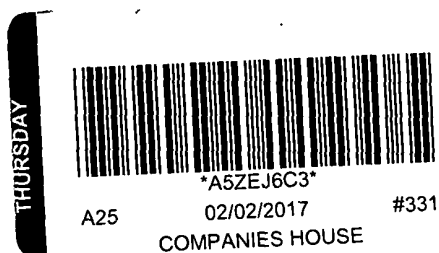


Registered number: 07672980

PRENTON HIGH SCHOOL FOR GIRLS
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016



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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Governors

Governors

Mr P Sandman, Chair*, Chair (elected 05/05/16)
Mrs L Eaton #, Vice Chair (elected 05/05/16)
Mrs K Podmore *
Mr O Roberts *
Mrs M Faulkner #, Responsible Officer
Mrs L Ayling *, Headteacher & Accounting Officer
Mr C Pierce*
Mr T Harrison*
Ms P Concliffe Hughes, Parent Governor
Mr S Taylor, Staff Governor
Mrs A Winter, Staff Governor
Mrs J Sloane # (retired 24 June 2016)
Mr J Roper, Former Chair (retired 5 May 2016)
Mrs L Smith (resigned 10 March 2016)

* 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 name

Prenton High School for Girls

Principal and registered office

Hesketh Avenue, Birkenhead, Wirral, CH42 6RR

Company secretary

Mrs S Owen, Clerk to the Governors

Senior management team

Mrs L Ayling, Headteacher
Mrs G Fraser, Deputy Headteacher
Mrs J Hodson, Director of Finance & Operations
Miss S Eastwood, Assistant Headteacher
Mr S Taylor, Assistant Headteacher

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Solicitors

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

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

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law. The trust operates an academy for pupils ages 11 to 16 serving a catchment area on The Wirral. It has a pupil capacity of 790 and had a roll of 758 in the school census dated October 2016.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by a 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 of Prenton High School for Girls Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company are known as Prenton High School for Girls.

Details of the Governors who served during the year are included in the Reference and administrative 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.

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

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

On 01/08/2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy 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)

Working within the Articles, with effect from 11/07/2016 the Governors have agreed the following restructure:

- 4 General Governors, appointed by Members
- 3 Parent Governors, elected by Parents of registered students at the Academy
- up to 2 staff Governors, elected by staff and appointed by Members
- 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 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, Financial Management Accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction 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 The Key, The School Bus and Edsential.

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

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 work closely with each committee and key members of the school staff.

For the Academic Year 2015-2016 there were 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 internal and 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.
- Student Services Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to attendance, rewards and behaviour and the wider Student Services team.
- 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 above organisational structure was reviewed in Summer 2016 with changes put in place for the next Academic year.

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, 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 & Operations 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.

Arrangements for setting pay and remuneration of key management personnel

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting the pay and remuneration of the Senior Leadership Team, which includes the Headteacher, Deputy Headteacher, Director of Finance & Operations, 2 Assistant Headteachers, is determined by the school size and Headteacher range, as outlined withing the STPCD.

The setting of pay and remuneration for the staff governor (teaching) follows the guidance of the STPCD.

The setting of pay and remuneration for the staff governor (non-teaching) follows the guidance of the NJC Purple Book.

g. Related Parties and other Connected Charities and Organisations

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.

Mrs Kathryn Podmore, Governor and Chair of the Pay & Personnel Committee, is the Principal of Birkenhead 6th Form College, Birkenhead and Chief Executive of Wirral Academy Trust.

Mrs Lynn Eaton, Governor, is the Chair of Governors at Birkenhead 6th Form College and a Member of the Board of Wirral Academy Trust.

Objectives and Activities

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

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 students of different abilities between the ages of 11 and 16.

The aims of the Academy during the year ended 31 August 2016 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 the best possible outcomes
- 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 a positive Progress 8 score, A* - C GCSE grades in English and maths, English Baccalaureate, Attainment 8
- 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 achieve the best possible academic and creative outcomes, ensuring that they are ready for the next steps in their education and training and that they 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 a positive Progress 8 score
- To continue to increase the number of lessons judged as good or better (OFSTED)
- To continue to increase the school roll and to be full in September 2016 (158 students)
- To continue to promote good attendance and reduce the gaps for disadvantaged students
- To continue to develop and strengthen governance

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. PUBLIC BENEFIT

The Governors of Prenton High School for Girls confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Prenton High School for Girls' excellence in providing strong teaching and learning for its students has led it to be over-subscribed and recognised nationally as one of the Top 100 schools for sustained improvement in GCSE results over the past 3 years.

