

Prenton High School for Girls
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the period ended
31 August 2012

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COMPANIES HOUSE

Company Registration No 07672980

Prenton High School for Girls

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	Mr J Roper, Chair	23 3 2014
	Mr T Harrison, Vice Chair	14 3 2015
	Mrs P Dixon, Headteacher	1 11 2015*
	Mr O Roberts	21 9 2012
	Mrs K Podmore	31 3 2013
	Mr C Pierce	8 7 2013
	Mrs C Knaggs	31 1 2014
	Mrs A Winter	14 10 2014
	Mr S Taylor	1 9 2013
	Mrs J Sloane	23 2 2016
	Mrs L Smith	10 3 2016

* Accounting officer

All the Governors listed above are also Trustees and Directors of the Company Limited by Guarantee

Principal and Registered Office

Hesketh Avenue,
Birkenhead,
Wirral,
CH42 6RR

Company Registration Number

07672980 (England and Wales)

Independent Auditor

Baker Tilly UK Audit LLP
Steam Mill
Steam Mill Street
Chester
CH3 5AN

Registered Bank

Lloyds TSB Bank PLC
355 Woodchurch Road
Prenton
CH42 8PE

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Prenton High School for Girls

GOVERNORS' REPORT

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy was incorporated on 16/06/2011 and opened as an Academy on 1/08/2011. The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the Trustees for the charitable activities of Prenton High School for Girls and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Prenton High School for Girls.

Details of the Governors, who served throughout the period except as noted, are included in the Reference and Administration Details on page 1.

Members' liability

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

Governors' Indemnities

Governors benefit from any indemnity insurance purchased at the Academy's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy.

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Principal Activities

The Academy's principal activity is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

GOVERNORS

Method of recruitment and appointment or election of Governors

On 1/08/2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement.

The number of Governors shall be not less than three but shall not be subject to any maximum.

Prenton High School for Girls

GOVERNORS' REPORT

The Academy shall have the following Governors

- a up to 9 Governors, appointed by Members
- b a minimum of 3 Parent Governors, elected by Parents
- c up to 2 Staff Governors, elected by staff and appointed by Members
- d the Principal (Headteacher)
- e up to 3 co-opted Governors, appointed by Governors

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Full Governing Body (GB) normally meets once each term. The GB establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The GB may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees as follows,

- Finance and Premises Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels.
- Audit Committee - this is made up of Governors who are not on the Finance Committee, including the Responsible Officer. It will meet 3 times a year. The Academy has in place a process for independent checking of financial controls, systems, transactions and risks.
- Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all curriculum issues.
- Pay and Personnel Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to all staffing and human resource issues.
- Pastoral Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to pastoral planning, communications and all pastoral issues including safeguarding.

The following decisions are reserved to the full GB, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Annual School Development Plan and budget.

The Members and Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteacher and the Director of Finance. The SLT implement the policies laid down by the Governors and report back to them on performance.

Prenton High School for Girls

GOVERNORS' REPORT

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Team, Senior Management Team and Subject and Pastoral Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and Director of Finance are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, although we endeavour to always include a Governor in staff appointment panels.

The Headteacher is the Accounting Officer.

Risk management

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

Connected Organisations, including Related Party Relationships

The Academy has an active Parent Teacher Association which acts as a consultative body as well as raising funds to support the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

The aims of the Academy during the period ended 31 August 2012 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners
- to develop the Academy site so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to maximise the number of students who achieve 5 A* - C GCSE grades including English and Maths and who achieve as a minimum expected levels of progress
- to provide value for money for the funds expended
- To develop and strengthen links with our partner primary schools, especially through English, Maths and Science collaborative work
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with industry and commerce
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

At Prenton High School for Girls we aim to get the best for, and from, each student. We intend to enable each student to realise her full academic, creative and physical potential and to develop positive social and moral

Prenton High School for Girls

GOVERNORS' REPORT

values Our Academy is an inclusive community in which students, staff and parents/carers should be part of a happy, safe, supportive, successful and caring environment

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan which is available from the School Office Improvement focuses identified for this year include

- To focus on ensuring that all students achieve 'expected progress' from KS2-4 as a minimum floor standard with particular focus on students within the FFTD 'U' ability band (See RAISE)
- To continue to increase the number of lessons judged as outstanding (OfSTED)
- To continue to increase the school roll and to be full in September 2013 (157 students)

