders.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the lender/donor and include grants from the Education Funding Agency (EFA)

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

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**2. ACCOUNTING POLICIES (continued)**

**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.

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Other than the LGPS noted above, the Trustees consider that there are no other material judgements in applying accounting policies or key sources of estimation uncertainty.

**3. FIRST TIME ADOPTION OF CHARITIES SORP (FRS 102)**

These financial statements are the first financial statements of The Holt School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Holt School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

The policies applied under the entity's previous accounting framework are not materially different to Charities SORP 2015 (FRS102) and have not impacted on reserves or the Statement of Financial Activities.

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

**4. DONATIONS AND CAPITAL GRANTS**

|  | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£      | Total<br>2015<br>£   |
|--|---------------------------------|--------------------------|-------------------------|----------------------|
| <b>Capital grants</b>                  |                                 |                          |                         |                      |
| Devolved formula capital grant         | -                               | 26,472                   | <b>26,472</b>           | 26,123               |
| Other capital grants                   | -                               | 17,448                   | <b>17,448</b>           | 9,057                |
| Other EFA Grants                       | -                               | 1,128,000                | <b>1,128,000</b>        | -                    |
| <b>Donations</b>                       |                                 |                          |                         |                      |
| Donation from The Holt<br>School Trust | -                               | 50,000                   | <b>50,000</b>           | -                    |
| Other donations                        | <u>1,355</u>                    | <u>8,611</u>             | <u><b>9,966</b></u>     | <u>12,494</u>        |
|  | <u><b>1,355</b></u>             | <u><b>1,230,531</b></u>  | <u><b>1,231,886</b></u> | <u><b>47,674</b></u> |

**5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

|                                | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£      | Total<br>2015<br>£      |
|--------------------------------|---------------------------------|--------------------------|-------------------------|-------------------------|
| <b>DfE/EFA revenue grants</b>  |                                 |                          |                         |                         |
| General Annual Grant (GAG)     | -                               | 5,988,563                | <b>5,988,563</b>        | 6,184,245               |
| Other DfE / EFA / ESG grants   | <u>-</u>                        | <u>150,695</u>           | <u><b>150,695</b></u>   | <u>101,236</u>          |
|                                | -                               | 6,139,258                | <b>6,139,258</b>        | 6,285,481               |
| <b>Other Government grants</b> |                                 |                          |                         |                         |
| Special educational projects   | <u>59,958</u>                   | <u>-</u>                 | <u><b>59,958</b></u>    | <u>55,432</u>           |
|                                | <b>59,958</b>                   | <b>6,139,258</b>         | <b>6,199,216</b>        | 6,340,913               |
| School trip income             | <u>-</u>                        | <u>217,949</u>           | <u><b>217,949</b></u>   | <u>256,643</u>          |
|                                | <u><b>59,958</b></u>            | <u><b>6,357,207</b></u>  | <u><b>6,417,165</b></u> | <u><b>6,597,556</b></u> |

**6. OTHER TRADING ACTIVITIES**

|                    | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£    | Total<br>2015<br>£    |
|--------------------|---------------------------------|--------------------------|-----------------------|-----------------------|
| Hire of facilities | 42,372                          | -                        | <b>42,372</b>         | 41,156                |
| Sales materials    | 33,469                          | -                        | <b>33,469</b>         | 30,713                |
| Catering fees      | 297,150                         | -                        | <b>297,150</b>        | 301,583               |
| Examination fees   | 11,247                          | -                        | <b>11,247</b>         | 9,076                 |
| Casual letting     | 6,946                           | -                        | <b>6,946</b>          | 6,815                 |
| Other income       | <u>60,125</u>                   | <u>33,954</u>            | <u><b>94,079</b></u>  | <u>108,076</u>        |
|                    | <u><b>451,309</b></u>           | <u><b>33,954</b></u>     | <u><b>485,263</b></u> | <u><b>497,419</b></u> |

