

PRENTON HIGH SCHOOL FOR GIRLS
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Governors

Mr J Roper MBE*, Chair (member from 24 March 2014)
Mr T Harrison*, Vice Chair (member from 1 August 2011)
Mr C Pierce, (member from 8 July 2013)
Mrs K Podmore *
Mr O Roberts *
Mr S Williams #, Responsible Officer (resigned 31 December 2014)
Mrs M Faulkner #, Responsible Officer (appointed 1 January 2015)
Mrs L Ayling *, Headteacher & Accounting Officer
Mrs L Eaton #
Mrs J Sloane #
Mrs L Smith
Mr P Sandman
Ms P Concliffe Hughes
Mr S Taylor, Staff Governor
Mrs A Winter, Staff Governor

* Members of the Finance Committee

Members of the Audit Committee

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

Company registered number

07672980

Company secretary

Mrs S Owen, Clerk to the Governors

Senior management team

Mrs L Ayling, Headteacher (appointed 1 September 2013)
Mrs G Fraser, Deputy Headteacher
Mrs J Hodson, Director of Finance & Operations
Miss S Eastwood, Assistant Headteacher
Mr S Taylor, Assistant Headteacher

Principal and registered office

Hesketh Avenue, Birkenhead, Wirral, CH42 6RR

Independent Auditor

Langtons Professional Services Limited, The Plaza, 100 Old Hall Street, Liverpool, L3 9QJ

Registered Bank

Lloyds Bank PLC, 355 Woodchurch Road, Prenton, CH42 8PE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Solicitors

Stone King, 13 Queen Square, Bath, BA1 2HJ

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Prenton High School for Girls (the academy) and auditors' report of the Charitable Company for the period 1 September 2014 to 31 August 2015. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an academy for students aged 11 – 16 serving a catchment area on The Wirral. It has a student capacity of 790 and had a roll of 734 in the school census dated January 2015.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as 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 year, except as noted, are included in the Reference and Administration Details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Governors benefit from indemnity insurance purchased at the Academy Trust'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 Trust. 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 Trust.

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.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

On 01/08/2011 the Governors 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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Academy Trust 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.

The Academy shall have the following Governors:

- up to 9 Governors, appointed by Members
- a minimum of 3 Parent Governors, elected by Parents of registered students at the Academy
- up to 2 staff Governors, elected by staff and appointed by Members
- up to 3 co-opted Governors, appointed by Governors
- the Principal (Headteacher)

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.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The Academy has a Governor Recruitment, Induction and Training policy available from the Clerk to the 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 pupils. 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 including on-line training offered through 10 Governor.

There is a Governors' away day organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities.

f. ORGANISATIONAL STRUCTURE

The Board of Governors normally meets once each term. The Board 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 Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. In addition, Link Governors were appointed in July 2014 to work closely with each committee and key members of the school staff.

There are 5 committees as follows;

- Finance and Premises Committee - this meets once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, Health and Safety management, Premises and the PFI contract, compliance with reporting and regulatory requirements, 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 and meets 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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- Student Services Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to pastoral planning, communications, target setting and assessment, examinations and all pastoral issues.
- Pay & 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.

The following decisions are reserved to the full Governing Body; 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 budget, School Development Plan, Financial Statements & Audit Report.

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, 2 Assistant Headteachers and the Director of Finance & Operations. The SLT implement the policies laid down by the Governors and report back to them on performance.

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Team, Senior Management Team and Subject and Student Services 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.

g. 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.

There are no related parties or sponsors which either control or significantly influence the decisions and operations of Prenton High School for Girls.

h. RISK MANAGEMENT

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

regular basis.

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.

Objectives and Activities

a. 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 range of curriculum ("the Academy");

The principal object and activity of the Charitable Company is the operation of Prenton High School for Girls to provide free education and care for pupils of different abilities between the ages of 11 and 16.

The aims of the Academy during the year ended 31 August 2015 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 with an increasing number exceeding expected progress
- to provide value for money for the funds expended
- 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 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.

b. 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 ensure that all students achieve "expected progress" from KS2 – 4 with particular focus on the number of students exceeding expected progress
- 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 2015 (158 students)

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FOR THE YEAR ENDED 31 AUGUST 2015

c. 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.

Achievements and performance

a. 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 Accounting Policies.

b. KEY FINANCIAL PERFORMANCE INDICATORS

The main financial performance indicator is the level of reserves held at the Balance Sheet date.