Public Benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities

As an Academy we have a duty to support other schools We support these schools through use of our premises and specialist skills in Science, Art and Maths subjects with a focus on Literacy and Numeracy

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The Academy is in its first year of operation The total number of students at the January 2011 census was 661, rising to 718 in January 2012, an increase of 57

GCSE examination results for 2012 yet again represented an improvement with 93% of students achieving 5 or more A*-C grades compared to 87% in 2011, with 64% including English and Maths We received a letter of congratulations from the Director of Children & Young People's Services for surpassing the Fischer Family Trust (D)* predictions by over 4% The FFTD predictions for this cohort were 86% and 58% respectively
*FFTD data is based on prior attainment compared to the top 25% of all schools for value added

This is despite the issues encountered nationally due to the raising of the grade boundaries in AQA GCSE English

The school was awarded Bronze Eco Status and is well on the way for Silver

To ensure that standards are continually assessed and to support school improvement, the Academy operates a programme of self-evaluation including a programme of lesson observations which are undertaken by the Subject Leaders and the Senior Leadership Team

The Academy was inspected by OfSTED in May 2011 and was judged to be Outstanding

Continuing professional development for staff has been very successful Our Teaching Assistants have attended a wide variety of CPD courses covering Down's Syndrome, Orrets Meadow outreach, EAL, First Aid and Diabetes

Other staff have also been involved in a myriad of CPD opportunities including three members of our support staff are enrolled on the Certificate of School Business Administration with the NCSL, our Director of Finance

Prenton High School for Girls

GOVERNORS' REPORT

has successfully achieved her CIPFA, the teaching staff have been involved in a wide variety of CPD and training including the following -

- Leadership Development
- Senior Leadership Development
- OfSTED new Framework Training
- From Good to Outstanding
- Future Leaders
- Literacy
- CAD/CAM
- Teaching and Learning
- SISRA
- Safeguarding

Going Concern

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

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period under review, no amount of GAG was carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2012 were 718, an increase of 57 over 2011. It is anticipated that this number will continue to rise.

The following KPI's were set at the start of the year

	Target	Actual
GAG carry forward %	12% or less	0
Student attendance %	93%	94.8%
Exam success%	86% 5+A*-C 58% 5+A*-C inc En & Ma	93% 5+A*-C 64% 5+A*-C inc En & Ma

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the period ended 31 August 2012, total expenditure of £5,378k was partially covered by recurrent grant funding from the DfE, together with other incoming resources of £5,127k. The excess of expenditure over income for the period (excluding restricted fixed asset funds) was £251k before accounting for a £103k actuarial loss in the Local Government Pension Scheme liability.

At 31 August 2012 the net book value of fixed assets was £48k and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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As a PFI school the land and buildings and other assets were not transferred to the Academy upon conversion. Other assets, including all IT and reprographics equipment were transferred to the Academy and have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£607k) was transferred across on conversion and is shown as £570k Unrestricted Funds and £37k Restricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the period include the Scheme of Delegation and Terms of Reference which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Asset Management and Insurance, Accounting and Investment and Risk Management.

Governors appointed Mrs C Knaggs, a Governor who is not a member of the Finance Committee, to the role of Responsible Officer. Baker Tilly were engaged to undertake a programme of internal checks on financial controls as support to the Responsible Officer. During the period, the Governors received the initial report from Baker Tilly which contained no matters of significance.

Financial and Risk Management Objectives and Policies

The Academy has reviewed and up-dated the Risk Register and compiled a Risk Management Plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is not over-subscribed, and the birth rate continues to decline, the roll is continuing to rise. However risks to revenue funding from a falling roll remain a concern. However, the freeze on the Government's overall education budget, changes including funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows

Prenton High School for Girls

GOVERNORS' REPORT

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 88% of the Academy's incoming resources was ultimately Government funded however there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Reserves Policy

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

In the first year as an Academy the Governors have determined that there should be no set level of free cash reserves. The reason for this is to provide the flexibility to access sufficient working capital to cover delays between spending and receipt of grants, given the difficulties of the PFI scheme and to provide a cushion to deal with unexpected emergencies. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds and pension liability) is £605k in free reserves.