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

**7. RESOURCES EXPENDED**

|   | Staff costs<br>£        | Premises<br>£         | Other costs<br>£        | Total<br>2016<br>£      | Total<br>2015<br>£      |
|---|-------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| <b>Academy's educational operations</b> |                         |                       |                         |                         |                         |
| Direct costs                            | 4,363,767               | 398,599               | 629,183                 | <b>5,391,549</b>        | 5,535,647               |
| Allocated support costs                 | <u>737,977</u>          | <u>497,411</u>        | <u>674,230</u>          | <b><u>1,909,618</u></b> | <u>1,962,087</u>        |
| <b>Total</b>                            | <b><u>5,101,744</u></b> | <b><u>896,010</u></b> | <b><u>1,303,413</u></b> | <b><u>7,301,167</u></b> | <b><u>7,497,734</u></b> |

|  | Un-restricted Funds<br>£ | Restricted Funds<br>£   | Total<br>2016<br>£      | Total<br>2015<br>£      |
|--|--------------------------|-------------------------|-------------------------|-------------------------|
| <b>Direct costs</b>                          |                          |                         |                         |                         |
| Teaching and educational support staff costs | 59,958                   | 4,303,809               | <b>4,363,767</b>        | 4,434,336               |
| Depreciation                                 | -                        | 398,599                 | <b>398,599</b>          | 429,727                 |
| Educational supplies                         | 3,271                    | 440,762                 | <b>444,033</b>          | 467,243                 |
| Examination fees                             | -                        | 139,886                 | <b>139,886</b>          | 125,886                 |
| Staff development                            | -                        | 12,671                  | <b>12,671</b>           | 31,713                  |
| Educational consultancy                      | -                        | 880                     | <b>880</b>              | 880                     |
| Other direct costs                           | <u>-</u>                 | <u>31,713</u>           | <b><u>31,713</u></b>    | <u>45,862</u>           |
|  | <u>63,229</u>            | <u>5,328,320</u>        | <b><u>5,391,549</u></b> | <u>5,535,647</u>        |
| <b>Allocated support costs</b>               |                          |                         |                         |                         |
| Support staff costs                          | 88,656                   | 649,321                 | <b>737,977</b>          | 812,112                 |
| Recruitment                                  | -                        | 12,926                  | <b>12,926</b>           | 19,003                  |
| Maintenance of plant and equipment           | 82,398                   | 193,182                 | <b>275,580</b>          | 308,195                 |
| Cleaning                                     | -                        | 125,836                 | <b>125,836</b>          | 102,740                 |
| Rent & rates                                 | -                        | 33,390                  | <b>33,390</b>           | 33,528                  |
| Insurance                                    | -                        | 34,988                  | <b>34,988</b>           | 44,009                  |
| Security and transport                       | -                        | 13,812                  | <b>13,812</b>           | 11,975                  |
| Catering                                     | 209,528                  | 34,090                  | <b>243,618</b>          | 228,464                 |
| Bank interest and charges                    | -                        | 6,902                   | <b>6,902</b>            | 7,232                   |
| School trips                                 | -                        | 268,094                 | <b>268,094</b>          | 195,933                 |
| Other support costs                          | 2,389                    | 137,186                 | <b>139,575</b>          | 169,375                 |
| Governance costs                             | <u>-</u>                 | <u>16,920</u>           | <b><u>16,920</u></b>    | <u>29,521</u>           |
|  | <u>382,971</u>           | <u>1,526,647</u>        | <b><u>1,909,618</u></b> | <u>1,962,087</u>        |
| <b>Total</b>                                 | <b><u>446,200</u></b>    | <b><u>6,854,967</u></b> | <b><u>7,301,167</u></b> | <b><u>7,497,734</u></b> |

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

**8. STAFF**

**Staff costs**

|                                     | 2016<br>£               | 2015<br>£               |
|-------------------------------------|-------------------------|-------------------------|
| Staff costs during the period were: |                         |                         |
| Wages and salaries                  | 4,104,245               | 4,228,613               |
| Social security costs               | 323,450                 | 294,385                 |
| Pension costs                       | <u>674,049</u>          | <u>723,450</u>          |
|                                     | <u><b>5,101,744</b></u> | <u><b>5,246,448</b></u> |

**Staff numbers**

|  | 2016<br>No. | 2015<br>No. |
|--|-------------|-------------|
|--|-------------|-------------|

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

**Charitable Activities**

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Teachers                   | 82                | 81                |
| Administration and support | 41                | 43                |
| Management                 | <u>6</u>          | <u>6</u>          |
|                            | <u><b>129</b></u> | <u><b>130</b></u> |

|  | 2016<br>No. | 2015<br>No. |
|--|-------------|-------------|
|--|-------------|-------------|

**Higher paid staff**

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

|                    |          |          |
|--------------------|----------|----------|
| £60,001 - £70,000  | 3        | 2        |
| £90,001 - £100,000 | <u>1</u> | <u>1</u> |

Three of the above employees participated in the Teachers' Pension Scheme and one participated in the Local Government Pension Scheme. During the year ended 31 August 2016, pension contributions for these members of staff amounted to £48,153, (2015: £41,448).