As funding is based on pupil numbers this is also a key performance indicator.

Pupil numbers:

September 2015 - 762

September 2014 - 751

September 2013 - 727

Staff costs as a percentage of grant income: 73.5% (DFE Grant funding - £4,442k, Staff costs - £3,266k)

Cashflow: cash to fund at least one month's average expenditure.

Key student performance indicators:

Exam success % (GCSE 5 A* - C including English and Maths):

2015: 66.4%

2014: 65.3%

Pupil Premium:

The 'in school' gap in attainment between disadvantaged and non disadvantaged has been significantly narrowed this year as follows:

Gap in attainment 5 GCSEs at grades A* - C including English & Maths:

2015 - 21.1%

2014 - 41%

Gap in attainment GCSE Maths A* - C:

2015 - 13.8%

2014 - 25%

Gap in attainment GCSE English A* - C

2015 - 24.4%

2014 - 36%

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c. REVIEW OF ACTIVITIES

GCSE examination results for 2015 were strong: 66.4% achieving 5 A* - C grades including English and maths, 84.6% achieving A* - C grades, exceeding national levels of progress in English and maths. 10 GCSE subjects exceeded national progress by a minimum of 10%, demonstrating outstanding progress.

To ensure that standards are continually assessed, the Academy operates a programme of rigorous self-evaluation including lesson observations which are undertaken by the Subject Leaders and the Senior Leadership Team. Departmental self-review is conducted on an on-going basis to ensure continuing improvement. To support effective self-evaluation a programme has been put in place for all Subject Leaders and will continue throughout the academic year 2015 -16.

The Academy was inspected by OFSTED in March 2014 and was judged to be "good" in all areas. The inspection team agreed with all of the school's own self-evaluation judgements and areas for development. They also acknowledged the outstanding development of rigorous and successful Literacy and Numeracy intervention at Key Stage 3.

In September 2015 we welcomed our largest ever intake of 167 students, placing our roll at an all-time high of 762.

In July we expanded student leadership opportunities with the appointment of our first Student Senior Leadership Team, comprised of Head Girl, 2 Deputy Head Girls and 3 Assistant Head Girls, who meet weekly and are leading the wider development of student leadership across the school.

Continuing professional development for staff has been very successful with 2 teaching staff undertaking National Professional Qualification for Senior Leadership (NPQSL), the HR Manager has successfully achieved CIPD certification and the SENCO undertaking post graduate training in Specialist Dyslexia.

Significant investment has been made during the course of the year in upgrades to the school's IT infrastructure including a new wireless network, virtualisation of core network systems, advancement to back-up facilities and upgraded hardware to all IT suites, classrooms and admin areas in addition to new laptop facilities in both the LRB and SEN departments.

Over the past 3 years the Academy has reviewed and enhanced its premises and curriculum provision leading to significant investment in the learning environment: including a state of the art refurbishment of Design Technology, creation of a new IT suite, additional maths & English classrooms, development of a Learning Studio, installation of air-conditioning and development of office space, in addition to complete refurbishment of staff and all remaining student toilets. Furthermore, as part of the PFI contract, extensive Lifecycle work was undertaken in summer 2015 which included replacement UPVC windows to the main hall and upper floor classrooms in addition to extensive investment in new flooring and redecoration across the school.

d. INVESTMENT POLICY AND PERFORMANCE

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Director of Finance within strict guidelines approved by the Governing Body.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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 year ended 31 August 2015 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 which 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 2015, total expenditure of £4,576k was primarily funded by recurrent grant funding from the DfE, together with other resources totalling £4,670k. The excess of expenditure over income for the period (excluding restricted fixed assets funds) was £94k before accounting for a £92k actuarial loss in the Local Government pension Scheme liability.

At 31 August 2015 the net book value of fixed assets was £787k and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As a PFI school the land, 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 fully depreciated.

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 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy 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 Risk Management, Fixed Assets & Reporting, Charges and Remissions, Tendering, Anti-Fraud and Corruption, Insurance and Investment.