The Governors have reviewed the future plans of the Academy and have allocated reserves as follows:

- A new office for the Director of Finance (£30,000)
- Extension to the main reception (£50,000)
- New signage (£20,000)
- Up-grades to student toilets (£35,000)
- Rolling programme of IT equipment replacement (£35,000)
- New staging and lighting to the hall (£25,000)
- Changes within the staffing structure (under review)

Investment Policy

The Academy's Investment Strategy is as follows:

Prenton High School for Girls

GOVERNORS' REPORT

- 1 Regularly monitor Cash Flow and Current Account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments
- 2 The Academy will normally seek to avoid its current account going overdrawn
- 3 Identify funds surplus to immediate cash requirements and transfer to the Prenton High School for Girls (for the time being) Deposit Account bearing a higher interest rate
- 4 Periodically (at least annually) review interest rates and compare with other investment opportunities
- 5 The Academy's current policy is to only invest funds in risk free and immediately accessible deposit accounts
- 6 Any change in Policy requires the approval of Governors via the Finance and General Purposes Committee

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its students at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

We plan to maintain smaller than average class sizes and increase the number of specialist English and Maths staff and Teaching Assistants, which will reflect in the academic outcomes being improved.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

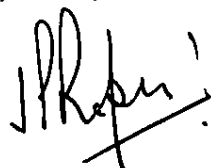
Auditors

Baker Tilly UK Audit LLP was appointed in the period and has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the members of the Governing Body on 13/12/12 and signed on its behalf by



Mr J P Roper
Chair of Governors

Prenton High School for Girls

GOVERNANCE STATEMENT

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Prenton High School for Girls 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 Prenton High School for Girls and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Prenton High School for Girls for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2012 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'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 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, the Governors have appointed Mrs C Knaggs a Governor who is not a member of the Finance Committee, as Responsible Officer ('RO'). The RO's role is supported by Baker Tilly who are employed on behalf of the Academy to give advice on financial matters and perform a range of checks on the Academy's financial systems. On a quarterly basis Baker Tilly report to the Governing Body via the Responsible Officer on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO is also supported by the external auditors in this role.

The RO function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of the RO's work have been identified.

Prenton High School for Girls

GOVERNANCE STATEMENT

Review of Effectiveness

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

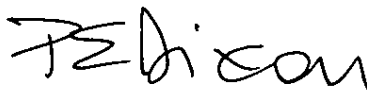
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the Academy Director of Finance who has responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 13/12/12 and signed on its behalf by



Mr J P Roper
Chair of Governors



Mrs P Dixon
Accounting Officer

Prenton High School for Girls

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Prenton High School for Girls I have considered my responsibility to notify the academy 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 and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date.



Mrs P Dixon
Accounting Officer

Date 13/12/12

Prenton High School for Girls

STATEMENT OF GOVERNORS' RESPONSIBILITIES

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for charitable activities of Prenton High School for Girls and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that 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,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

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

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform 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 13/12/12 and signed on its behalf by



Mr J P Roper
Chair of Governors

Prenton High School for Girls

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRENTON HIGH SCHOOL FOR GIRLS FOR THE PERIOD ENDING ON 31 AUGUST 2012

We have audited the financial statements of Prenton High School for Girls for the period ended 31 August 2012 on pages 15 to 37. 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 Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period 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:

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

Baker Tilly UK Audit LLP

ROGER DAVIES BA FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Steam Mill

Chester

CH3 5AN

Date *24 December 2012*

Prenton High School for Girls

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

for the period ended 31 August 2012

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2012 £'000
INCOMING RESOURCES					
Income from generated funds					
- Voluntary income		-	-	-	-
- Voluntary income – transfer from local authority on conversion	3	570	37	68	675
- Activities for generating funds	4	7	16	-	23
- Investment income	5	3	-	-	3
Income from charitable activities					
- Funding for the Academy's educational operations	2	29	4,382	15	4,426
Total incoming resources		609	4,435	83	5,127
RESOURCES EXPENDED					
Cost of generating funds					
- Costs of generating voluntary income		-	-	-	-
- Costs of activities for generating funds	6	4	-	-	4
Charitable activities					
- Academy's educational operations	7	-	4,241	38	4,279
Governance costs	8	-	43	-	43
Other resources expended – transfer from local authority on conversion	3	-	1,052	-	1,052
Total resources expended	6	4	5,336	38	5,378
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		605	(901)	45	(251)
Gross transfers between funds	15	-	(18)	18	-
NET INCOME FOR THE PERIOD		605	(919)	63	(251)
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial loss on defined benefit scheme	24	-	(103)	-	(103)
NET MOVEMENT IN FUNDS		605	(1,022)	63	(354)
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST	16	605	(1,022)	63	(354)