**Key management personnel**

Key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £635,932 (2015: £569,866).



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

**9. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES**

The Head Teacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as Governors. The value of their remuneration was as follows:

Suzanne Richards, Head Teacher:

Remuneration £90,000 - £95,000 (2015: £90,000-£95,000)

Employer's pension contributions were £15,000 - £20,000 (2015: £10,000 - £15,000).

Yvonne Smith, Staff Governor:

Remuneration: £45,000 - £50,000 (2015: £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2015: £5,000 - £10,000)

Michelle Worthington, Staff Governor:

Remuneration £40,000 - £45,000 (2015: £50,000 - £55,000)

Employer's pension contributions: £5,000 - £10,000 (2015: £5,000 - £10,000)

Wendy Simmons, Staff Governor:

Remuneration £20,000 - £25,000 (2015: £20,000 - £25,000)

Employer's pension contributions: £1,000 - £5,000 (2015: £1,000 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £88.10 (2015: £32.60) were reimbursed to 2 staff governors.

**10. GOVERNORS' AND OFFICERS' INSURANCE**

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

**11. NET INCOME/(EXPENDITURE) FOR THE PERIOD**

Net income/(expenditure) for the period is stated after charging:

|   | 2016<br>£      | 2015<br>£      |
|---|----------------|----------------|
| Operating leases - rentals                | <u>9,666</u>   | <u>54,710</u>  |
| Depreciation                              | <u>398,599</u> | <u>429,727</u> |
| Governance costs:                         |                |                |
| Auditor's remuneration for audit services | 10,800         | 10,500         |
| Auditor's remuneration for other services | 2,035          | 2,894          |
| Legal and professional fees               | <u>4,085</u>   | <u>16,127</u>  |
|   | <u>16,920</u>  | <u>29,521</u>  |

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

**12. TANGIBLE FIXED ASSETS**

|                       | Leasehold<br>Buildings<br>£ | Leasehold<br>Land<br>£ | Assets<br>under<br>construction<br>£ | Computer<br>Equipment<br>£ | Furniture<br>fittings and<br>equipment<br>£ | Motor<br>vehicles | Total<br>£        |
|-----------------------|-----------------------------|------------------------|--------------------------------------|----------------------------|---|-------------------|-------------------|
| <b>Cost</b>           |                             |                        |                                      |                            |   |                   |                   |
| At 1 September 2015   | 14,146,958                  | 1,784,485              | 15,550                               | 427,986                    | 212,651                                     | 10,096            | 16,597,726        |
| Additions             | -                           | -                      | 145,996                              | 24,336                     | 42,066                                      | -                 | 212,398           |
| At 31 August 2016     | <u>14,146,958</u>           | <u>1,784,485</u>       | <u>161,546</u>                       | <u>452,322</u>             | <u>254,717</u>                              | <u>10,095</u>     | <u>16,810,124</u> |
| <b>Depreciation</b>   |                             |                        |                                      |                            |   |                   |                   |
| At 1 September 2015   | 1,046,701                   | -                      | -                                    | 324,669                    | 85,553                                      | 5,423             | 1,462,346         |
| Charged in period     | <u>279,306</u>              | <u>-</u>               | <u>-</u>                             | <u>71,619</u>              | <u>45,650</u>                               | <u>2,024</u>      | <u>398,599</u>    |
| At 31 August 2016     | <u>1,326,007</u>            | <u>-</u>               | <u>-</u>                             | <u>396,288</u>             | <u>131,203</u>                              | <u>7,447</u>      | <u>1,860,945</u>  |
| <b>Net book value</b> |                             |                        |                                      |                            |   |                   |                   |
| At 31 August 2016     | <u>12,820,951</u>           | <u>1,784,485</u>       | <u>161,546</u>                       | <u>56,034</u>              | <u>123,514</u>                              | <u>2,649</u>      | <u>14,949,179</u> |
| At 1 September 2015   | <u>13,100,257</u>           | <u>1,784,485</u>       | <u>15,550</u>                        | <u>103,317</u>             | <u>127,098</u>                              | <u>4,673</u>      | <u>15,135,380</u> |