Our successes are built upon the efforts of a highly qualified, hard-working and enthusiastic staff, well-motivated students and supportive parents and a committed Academy Board with a strong focus on building a connection with the local community.

The Trust has a very high quality Student Services support team with a focus on wider community educational activities, working closely with our local partners in education and business, to ensure that the school is at the centre of its community. This ensures that we continue to generate better educational programmes for all young people, as well as improving our transitional activities for students who will be coming to Prenton High School.

We value highly all contact with parents since we see a successful education being a partnership between parents, students and the school. By working together, we are able to meet our aim of making a difference through inspiring ambition; providing a broad and balanced curriculum; delivery of consistently high quality teaching and standards; building resilience as leaders and learners and equipping students with the necessary skills for life.

Students of Prenton High School for Girls are able to participate in a wide variety of clubs, trips and activities as well as the Duke of Edinburgh and The Sports Leadership Award Schemes.

Achievements and performance

a. GOING CONCERN

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

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. KEY FINANCIAL PERFORMANCE INDICATORS

Achievements and Performance

The following achievements and performance of Prenton High School for Girls has been externally acknowledged and accredited as follows:

- Top 10% of schools for Efficiency (EFA national Efficiency Tables)
- Top 100 schools for sustained improvement over last 3 years (DfE league tables)
- Top 20% of schools for value added (SSAT)

Key performance indicators:

Measure	School	National
Progress 8	+0.09	0
Percentage achieving Eng and maths at A*-C	68%	62.60%
Percentage achieving EBACC	28.30%	24.00%

The main financial performance indicator is the level of cash reserves held at the Balance Sheet date.
Cashflow: cash to fund at least one month's average expenditure.

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

Total on roll:

October 2016 - 758

October 2015 - 762

October 2014 - 742

Staff costs as a percentage of grant income: 74% (DFE Grant funding - £4,447k, Staff costs - £3,269k)

Financial review

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. FINANCIAL 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 2016 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 2016, total expenditure of £4,480k was primarily funded by recurrent grant funding from the DfE, together with other incoming resources totalling £4,565k. The excess of expenditure over income for the period (excluding restricted fixed assets funds) was £85k before accounting for a £1,010k actuarial loss in the Local Government Pension Scheme liability.

At 31 August 2016 the net book value of fixed assets was £673k 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.

The pension deficit represents a long-term commitment and, whilst concerning, the Academy's immediate focus is on the cash impact of the contributions which are required to be made to the scheme. The Academy has been informed of the contribution rates for the three years to 2019 and will be able to meet its obligations. Furthermore, due to the Academy's strong cash position, consideration is being given towards the pre-payment of the three years' contributions which will save the Academy c£11k.

Key financial policies adopted or reviewed during the year include the Finance Procedures Manual 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.

Governors have adopted a Responsible Officer Policy and appointed Mrs M Faulkner, a qualified accountant, and 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.

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Whilst the Academy roll continues to steadily increase, however, risks to revenue funding from a falling roll 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.

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 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.

Whilst the Academy roll continues to steadily increase, however, risks to revenue funding from a falling roll 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, abbreviated financial Management Accounts, including cash-flow forecast analysis data, is 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.

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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 (2015: 97.5%) 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 sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that student success and achievement are closely monitored and reviewed.

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 Safeguarding 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.

c. 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

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. FUTURE DEVELOPMENTS

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. In addition, in 2016 we will be introducing the Duke of Edinburgh award, and launching the Prenton Theatre Company.