All of the Academy's activities derive from acquisitions and continuing operations during the current financial period

Prenton High School for Girls

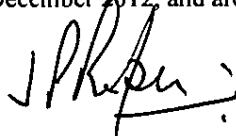
BALANCE SHEET

31 August 2012

Company Registration No 07672980

	Notes	2012 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	12		48
CURRENT ASSETS			
Debtors	13	83	
Cash at bank and in hand		1,078	
		<u>1,161</u>	
CREDITORS Amounts falling due within one year	14	352	
		<u></u>	
NET CURRENT ASSETS			809
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>857</u>
NET ASSETS EXCLUDING PENSION LIABILITY			857
Pension scheme liability	24		(1,211)
NET LIABILITY INCLUDING PENSION LIABILITY			<u>(354)</u>
THE FUNDS OF THE ACADEMY			
RESTRICTED FUNDS			
Fixed asset fund	15		63
General fund	15		189
			<u>252</u>
Restricted funds excluding pension reserve			(1,211)
Pension reserve	15		<u>(1,211)</u>
TOTAL RESTRICTED FUNDS			<u>(959)</u>
TOTAL UNRESTRICTED FUNDS	15		<u>605</u>
TOTAL FUNDS			<u>(354)</u>

The financial statements on pages 15 to 37 were approved by the governors and authorised for issue on 13th December 2012, and are signed on their behalf by


Mr J P Roper
 Chair of Governors

Prenton High School for Girls

CASH FLOW STATEMENT

for the period ended 31 August 2012

	Notes	2012 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	19	471
Returns on investments and servicing of finance	20	3
Capital expenditure	21	(3)
Cash transferred on conversion to an academy	3	607
INCREASE IN CASH IN THE PERIOD	22	<u>1,078</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		-
NET FUNDS AT 1 AUGUST 2011		<u> </u>
NET FUNDS AT 31 AUGUST 2012		<u>1,078</u>

All of the cash flows derive from acquisitions in the current financial period

Prenton High School for Girls

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies' Accounts Direction 2011/12 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Governors assess whether the use of the going concern basis 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 Academy to continue as a going concern. The Trustees make this assessment on a regular basis during the year and in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date the Academy had net liabilities of £354k after providing for long term pension scheme commitments of £1.2m in respect of the support staff defined benefit pension scheme. However the Academy had current assets of £809k and cash balances of £1.08m at 31 August 2012.

The Trustees have reviewed and approved budgets and cashflow forecasts for 2012/13 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

Conversion to an Academy

The conversion from a state maintained school to an academy, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Prenton High School for Girls. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift/as net expenditure in other resources expended in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 3.

Incoming resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

Donations are included recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

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

Prenton High School for Girls

ACCOUNTING POLICIES

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 in incoming resources, where the benefit to the Academy 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 category and depreciated over the useful economic life in accordance with Academy's policies.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs. All resources expended are inclusive of irrecoverable VAT.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency/Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/other funders, where the asset acquired or created is held for a specific purpose.

Where fixed assets are purchased out of unrestricted or general restricted funds then an amount equivalent to the additions are transferred to the restricted fixed asset fund in the period incurred and shown separately within the SOFA.

PFI Agreement

The Academy occupies buildings which are owned by Wirral Borough Council and utilised by the Academy under a PFI agreement. The Academy pays revenue contributions in respect of facilities management. The contract will expire on 31 July 2031. The Academy does not have any rights or obligations of ownership in respect of these assets and therefore they are not included on the Academy's balance sheet. The revenue payment is recognised in the SOFA. Where the Academy procures and pays for additional furniture or equipment or changes to the building, the costs are capitalised and depreciated in accordance with the tangible fixed asset policy below.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Prenton High School for Girls

ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets costing £2,500 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Fixtures & Fittings	25% - 50% straight line
ICT equipment	25% - 50% straight line

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

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 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 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme 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 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