The net book value of leasehold buildings of £12,820,951 represents long leasehold land and buildings that were acquired when the Academy was established, and are now valued at depreciated replacement cost, in accordance with a site valuation received from the EFA (undertaken by Drivers Jonas Deloitte) as at 31 August 2012. The leasehold property is depreciated over the life of the lease of 50 years.

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

**13. DEBTORS**

|                                | 2016<br>£             | 2015<br>£             |
|--------------------------------|-----------------------|-----------------------|
| Trade debtors                  | 8,932                 | 13,405                |
| Other debtors                  | 41,680                | 47,734                |
| Prepayments and accrued income | <u>119,138</u>        | <u>124,281</u>        |
|                                | <u><b>169,750</b></u> | <u><b>185,420</b></u> |

**14. CREDITORS: amounts falling due within one year**

|                                    | 2016<br>£             | 2015<br>£             |
|------------------------------------|-----------------------|-----------------------|
| Trade creditors                    | 39,915                | 29,736                |
| Other taxation and social security | 83,801                | 89,835                |
| Other creditors                    | 100,138               | 79,294                |
| Accruals                           | 33,687                | 80,143                |
| Deferred income (see below)        | <u>29,560</u>         | <u>30,655</u>         |
|                                    | <u><b>287,101</b></u> | <u><b>309,663</b></u> |

The deferred income balance represents the accrued liability under the contracts by the EFA for rates relief, as well as catering income. The movements during the year are detailed as follows:-

|  | 2016<br>£              | 2015<br>£              |
|--|------------------------|------------------------|
| Deferred income as at 1 September 2015 | 30,655                 | -                      |
| Fees received on account               | 29,560                 | 30,655                 |
| Fees utilised                          | <u>(30,655)</u>        | <u>-</u>               |
| Deferred income as at 31 August 2016   | <u><b>£ 29,560</b></u> | <u><b>£ 30,655</b></u> |

**15. FINANCIAL INSTRUMENTS**

Financial assets held at amortised value include cash, trade debtors, other debtors, accrued income and cash in hand. Financial liabilities held at amortised value include pension deficit, trade creditors, other creditors and accruals.

Financial assets have given rise to interest received of £ 8,639 and financial liabilities gave rise to interest costs of £Nil.

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

**16. STATEMENT OF FUNDS**

|                                    | <i>Balance at 1<br/>September<br/>2015<br/>£</i> | <i>Incoming<br/>Resources<br/>£</i> | <i>Resources<br/>expended<br/>£</i> | <i>Gains,<br/>Losses and<br/>Transfers<br/>£</i> | <i>Balance at<br/>31 August<br/>2016<br/>£</i> |
|------------------------------------|--|-------------------------------------|-------------------------------------|--|--|
| <b>Restricted General Funds</b>    |  |                                     |                                     |  |  |
| General Annual Grant               | 2,417  | 6,044,968                           | (5,997,860)                         | (33,000)   | 16,525   |
| Other EFA grants                   | <u>379</u>                                       | <u>94,290</u>                       | <u>(94,073)</u>                     | <u>-</u>   | <u>596</u>                                     |
|                                    | 2,796  | 6,139,258                           | (6,091,933)                         | (33,000)   | 17,121   |
| School fund                        | <u>129,206</u>                                   | <u>260,514</u>                      | <u>(333,435)</u>                    | <u>-</u>   | <u>56,285</u>                                  |
|                                    | 132,002  | 6,399,772                           | (6,425,368)                         | (33,000)   | 73,406   |
| Pension deficit reserve            | <u>(1,489,000)</u>                               | <u>-</u>                            | <u>(31,000)</u>                     | <u>(1,216,000)</u>                               | <u>(2,736,000)</u>                             |
|                                    | <u>(1,356,998)</u>                               | <u>6,399,772</u>                    | <u>(6,456,368)</u>                  | <u>(1,249,000)</u>                               | <u>(2,662,594)</u>                             |
| <b>Restricted Fixed Asset Fund</b> |  |                                     |                                     |  |  |
| Fixed assets                       | 15,135,380                                       | -                                   | (398,599)                           | 212,398  | 14,949,179                                     |
| DfE/EFA capital grants             | <u>265,215</u>                                   | <u>1,221,920</u>                    | <u>-</u>                            | <u>(179,398)</u>                                 | <u>1,307,737</u>                               |
|                                    | <u>15,400,595</u>                                | <u>1,221,920</u>                    | <u>(398,599)</u>                    | <u>33,000</u>                                    | <u>16,256,916</u>                              |
| <b>Unrestricted funds</b>          | <u>316,907</u>                                   | <u>521,261</u>                      | <u>(446,200)</u>                    | <u>-</u>   | <u>391,968</u>                                 |
| <b>Total funds</b>                 | <u>14,360,504</u>                                | <u>8,142,953</u>                    | <u>(7,301,167)</u>                  | <u>(1,216,000)</u>                               | <u>13,986,290</u>                              |