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 manage these additional costs. 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

In order to plan for the medium term financial requirements, the Academy is developing a robust Mid Term Financial Plan, while will take into account all income streams, budget forecasts, staffing, curriculum and capital requirements whilst 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 and LGPS 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

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 as the company directors, on 14 December 2016 and signed on its behalf by:


Mr P Sandman, Chair
Chair of Governors


Mrs L Ayling,
Headteacher & Accounting Officer

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of Governors 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Governors 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 board of Governors has formally met 3 times during the period. Attendance during the period at meetings of the board of Governors was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Roper, Chair (retired 5.5.16)	1	2
Mr T Harrison, Vice Chair (retired 5.5.16)	2	3
Mrs L Ayling, (Headteacher & Accounting Officer)	3	3
Mr O Roberts	3	3
Mrs K Podmore	3	3
Mr C Pierce	2	3
Mrs M Faulkner (Responsible Officer)	2	3
Mrs A Winter (Staff Governor)	3	3
Mr S Taylor, (Staff Governor)	3	3
Mrs A Winter, (Staff Governor)	3	3
Mrs J Sloane (retired 24/06/16)	1	2
Mrs L Smith (resigned 10/03/16)	1	2
Ms P Concliffe Hughes	1	3
Mr P Sandman, Chair (appointed 5.5.16)	3	3
Mrs L Eaton, Vice Chair (appointed 5.5.16)	3	3

Following the election of a new Chair and Vice Chair of Governors, a self-evaluation using the external review of governance template commenced in September 2015. Key issues relating to committee structures, the size of the governing body and its alignment with the strategic objectives of the school's development plan have been addressed. Two core committees have been created focusing on Outcomes and Performance, Premises, Pay & Personnel. The remaining committees now meet on a "needs basis. The role of Link Governors has been enhanced to support the input of governors into the school and each committee will develop specific initiatives through the use of task and finish groups. A recruitment campaign was also commenced to replace those parent governors who term of office will finish at the end of this academic year to support succession planning and enhance the governing body's skills base. The impact of this review has meant that the governing body clearer lines of accountability and key performance measures. The next self-evaluation and review of governance is proposed for summer 2017.

The Academy has an Investment Policy and throughout the year cash-flow has been monitored and surplus balances moved into 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

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNANCE STATEMENT (continued)

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 period was as follows:

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

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

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Sloane	3	3
Mrs L Eaton	3	3
Mrs L Ayling	3	3
Mrs M Faulkner	3	3

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

- Staff restructure - The staffing establishment increased from 91 to 92 in 2016, however, overall staff salary costs remain unchanged from 2014 to 2015 (£3,269k) despite a significant rise in Employer NI, Teachers pensions and Local Government Pension Scheme contribution rates.
- Scrutiny and monitoring of PFI contract - As a result of rigorous scrutiny of service levels against the output specification, income generated through the payment mechanism as compensation for PFI under-performance has increased from £12k in 2014 to £39k in 2015. Furthermore, the Academy has secured an estimated £75k investment outside of the scope of the PFI contract in the form of classroom air conditioning, upgrades to the DT Food room and extensive upgrades to interior building and grounds.
- Review of academy Service Level Agreements and contracts - Savings of over £15k have been made through changes to suppliers and contracts for payroll and refuse collection.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Prenton High School for Girls

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNANCE STATEMENT (continued)

Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mrs M Faulkner, a Governor, to carry out a programme of internal checks, as Responsible Officer (RO).

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of income / expenditure streams
- testing of VAT reconciliation / claims

On a quarterly basis, the reviewer reports to the board of Governors, through the Audit committee on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external Responsible Officer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit committee/finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Governors on 14 December 2016 and signed on their behalf, by:



Mr P Sandman, Chair
Chair of Trustees



Mrs L Ayling
Accounting Officer

PRENTON HIGH SCHOOL FOR GIRLS
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Prenton High School for Girls I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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


Mrs L. Ayling
Accounting Officer

Date: 14/12/16

PRENTON HIGH SCHOOL FOR GIRLS
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who act as governors 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 14 December 2016 and signed on its behalf by:



Mr P Sandman
Chair of Governors

PRENTON HIGH SCHOOL FOR GIRLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 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 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 Trustees' responsibilities, the Trustees (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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

PRENTON HIGH SCHOOL FOR GIRLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRENTON HIGH SCHOOL FOR GIRLS**

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



A J McCall (Senior statutory auditor)
for and on behalf of
Andrew McCall (Senior Statutory Auditor)

for and on behalf of

Langtons Professional Services Limited
14 December 2016

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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Prenton High School for Girls and the 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Prenton High School for Girls and the 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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