Governors have adopted a Responsible Officer Policy and appointed Mrs M Faulkner, a Governor who is not a member of the Finance Committee, to undertake a programme of internal checks on financial controls. During the year, the Governors have received reports from the Responsible Officer which contained no matters of significance.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy has reviewed and updated the Risk Register and compiled a Risk Management Plan which includes the financial risks to the Academy. 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 roll continues to steadily increase, however, risks to revenue funding from a falling roll

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remain a concern and 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. In addition, with effect from September 2014 abbreviated Management Accounts including cash flow forecast analysis data has been issued on a monthly basis to enable Governors to regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors 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 26 to the financial statements, represents a significant potential liability. Whilst the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, therefore minimising the risk from this liability, there is a need to budget for increased contributions in the coming years to reduce its size.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken a full review of the main areas of risks which it faces using 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.

The principle risks for the school are the increasing costs associated with the PFI project and the uncertainty in forecasting future funding from central government.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 97.5% of the Academy's incoming resources was ultimately Government funded (2014: 97.1%) and whilst this level is expected to continue, 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

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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 year through on-going professional development and training for all staff and governors.

c. 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.

The Governors have determined that there should be no set level of free cash reserves. The reason for this is to provide 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 £641k in free reserves (2014: £620k).

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

- The majority of reserves has been set aside to protect enhanced staffing levels pending the outcome of national funding reviews

d. INVESTMENT POLICY

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Director of Finance within strict guidelines approved by the Governing Body.

Plans for future periods

a. FUTURE DEVELOPMENTS

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The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. We plan to sustain the increased number of specialist teaching staff in English and Maths and look to extend the specialist provision further into Science which will reflect in academic outcomes being improved.

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

The Academy has been faced with a significant increase in expenditure caused by factors outside of its control. Costs of the PFI contract, in particular the benchmarking process, have resulted in the Academy having to use some of its reserves to support the budget in 2015 - 16. It continues to remain difficult to estimate with any degree of certainty the future cost of the PFI contract outside of the annual RPI increase.

Going forward the Governors will need to carefully review all future budget plans for the Academy noting reductions in the protected elements of our GAG funding, cuts to other grant funding (ESG, Insurance Top Up funding, Catch-Up Pupil Premium) together with the pressure of escalating costs of inflation and pay awards, TPS employer contributions and contracted out pension arrangements, in addition to the issue surrounding PFI costs.

Full details of our plans for the future are given in our Academy School Development Plan, which is available on our website or from the Clerk to the Governors.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Governing Body on 9 December 2015 and signed on the board's behalf by:


Mr J Roper MBE, Chair
Chair of Governors


Mrs L Ayling,
Headteacher & Accounting Officer

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As accounting officer, 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.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr J Roper, Chair	3	3
Mr T Harrison*, Vice Chair	3	3
Mrs L Ayling (Headteacher)	3	3
Mr O Roberts	3	3
Mrs K Podmore	2	3
Mr C Pierce	3	3
Mr S Williams(resigned Autum 2014)	0	1
Mrs M Faulkner (appointed Autumn 2014)	0	2
Mrs A Winter (staff governor)	3	3
Mr S Taylor (staff governor)	3	3
Mrs J Sloane	2	3
Mrs L Smith	2	3
Ms P Concliffe Hughes	3	3
Mr P Sandman	3	3
Mrs L Eaton	3	3

The Academy has an Investment Policy and throughout the year cash-flow has been monitored and surplus balances moved on higher interest rate deposits to increase return. The governors have debated their options and opted to take a low risk approach to investment due to the uncertainty of future national funding arrangements.

The Finance & Premises Committee is a sub-committee of the main governing body. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Ayling	3	3
Mr J Roper, Chair	3	3
Mr T Harrison, Vice Chair	3	3
Mr O Roberts	2	3
Mrs K Podmore	3	3
Mr C Pierce	1	3

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The audit committee is also a sub-committee of the main board of governors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Sloane	3	3
Mrs L Eaton	3	3
Mr S Williams (resigned Autumn 2014)	1	1
Mrs M Faulkner (appointed Spring 2015)	2	2

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 Governing Body 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:

- benchmarking other bought in services, such as payroll providers and IT support, in order to deliver improved services at value for money
- benchmarking PFI costs and performance against other local schools, in order to deliver improved service and, where there has been underperformance, appropriate financial reimbursement has been received in accordance with the contract
- benchmarking the Academy's central administration service including printing, reprographics, postage and staffing resource in order to deliver improved efficiency and effectiveness

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 year 1 September 2014 to 31 August 2015 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 year 1 September 2014 to 31 August 2015 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.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 Trustees have appointed Mrs M Faulkner, a Governor who is not a member of the Finance Committee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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.