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

**Restricted General Funds**

Represents EFA grants (including GAG), which must be used to meet the cost of running The Holt School. As at 31 August 2016 it also includes those funds previously described as "Restricted Other Funds", being donations, trip and fundraising income generated by the school, which is for restricted use.

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 as at 31 August 2016.

**Restricted Fixed Asset Funds**

Represents the value of fixed asset held by the academy trust, with the exception of funds either of an inherently capital nature, or allocated by the governing body for future capital spend, that remain unspent at the year end.

**Transfers**

These relate to monies spent from GAG or Unrestricted Funds to purchase capitalised assets in during the year.

**Unrestricted Funds**

Represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Fund<br>£ | Total<br>£        |
|--------------------------|----------------------------|-------------------------------------|--|-------------------|
| Tangible fixed assets    | -                          | -                                   | 14,949,179                             | 14,949,179        |
| Current assets           | 391,968                    | 360,507                             | 1,307,737                              | 2,060,212         |
| Current liabilities      | -                          | (287,101)                           | -                                      | (287,101)         |
| Pension scheme liability | -                          | (2,736,000)                         | -                                      | (2,736,000)       |
|                          | <u>391,968</u>             | <u>(2,662,594)</u>                  | <u>16,256,916</u>                      | <u>13,986,290</u> |

**18. CAPITAL COMMITMENTS**

At 31 August 2016 there were capital commitments of £1,165,999 (2015: £Nil), relating to the construction of a new sixth form block.

**19. FINANCIAL COMMITMENTS**

**Operating leases**

At 31 August 2016 the academy trust had future minimum lease payments under non-cancellable operating leases as follows:

|                                     | 2016<br>£    | 2015<br>£     |
|-------------------------------------|--------------|---------------|
| <b>Other</b>                        |              |               |
| Within one year                     | 2,416        | 10,002        |
| Within two and five years inclusive | <u>-</u>     | <u>2,416</u>  |
|                                     | <u>2,416</u> | <u>12,418</u> |

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

**20. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy.
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**21. MEMBERS' LIABILITIES**

Every member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the 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 contributions amongst themselves.

**22. CASH FLOWS FROM OPERATING ACTIVITIES**

|  | 2016<br>£            | 2015<br>£             |
|--|----------------------|-----------------------|
| Net income/(expenditure) for the year (as per the statement of financial activities) | 841,786              | (351,332)             |
| Depreciation   | 398,599              | 429,727               |
| Interest received  | (8,639)              | (3,753)               |
| Capital grants received  | (1,221,920)          | (26,123)              |
| Capital donations received   | -                    | (9,057)               |
| Defined benefit pension scheme finance cost  | 31,000               | 134,000               |
| Decrease in debtors  | 15,670               | 75,219                |
| (Decrease) in creditors  | <u>(22,562)</u>      | <u>(32,582)</u>       |
| <b>Net cash provided by/(used in) operating activities</b>                           | <b><u>33,934</u></b> | <b><u>216,099</u></b> |

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

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**23. CASH FLOWS FROM INVESTING ACTIVITIES**

|  | 2016<br>£               | 2015<br>£              |
|--|-------------------------|------------------------|
| Interest received                                      | 8,639                   | 3,753                  |
| Purchase of tangible fixed assets                      | (212,398)               | (61,939)               |
| Capital grants received                                | 1,221,920               | 26,123                 |
| Capital donations received                             | <u>-</u>                | <u>9,057</u>           |
| <b>Cash provided by/(used in) investing activities</b> | <b><u>1,018,161</u></b> | <b><u>(23,006)</u></b> |