1 GENERAL ANNUAL GRANT (GAG)

	2012 £'000
Results and carry forward for the period	
GAG brought forward from previous year	-
GAG allocation for current period	4,115
	<hr/>
TOTAL GAG AVAILABLE TO SPEND	4,115
Recurrent expenditure from GAG	(4,097)
Fixed assets purchased from GAG	(18)
	<hr/>
GAG CARRIED FORWARD TO NEXT YEAR	-
	<hr/>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	-
	<hr/>
GAG TO SURRENDER TO DfE (12% rule breached if result is positive)	-
	<hr/>
No Breach	

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

2 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000
DfE/YPLA/Other Government capital grants			
- DfE/EFA other capital grants	-	15	15
- Other Government capital grants	-	-	-
	-	15	15
DfE/YPLA revenue grants			
- General Annual Grant (GAG) (Note 1)	-	4,115	4,115
- Start up grants	-	15	15
- Other DfE/EFA grants	-	179	179
	-	4,309	4,309
Other Government grants			
- Schools' Standards Fund	-	-	-
- Other Government grants	21	29	50
	21	29	50
Other income	8	44	52
	29	4,397	4,426

Prenton High School for Girls **NOTES TO THE FINANCIAL STATEMENTS** for the period ended 31 August 2012

3 CONVERSION TO AN ACADEMY

On 1 August 2011 Prenton High School for Girls converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Prenton High School for Girls from the Local Authority for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised on each fund as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Voluntary income and other resources expended analysis:			
	TOTAL £000	Unrestricted Funds £000	Restricted General Fund £000	Restricted Fixed Asset Funds £000
Tangible fixed assets				
ICT equipment	68	-	-	68
School budget surplus from Wirral Local Authority	427	427	-	-
School fund account	180	143	37	-
LGPS pension deficit	(1,052)	-	(1,052)	-
Net liabilities	<u>(377)</u>	<u>570</u>	<u>(1,015)</u>	<u>68</u>

The above net liabilities include £607k that were transferred as cash

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £000	Restricted funds £000	Total 2012 £000
Sundry income	7	16	23
	<u>7</u>	<u>16</u>	<u>23</u>

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

5 INVESTMENT INCOME

	Unrestricted funds £000	Restricted funds £000	Total 2012 £000
Interest receivable	3	-	3
	<u>3</u>	<u>-</u>	<u>3</u>

6 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2012 £'000
Activities for Generating funds costs	4			4
Direct costs	2,850	37	129	3,016
Allocated support costs	386	-	877	1,263
	<u>3,240</u>	<u>37</u>	<u>1,006</u>	<u>4,283</u>
Governance costs including allocated support costs	-	-	43	43
LGPS Pension deficit transfer on conversion	-	-	1,052	1,052
	<u>-</u>	<u>-</u>	<u>1,095</u>	<u>1,095</u>
	<u>3,240</u>	<u>37</u>	<u>2,101</u>	<u>5,378</u>
				Total 2012 £'000
Net incoming/(outgoing) resources for the period include				
Operating leases - plant and machinery				-
- land and buildings				289
Fees payable to Baker Tilly UK Audit LLP and its associates for				
- audit				9
- other services				5

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

7 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	Unrestricted funds £000	Restricted funds £000	Total 2012 £000
Direct costs			
Teaching and educational support staff costs	-	2,850	2,850
Depreciation	-	38	38
Educational supplies	-	63	63
Examination fees	-	49	49
Staff development – teaching	-	16	16
	<u>-</u>	<u>3,016</u>	<u>3,016</u>
Allocated support costs			
Support staff costs	-	386	386
Pupil recruitment and support	-	51	51
Printing, postage, stationery and telephone	-	29	29
Maintenance of premises and equipment	-	82	82
PFI charges	-	289	289
Cleaning	-	3	3
Hospitality	-	6	6
Heat, light, water and waste disposal	-	70	70
Insurance	-	35	35
Furniture	-	12	12
Transport	-	1	1
Catering	-	52	52
IT expenditure and support costs	-	67	67
Staff travel	-	1	1
Legal and professional costs	-	54	54
Sundry	-	26	26
Other support costs	-	41	41
Other interest (pension)	-	58	58
	<u>-</u>	<u>1,263</u>	<u>1,263</u>
	<u>-</u>	<u>4,279</u>	<u>4,279</u>