REVIEW OF EFFECTIVENESS


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

- the work of the Responsible Officer;
- the work of the external Responsible Officer ;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have 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 and 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 9 December 2015 and signed on its behalf, by:


Mr J Roper MBE
Chair of Governors


Mrs L Ayling
Accounting Officer

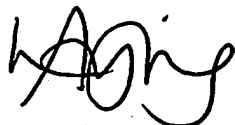
PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

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 part of my consideration I have had due regard to the requirements of the Academies Financial Handbook).

I confirm that I and the academy Governing Body are able to identify any material, 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 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 Governing Body and EFA.



Mrs L Ayling
Accounting Officer

Date: 9th December 2014

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who act as Trustees 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 Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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:

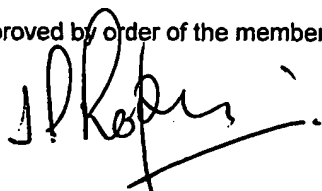
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 9 December 2015 and signed on its behalf by:



Mr J Roper MBE
Chair of Governors

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRENTON HIGH SCHOOL FOR GIRLS

We have audited the financial statements of Prenton High School for Girls for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. 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 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's, 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 Auditors' 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy 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 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 academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' 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.

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 2015 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 2013 to 2014 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRENTON HIGH SCHOOL FOR GIRLS

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.



Andrew McCall (Senior Statutory Auditor)

for and on behalf of

Langtons Professional Services Limited
9 December 2015

Langtons Professional Services Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRENTON
HIGH SCHOOL FOR GIRLS AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31/07/14 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Prenton High School for Girls during the year 1 September 2014 to 31 August 2015 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 Prenton High School for Girls and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Prenton High School for Girls and 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 Prenton High School for Girls and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PRENTON HIGH SCHOOL FOR GIRLS'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Prenton High School for Girls's funding agreement with the Secretary of State for Education dated 1st August 2011 followed by a deed of variation dated 15th January 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2013 to 2014. 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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRENTON
HIGH SCHOOL FOR GIRLS AND THE EDUCATION FUNDING AGENCY (continued)**



Andrew McCall

Langtons Professional Services Limited

The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

9 December 2015

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	76	17	93	105
Activities for generating funds	3	14	1	-	15	17
Investment income	4	8	-	-	8	10
Funding for the Academy's educational operations	5	-	4,554	-	4,554	4,389
TOTAL INCOMING RESOURCES		22	4,631	17	4,670	4,521
RESOURCES EXPENDED						
Academy trust educational operations		-	4,439	88	4,527	4,364
Governance costs	7	-	49	-	49	44
TOTAL RESOURCES EXPENDED	10	-	4,488	88	4,576	4,409
NET INCOMING RESOURCES BEFORE TRANSFERS		22	143	(71)	94	112

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
	Note					
Transfers between Funds	20	-	(202)	202	-	-
NET INCOME FOR THE YEAR		22	(59)	131	94	112
Actuarial gains and losses on defined benefit pension schemes		-	(92)	-	(92)	(78)
NET MOVEMENT IN FUNDS FOR THE YEAR		22	(151)	131	2	34
<i>Total funds at 1 September 2014</i>		<i>619</i>	<i>(1,134)</i>	<i>656</i>	<i>141</i>	<i>107</i>
TOTAL FUNDS AT 31 AUGUST 2015		£ 641	£ (1,285)	£ 787	£ 143	£ 141

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 47 form part of these financial statements.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)
REGISTERED NUMBER: 07672980

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	2014 £000
FIXED ASSETS				
Tangible assets	17		787	657
CURRENT ASSETS				
Debtors	18	170		206
Cash at bank and in hand		1,263		1,419
		<u>1,433</u>		<u>1,625</u>
CREDITORS: amounts falling due within one year	19	(588)		(788)
NET CURRENT ASSETS			<u>845</u>	<u>837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,632</u>	<u>1,494</u>
Defined benefit pension scheme liability	26		(1,489)	(1,353)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>£ 143</u>	<u>£ 141</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	20	204		219
Restricted fixed asset funds	20	787		656
		<u>991</u>		<u>875</u>
Restricted funds excluding pension liability				
Pension reserve		(1,489)		(1,353)
		<u></u>		<u></u>
Total restricted funds			(498)	(478)
Unrestricted funds	20		641	619
TOTAL FUNDS			<u>£ 143</u>	<u>£ 141</u>