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|  | 2016<br>£               | 2015<br>£             |
|--|-------------------------|-----------------------|
| Short-term deposits                    | 1,013,094               | 605,399               |
| Cash in hand and at bank               | <u>877,368</u>          | <u>232,968</u>        |
| <b>Total cash and cash equivalents</b> | <b><u>1,890,462</u></b> | <b><u>838,367</u></b> |

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

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**25. PENSIONS AND SIMILAR OBLIGATIONS**

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

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £514,362 (2015: £460,480) and at the year-end £67,043 (2015 - £62,888) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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



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

**25. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £176,000 (2015: £184,000), of which employer's contributions totalled £128,687 (2015: £129,970). At the year-end £15,608 (2015: £14,715) was accrued in respect of contributions to this scheme. The agreed contribution rates for future years are 18.7 per cent for employers and from 5.5 to 7.5 per cent for employees.

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

| <b>Principal actuarial assumptions</b>             | <b>At 31 August<br/>2016</b> | <b>At 31 August<br/>2015</b> |
|--|------------------------------|------------------------------|
| Rate of increase in salaries                       | <b>4.1%</b>                  | 4.4%                         |
| Rate of increase for pensions in payment/inflation | <b>2.3%</b>                  | 2.6%                         |
| Discount rate for scheme liabilities               | <b>2.2%</b>                  | 4.0%                         |
| Inflation assumption (CPI)                         | <b>2.3%</b>                  |                              |
| Commutation of pensions to lump sums               | <b>50%</b>                   |                              |

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

| <b>Principal actuarial assumptions</b> | <b>At 31 August<br/>2016</b> | <b>At 31 August<br/>2015</b> |
|--|------------------------------|------------------------------|
| <i>Retiring today</i>                  |                              |                              |
| Males                                  | <b>22.9%</b>                 | 22.8%                        |
| Females                                | <b>26.2%</b>                 | 26.1%                        |
| <i>Retiring in 20 years</i>            |                              |                              |
| Males                                  | <b>25.2%</b>                 | 25.1%                        |
| Females                                | <b>28.5%</b>                 | 28.4%                        |

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

**25. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

|  | <b>Expected<br/>return at 31<br/>August<br/>2016</b> | <b>Fair value at<br/>31 August<br/>2016<br/>£'000</b> | <b>Expected<br/>return at 31<br/>August<br/>2015</b> | <b>Fair value<br/>at 31 August<br/>2015<br/>£'000</b> |
|--|--|---|--|---|
| Equities                               | 49%  | 764   | 45%  | 566   |
| Gilts                                  | 2%   | 25  | 1%   | 17  |
| Other bonds                            | 14%  | 214   | 13%  | 159   |
| Property                               | 13%  | 203   | 14%  | 170   |
| Cash                                   | 4%   | 66  | 5%   | 62  |
| Target return portfolio                | 16%  | 250   | 18%  | 226   |
| Commodities                            | 2%   | 37  | 4%   | 48  |
| Infrastructure                         | 5%   | 77  | 4%   | 54  |
| Longevity insurance                    | (4)%   | (65)  | (4)%   | (49)  |
| Alternative assets                     | n/a%   | <u>n/a</u>  | n/a%   | <u>n/a</u>  |
| <b>Total market value of assets</b>    |  | <b>1,571</b>  |  | <b>1,253</b>  |
| Present value of scheme liabilities    |  |   |  |   |
| - Funded                               |  | <u><b>(4,307)</b></u>                                 |  | <u><b>(2,742)</b></u>                                 |
| <b>Surplus/(deficit) in the scheme</b> |  | <u><b>(2,736)</b></u>                                 |  | <u><b>(1,489)</b></u>                                 |

The actual return on scheme assets was £164,000. (2015: £26,000).