8 GOVERNANCE COSTS

	2012 £'000
Legal and professional fees	29
Auditors' remuneration	
Audit of financial statements	9
Other fees	5
Support costs accounts support	-
Governors' reimbursed expenses	-
	<u>43</u>

Prenton High School for Girls **NOTES TO THE FINANCIAL STATEMENTS** **for the period ended 31 August 2012**

9 STAFF COSTS

	2012
	£'000
Staff costs during the period were	
Wages and salaries	2,615
Social security costs	180
Pension costs	377
	<u>3,172</u>
Supply teacher costs	2
Compensation payments	66
	<u>3,240</u>

The average number of persons (including senior management team) employed by the Academy during the period was as follows

	2012
	No
Teachers	39
Administration and support	33
Management	5
	<u>77</u>

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

	2012
	No
£90,000 - £100,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for this employee amounted to £12,479

Prenton High School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

10 GOVERNORS' REMUNERATION AND EXPENSES

The Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff governors and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The value of the Principal's remuneration was £95,527 for the 13 month period and the aggregate value of two staff governor's remuneration was £59,418.

During the period ended 31 August 2012, travel and subsistence expenses totalling £57 were reimbursed to governors.

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £916.

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

12 TANGIBLE FIXED ASSETS

	<i>Educational furniture and equipment £'000</i>	<i>ICT Equipment £'000</i>	<i>Total £'000</i>
Cost			
Transfer on conversion (note 3)	20	48	68
Additions	5	13	18
	<hr/>	<hr/>	<hr/>
31 August 2012	25	61	85
	<hr/>	<hr/>	<hr/>
Depreciation			
Charged in the period	11	26	38
	<hr/>	<hr/>	<hr/>
31 August 2012	11	26	38
	<hr/>	<hr/>	<hr/>
Net book value			
31 August 2012	13	35	48
	<hr/>	<hr/>	<hr/>

13 DEBTORS

	2012 £'000
Trade debtors	1
Prepayments and accrued income	52
VAT	30
	<hr/>
	83
	<hr/>

Prenton High School for Girls NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

14	CREDITORS: Amounts falling due within one year	2012
		£'000
	Trade creditors	105
	Other taxation and social security	60
	Other creditors	69
	Accruals and deferred income	118
		<hr/>
		352
		<hr/>

Deferred income	2012
	£'000
Resources deferred in the period	2
Amounts released from previous years	-
	<hr/>
Deferred income at 31 August 2012	2
	<hr/>

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

15 FUNDS	<i>At 1 August 2011 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>At 31 August 2012 £'000</i>
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	4,115	(4,097)	(18)	-
Pension reserve	-	-	(1,108)	(103)	(1,211)
Start Up Grant	-	15	(15)	-	-
Other DfE/YPLA grants	-	305	(116)	-	189
	-	4,435	(5,336)	(121)	(1,022)
RESTRICTED FIXED ASSET FUNDS					
Other government capital grants	-	15	-	18	33
Transfer from local authority on conversion	-	68	(38)	-	30
	-	83	(38)	18	63
TOTAL RESTRICTED FUNDS	-	4,518	(5,374)	(103)	(959)
UNRESTRICTED FUNDS					
Unrestricted funds	-	609	(4)	-	605
TOTAL UNRESTRICTED FUNDS	-	609	(4)	-	605
TOTAL FUNDS	-	5,127	(5,378)	(103)	(354)

The General Annual Grant must be used for the normal running costs of the academies within the Academy. Each academy is allowed to carry forward up to 12% of the current (GAG). Of any carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy but any balance over 2% must be used for capital purposes.

Start Up grants are provided to support transitional costs for a period after an academy opens and to cover diseconomies of scale until an academy reaches its pupil number capacity.

A Devolved Capital Grant of £15,154 was not expended in the period and so will be carried forward into the next year.