The Trustees consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:



Mr J Roper MBE
Chair of Trustees



Mrs L Ayling
Headteacher & Accounting Officer

The notes on pages 27 to 47 form part of these financial statements.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	22	45	344
Returns on investments and servicing of finance	23	1	10
Capital expenditure and financial investment	23	(202)	(392)
DECREASE IN CASH IN THE YEAR		£ (156)	£ (38)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £000	2014 £000
Decrease in cash in the year	(156)	(38)
MOVEMENT IN NET FUNDS IN THE YEAR	(156)	(38)
Net funds at 1 September 2014	1,419	1,457
NET FUNDS AT 31 AUGUST 2015	£ 1,263	£ 1,419

The notes on pages 27 to 47 form part of these financial statements.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 academy 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.

At the balance sheet date, the Academy had net assets of £143k (2014: £141k) after providing for long term pension scheme commitments of £1.49m (2014: £1.35m) in respect of the support staff defined benefit pension scheme. However the Academy had net current assets of £845k (2014: £837) and cash balances of £1.26m at 31st August 2015 (2014: £1.42m).

The Governors have reviewed and approved budgets and cashflow forecasts for 2015/16 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.

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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 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.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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 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 are costs incurred in 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.

All resources expended are inclusive of irrecoverable VAT.

1.6 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	over terms of PFI agreement
Fixtures and fittings	-	20% - 50% straight line
Office equipment	-	25% - 50% straight line
Computer equipment	-	25% - 50% straight line

PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

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

1.9 Pensions

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 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 26, 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 governor 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 the 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 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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	£ -	£ 93	£ 93	£ 105

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Sales and mentoring income	£ 14	£ 1	£ 15	£ 17

4. INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Investment income - local cash	£ 8	£ -	£ 8	£ 10

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,078	4,078	3,988
Other DfE/EFA grants	-	364	364	313
Local authority grants	-	112	112	88
	£ -	£ 4,554	£ 4,554	£ 4,389

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6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Academy trust educational operations	-	4,527	4,527	4,134
Direct costs - other activity	-	-	-	230
	<u>£ -</u>	<u>£ 4,527</u>	<u>£ 4,527</u>	<u>£ 4,364</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £000	Depreciation 2015 £000	Other costs 2015 £000	Total 2015 £000	Total 2014 £000
Academy trust educational operations	3,266	88	1,172	4,526	4,134
Direct costs - other activity	-	-	-	-	230
	<u>£ 3,266</u>	<u>£ 88</u>	<u>£ 1,172</u>	<u>£ 4,526</u>	<u>£ 4,364</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Governance Internal audit costs	-	10	10	12
Governor services	-	2	2	3
Legal and professional fees	-	36	36	29
Subtotal	<u>-</u>	<u>48</u>	<u>48</u>	<u>44</u>
Other governance costs	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
	<u>£ -</u>	<u>£ 49</u>	<u>£ 49</u>	<u>£ 44</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. DIRECT COSTS

		Total 2015 £000	Total 2014 £000
Pension income	39	39	45
Other staff costs	42	42	40
Educational supplies	283	283	356
Examination fees	147	147	105
Pupil recruitment	21	21	26
Staff development	30	30	24
Wages and salaries	2,286	2,286	2,229
National insurance	168	168	160
Pension cost	233	233	230
Depreciation	88	88	39
	<u>£ 3,337</u>	<u>£ 3,337</u>	<u>£ 3,254</u>

9. SUPPORT COSTS

	Total 2015 £000	Total 2014 £000
PFI charges	331	362
Travel	1	1
Repairs and maintenance costs	20	2
Heat, light, water and waste disposal	85	68
Rates	15	14
Legal and professional costs	14	7
Insurance	17	17
Catering	48	51
Other support costs	6	9
Hospitality	2	2
Printing, postage, stationery and telephone	13	39
IT expenditure and support costs	57	15
Furniture	1	8
Wages and salaries	370	336
National insurance	24	20
Pension cost	185	157
Subtotal	<u>1,189</u>	<u>1,108</u>
Other support costs	1	2
	<u>£ 1,190</u>	<u>£ 1,110</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015	2015	2015	2014
	£000	£000	£000	£000
Direct costs	2,687	650	3,337	3,254
Support costs	579	610	1,189	1,110
Charitable activities	3,266	1,260	4,526	4,364
Governance	-	48	48	44
	£ 3,266	£ 1,308	£ 4,574	£ 4,408