**Amount recognised in the statement of financial activities**

|   | <b>2016<br/>£000</b> | <b>2015<br/>£000</b> |
|---|----------------------|----------------------|
| Current service cost (net of employee contributions)                      | 212                  | 228                  |
| Net interest income/(costs)   | 57                   | 100                  |
| Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement | <u>-</u>             | <u>(58)</u>          |
| <b>Total operating charge</b>   | <u><b>269</b></u>    | <u><b>270</b></u>    |

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

**25. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

Changes in the present value of defined benefit obligations were as follows:

|   | 2016<br>£000        | 2015<br>£000        |
|---|---------------------|---------------------|
| <b>At 1 September</b>   | <b>2,742</b>        | <b>2,456</b>        |
| Current service cost  | 212                 | 228                 |
| Interest cost   | 110                 | 100                 |
| Employee contributions  | 48                  | 48                  |
| Actuarial (gain)/loss   | 1,216               | (58)                |
| Expected benefits paid/(net transfers in)                         | (21)                | (43)                |
| Plan introductions, benefit changes, curtailments and settlements | <u>-</u>            | <u>11</u>           |
| <b>At 31 August</b>   | <b><u>4,307</u></b> | <b><u>2,742</u></b> |

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

|   | 2016<br>£000        | 2015<br>£000        |
|---|---------------------|---------------------|
| <b>At 1 September</b>   | <b>1,253</b>        | <b>1,086</b>        |
| Interest income   | 53                  | -                   |
| Return on plan assets (excluding net interest on the net defined pension liability) | 111                 | 69                  |
| Actuarial gain/(loss)   | -                   | (43)                |
| Employer contributions  | 128                 | 136                 |
| Employee contributions  | 48                  | 48                  |
| Benefits paid   | (21)                | (43)                |
| Administration expenses   | <u>(1)</u>          | <u>-</u>            |
| <b>At 31 August</b>   | <b><u>1,571</u></b> | <b><u>1,253</u></b> |

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

**26. COMPARATIVE 2015 STATEMENT OF FINANCIAL ACTIVITIES**

|   | Un-<br>restricted<br>Funds<br>£ | Restricted<br>Funds<br>General<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | 2015<br>Total<br>£ |
|---|---------------------------------|-------------------------------------|---|--------------------|
| <b>Income and endowments</b>                                      |                                 |                                     |   |                    |
| Donations and capital grants                                      | 2,040                           | 10,454                              | -                                       | 12,494             |
| <i>Charitable activities:</i>                                     |                                 |                                     |   |                    |
| Funding for the Academy's<br>educational operations               | 55,432                          | 6,542,124                           | 35,180                                  | 6,632,736          |
| Other trading activities  | 452,248                         | 45,171                              | -                                       | 497,419            |
| Investments   | <u>3,753</u>                    | <u>-</u>                            | <u>-</u>                                | <u>3,753</u>       |
| <b>Total</b>  | <u>513,473</u>                  | <u>6,597,749</u>                    | <u>35,180</u>                           | <u>7,146,402</u>   |
| <b>Expenditure on:</b>  |                                 |                                     |   |                    |
| <i>Charitable activities:</i>                                     |                                 |                                     |   |                    |
| Academy's educational operations                                  | <u>306,105</u>                  | <u>6,761,902</u>                    | <u>429,727</u>                          | <u>7,497,734</u>   |
| <b>Total resources expended</b>                                   | <u>306,105</u>                  | <u>6,761,902</u>                    | <u>429,737</u>                          | <u>7,497,734</u>   |
| <b>Net income/(expenditure)</b>                                   | 207,368                         | (164,153)                           | (394,547)                               | (351,332)          |
| Transfers between funds   | (156,000)                       | -                                   | 156,000                                 | -                  |
| <b>Other recognised gains<br/>and losses</b>                      |                                 |                                     |   |                    |
| Actuarial gains/(losses) on<br>defined benefit pension<br>schemes | <u>-</u>                        | <u>15,000</u>                       | <u>-</u>                                | <u>15,000</u>      |
| <b>Net movement in funds</b>                                      | 51,368                          | (149,153)                           | (238,547)                               | (336,332)          |
| <b>Funds brought forward</b>                                      | <u>265,539</u>                  | <u>(1,207,845)</u>                  | <u>15,639,142</u>                       | <u>14,696,836</u>  |
| <b>Funds carried forward at<br/>31 August 2015</b>                | <u>316,907</u>                  | <u>(1,356,998)</u>                  | <u>15,400,595</u>                       | <u>14,360,504</u>  |