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

16	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
	Tangible fixed assets	-	-	48	48
	Current assets	605	541	15	1,161
	Current liabilities	-	(352)	-	(352)
	Pension scheme liability	-	(1,211)	-	(1,211)
		<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL NET ASSETS	605	(1,022)	63	(354)
		<hr/>	<hr/>	<hr/>	<hr/>

17	CAPITAL COMMITMENTS	2012 £'000
	Contracted for, but not provided in the financial statements	-
		<hr/>

18 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2012 £'000
Plant and machinery	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<hr/>
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	289
	<hr/>

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

19	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2012
		£'000
	Net income	(251)
	Non cash impact of transfer on conversion	(68)
	Cash impact of transfer on conversion	(607)
	LGPS pension deficit on conversion	1,052
	Depreciation	38
	Capital grants from DfE / YPLA and others	(15)
	Interest receivable	(3)
	FRS 17 pension cost less contributions payable	(2)
	FRS 17 pension finance cost	58
	(Increase) in stocks	-
	(Increase) in debtors	(83)
	Increase in creditors	352
		<hr/>
	NET CASH INFLOW FROM OPERATING ACTIVITIES	471
		<hr/> <hr/>
20	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
	Interest received	3
	Accrued interest	-
		<hr/>
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	3
		<hr/> <hr/>
21	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
	Purchase of tangible fixed assets	(18)
	Capital grants from DfE/YPLA	15
	Capital funding received from sponsors and others	-
	Receipts from sale of tangible fixed assets	-
		<hr/>
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(3)
		<hr/> <hr/>
22	ANALYSIS OF CHANGES IN NET FUNDS	At
		31 August
	Acquisition	Cash flows
	£'000	£'000
		2012
		£'000
	Cash in hand and at bank	607
		471
		1,078
		<hr/>
		607
		471
		1,078
		<hr/> <hr/>

Prenton High School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

23 MEMBERS' LIABILITY

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

24 PENSION AND SIMILAR OBLIGATIONS

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

As described in note 3, the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £45,000 were payable to the schemes at 31 August 2012 and are included within creditors

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under Pension (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate (SCR) is determined This is the contribution, expressed as a percentage of the salaries of teachers and lectures in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lectures would broadly defray the cost of the benefits payable in respect of that service Secondly, a

Prenton High School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

24 PENSION AND SIMILAR OBLIGATIONS (continued)

supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revalued that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of the future benefits) amounted to £166,500 million. The value of these assets (estimated future contributions together with the proceeds from the notional investment held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The real rate earning growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employer' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standards (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £174,839, of which employer's contributions totalled £126,473 and employees' contribution totalled £48,366. The agreed rates for future years are 21.1 per cent for employers and between 5.5 per cent and 9.5 per cent for employees.

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

	31 Aug 2012 £'000
Rate of CPI inflation	2.3%
Rate of increase in salaries	3.8%
Rate of increase for pensions in payment	2.3%
Discount rate	4.5%
Expected return on assets	5.67%

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

	2012 £'000
Retiring today	
Males	21.8
Females	24.6
Retiring in 20 years	
Males	23.6
Females	26.5

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	7.0%	263
Government Bonds	2.5%	72
Other Government Bonds	3.4%	18
Property	6.0%	39
Cash	0.5%	9
Other	7.0%	46
TOTAL MARKET VALUE OF ASSETS		447
Present value of scheme liabilities		
- Funded		(1,658)
(DEFICIT)/SURPLUS IN THE SCHEME		(1,211)

The actual return on scheme assets was £8,000

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities	2012
	£'000
Current service cost (net of employee contributions)	76
Past service cost	-
	<hr/>
Total operating charge	76
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Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	23
Interest on pension liabilities	(81)
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Pension finance income/(costs)	(58)
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Local Government Pension Scheme (continued)

The actuarial gains and losses for the current period are recognised in the SOFA

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a £103,000 loss

Movements in the present value of defined benefit obligations were as follows:	2012
	£'000
At 1 August 2011	1,316
Current service cost	124
Interest cost	81
Employee contributions	48
Actuarial (gain)/loss	89
	<hr/>
At 31 August 2011	1,658
	<hr/>
Movements in the fair value of Academy's share of scheme assets:	
At 1 November 2010	264
Expected return on assets	23
Actuarial gain/(loss)	(14)
Employer contributions	126
Employee contributions	48
	<hr/>
At 31 August 2011	447
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The estimated value of employer contributions for the year ended 31 August 2013 is £122,000

Prenton High School for Girls
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows:

	2012 £'000
Present value of defined benefit obligations	(1,658)
Fair value of share of scheme assets	447
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Deficit in the scheme	(1,211)
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Experience adjustments on share of scheme assets Amount £'000	-
Experience adjustments on scheme liabilities Amount £'000	(35)

25 RELATED PARTIES

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