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£000	£000	£000	£000
Academy trust educational operations	£ 3,337	£ 1,190	£ 4,527	£ 4,364

12. NET INCOMING RESOURCES

This is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the charity	89	39
Governance Internal audit costs	10	12

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13. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	2,591	2,524
Social security costs	192	180
Other pension costs (Note 26)	418	387
	<u>£ 3,201</u>	<u>£ 3,091</u>
Supply teacher costs	£ 65	£ 42
Compensation payments	£ 3	£ 30
	<u>£ 3,269</u>	<u>£ 3,163</u>

b. Staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £3,000 (2014: £30,000)

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	39	38
Administration and support	33	34
Management	7	7
	<u>79</u>	<u>79</u>

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0

The above employees participated in the Teachers Pension Scheme.

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14. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

	2015	2014
	£000	£000
L. Ayling (Headteacher and Governor) remuneration	70-75	65-70
L. Ayling (Headteacher and Governor) employer's pension contribution	10-15	5-10
S. Taylor (Staff Governor) remuneration	20-25	15-20
S. Taylor (Staff Governor) employer's pension contribution	0-5	0-5
A. Winter (Staff Governor) remuneration	25-30	15-20
A. Winter (Staff Governor) employer's pension contributions	0-5	0-5

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

15. 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 year ended 31 August 2015 was £949 (2014 - £956). The cost of this insurance is included in the total insurance cost.

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16. OTHER FINANCE INCOME

	2015 £000	2014 £000
Expected return on pension scheme assets	58	48
Interest on pension scheme liabilities	(97)	(93)
	<u>£ (39)</u>	<u>£ (45)</u>

17. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2014	554	83	138	775
Additions	3	-	216	219
At 31 August 2015	<u>557</u>	<u>83</u>	<u>354</u>	<u>994</u>
Depreciation				
At 1 September 2014	22	30	66	118
Charge for the year	41	13	35	89
At 31 August 2015	<u>63</u>	<u>43</u>	<u>101</u>	<u>207</u>
Net book value				
At 31 August 2015	<u>£ 494</u>	<u>£ 40</u>	<u>£ 253</u>	<u>£ 787</u>
At 31 August 2014	<u>£ 532</u>	<u>£ 53</u>	<u>£ 72</u>	<u>£ 657</u>

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18. DEBTORS

	2015 £000	2014 £000
Other debtors	58	50
Prepayments and accrued income	112	156
	<u>£ 170</u>	<u>£ 206</u>

**19. CREDITORS:
Amounts falling due within one year**

	2015 £000	2014 £000
Trade creditors	392	163
Other taxation and social security	59	60
Other creditors	73	77
Accruals and deferred income	64	488
	<u>£ 588</u>	<u>£ 788</u>

Deferred income

	£000
Deferred income at 1 September 2014	8
Resources deferred during the year	8
Amounts released from previous years	(8)
Deferred income at 31 August 2015	<u>£ 8</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	620	-	-	-	-	620
Other General funds	(1)	22	-	-	-	21
	<u>619</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>641</u>
Restricted funds						
Restricted Funds - all funds	219	-	-	307	-	526
Pension reserve	(1,353)	-	-	(44)	(92)	(1,489)
Other Restricted funds	-	4,631	(4,488)	(465)	-	(322)
	<u>(1,134)</u>	<u>4,631</u>	<u>(4,488)</u>	<u>(202)</u>	<u>(92)</u>	<u>(1,285)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	656	17	(88)	202	-	787
Total restricted funds	<u>(478)</u>	<u>4,648</u>	<u>(4,576)</u>	<u>-</u>	<u>(92)</u>	<u>(498)</u>
Total of funds	<u>£ 141</u>	<u>£ 4,670</u>	<u>£ (4,576)</u>	<u>£ -</u>	<u>£ (92)</u>	<u>£ 143</u>

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

The restricted general fund includes grants receivable from the EFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

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

A total of £219k (2014: £392k) of restricted funds have been transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG income.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	619	22	-	-	-	641
Restricted funds	(1,134)	4,631	(4,488)	(202)	(92)	(1,285)
Restricted fixed asset funds	656	17	(88)	202	-	787
	<u>£ 141</u>	<u>£ 4,670</u>	<u>£ (4,576)</u>	<u>£ -</u>	<u>£ (92)</u>	<u>£ 143</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	787	787	656
Current assets	641	791	-	1,432	1,626
Creditors due within one year	-	(586)	-	(586)	(785)
Provisions for liabilities and charges	-	(1,489)	-	(1,489)	(1,353)
Difference	-	(1)	-	(1)	(3)
	<u>£ 641</u>	<u>£ (1,285)</u>	<u>£ 787</u>	<u>£ 143</u>	<u>£ 141</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Net incoming resources before revaluations	94	112
Returns on investments and servicing of finance	(1)	(10)
Depreciation of tangible fixed assets	89	39
Capital grants from DfE	(17)	(16)
Decrease/(increase) in debtors	36	(49)
(Decrease)/increase in creditors	(200)	214
FRS 17 adjustments	44	54
Net cash inflow from operations	<u>£ 45</u>	<u>£ 344</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	£ 1	£ 10
	<u>1</u>	<u>10</u>
	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(219)	(408)
Capital grants from DfE	17	16
	<u>(202)</u>	<u>(392)</u>
Net cash outflow capital expenditure	£ (202)	£ (392)

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	1,419	(156)	-	1,263
Net funds	<u>1,419</u>	<u>(156)</u>	<u>-</u>	<u>1,263</u>

25. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	£ -	£ -
	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £52,210 were payable to the scheme at 31 August 2015 (2014 - £51,827 and are included within creditors).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £400,943 (2014: £378,241).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £176,710, of which employer's contributions totalled £123,098 and employees' contributions totalled £53,612. The agreed contribution rates for future years are 22.7% for employers and between 5.5% to 12.5% 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (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 2015 %	Fair value at 31 August 2015 £000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	6.50	721	7.00	590
Bonds	2.50	165	2.90	135
Other bonds	3.60	62	3.80	23
Property	6.10	103	6.20	77
Cash/liquidity	0.50	35	0.50	43
Other	6.50	113	7.00	114
Total market value of assets		<u>1,199</u>		<u>982</u>
Surplus in the scheme		<u>1,199</u>		<u>982</u>

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(2,688)	(2,335)
Fair value of scheme assets	<u>1,199</u>	<u>982</u>
Net liability	<u>£ (1,489)</u>	<u>£ (1,353)</u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £000	2014 £000
Current service cost	(185)	(157)
Interest on obligation	(97)	(93)
Expected return on scheme assets	<u>58</u>	<u>48</u>
Total	<u>£ (224)</u>	<u>£ (202)</u>

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26. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £000	2014 £000
Opening defined benefit obligation	2,335	1,917
Current service cost	185	157
Interest cost	97	93
Employee contributions	54	51
Actuarial Losses	62	67
Benefits paid	(45)	50
	<u>2,688</u>	<u>2,335</u>
Closing defined benefit obligation	£ 2,688	£ 2,335

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

	2015 £000	2014 £000
Opening fair value of scheme assets	982	695
Expected return on assets	58	48
Actuarial gains and (losses)	(30)	(11)
Contributions by employer	180	149
Contributions by employees	54	51
Benefits paid	(45)	50
	<u>1,199</u>	<u>982</u>
	£ 1,199	£ 982

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £NIL (2014 - £NIL).

The academy expects to contribute £181,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	60.10 %	60.20 %
Government bonds	13.80 %	13.70 %
Other bonds	5.20 %	2.30 %
Property	8.60 %	7.80 %
Cash/liquidity	2.90 %	4.40 %
Other	9.40 %	11.60 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.30 %	5.73 %
Rate of increase in salaries	3.80 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.30 %	2.20 %

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26. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.4	22.3
Females	25.3	25.2
Retiring in 20 years		
Males	24.8	24.7
Females	28.1	28

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(2,688)	(2,335)	(1,917)	-	-
Scheme assets	1,199	982	695	-	-
Deficit	(1,489)	(1,353)	(1,222)	-	-
Experience adjustments on scheme liabilities	(62)	(67)	-	-	-
Experience adjustments on scheme assets	(30)	(11)	41	-	-

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £000	2014 £000	2015 £000	Other 2014 £000
Expiry date:				
Within 1 year	-	-	-	15
Between 2 and 5 years	-	-	6	-
After more than 5 years	365	362	-	-

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NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.

29. 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 £10.00 for the debts and liabilities contracted before he/she ceased to be a member.