A J McCall (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

14 December 2016

PRENTON HIGH SCHOOL FOR GIRLS
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
INCOME FROM:						
Donations and capital grants	2	-	64	16	80	93
Charitable activities	5	39	4,420	-	4,459	4,554
Other trading activities	3	9	8	-	17	15
Investments	4	9	-	-	9	8
TOTAL INCOME		57	4,492	16	4,565	4,670
EXPENDITURE ON:						
Charitable activities		6	4,327	147	4,480	4,563
Other expenditure		-	-	-	-	13
TOTAL EXPENDITURE	8	6	4,327	147	4,480	4,576
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		51	165	(131)	85	94
Transfers between Funds	17	-	(16)	16	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		51	149	(115)	85	94
Actuarial losses on defined benefit pension schemes	22	-	(1,010)	-	(1,010)	(92)
NET MOVEMENT IN FUNDS		51	(861)	(115)	(925)	2
RECONCILIATION OF FUNDS:						
Total funds brought forward		641	(1,284)	787	144	142
TOTAL FUNDS CARRIED FORWARD		692	(2,145)	672	(781)	144

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	14		673		788
CURRENT ASSETS					
Debtors	15	112		170	
Cash at bank and in hand		1,383		1,263	
		<u>1,495</u>		<u>1,433</u>	
CREDITORS: amounts falling due within one year	16	<u>(383)</u>		<u>(588)</u>	
NET CURRENT ASSETS			<u>1,112</u>		<u>845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,785</u>		<u>1,633</u>
Defined benefit pension scheme liability	22	(2,566)			(1,489)
NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>£ (781)</u>		<u>£ 144</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	422		204	
Restricted fixed asset funds	17	672		787	
		<u>1,094</u>		<u>991</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(2,567)</u>		<u>(1,488)</u>	
Total restricted income funds			<u>(1,473)</u>		<u>(497)</u>
Unrestricted income funds	17		692		641
TOTAL (DEFICIT)/FUNDS			<u>£ (781)</u>		<u>£ 144</u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:


Mr P Sandman
Chair of Trustees


Mrs L Ayling
Headteacher & Accounting Officer

The notes on pages 28 to 47 form part of these financial statements.

PRENTON HIGH SCHOOL FOR GIRLS
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>120</u>	<u>45</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		8	2
Purchase of tangible fixed assets		(16)	(219)
Capital grants from DfE/EFA		<u>16</u>	<u>17</u>
Net cash provided by/(used in) investing activities		<u>8</u>	<u>(200)</u>
Change in cash and cash equivalents in the year		128	(155)
Cash and cash equivalents brought forward		<u>1,263</u>	<u>1,418</u>
Cash and cash equivalents carried forward	20	<u><u>£ 1,391</u></u>	<u><u>£ 1,263</u></u>

PRENTON HIGH SCHOOL FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Prenton High School for Girls constitutes a public benefit entity as defined by FRS 102.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

PRENTON HIGH SCHOOL FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

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.

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

PRENTON HIGH SCHOOL FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 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.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

PRENTON HIGH SCHOOL FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Donations	£ -	£ 64	£ 16	£ 80	£ 93

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Sales and mentoring income	£ 9	£ 8	£ 17	£ 15

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4. INVESTMENT INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Investment income - local cash	£ 9	£ -	£ 9	£ 8

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	4,013	4,013	4,078
Other DfE/EFA grants	-	342	342	364
Local authority grants	39	65	104	112
	£ 39	£ 4,420	£ 4,459	£ 4,554

6. DIRECT COSTS

	£000	Total 2016 £000	Total 2015 £000
Net pension finance cost	57	57	39
Other staff costs	23	23	42
Educational supplies	159	159	283
Examination fees	133	133	147
Pupil recruitment	12	12	21
Staff development	5	5	30
Wages and salaries	2,271	2,271	2,286
National insurance	193	193	168
Pension cost	284	284	233
Depreciation	131	131	88
	£ 3,268	£ 3,268	£ 3,337

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7. SUPPORT COSTS

	Governance £000	£000	Total 2015 £000
PFI charges	-	382	331
Travel	-	1	1
Repairs and maintenance costs	-	19	20
Heat, light, water and waste disposal	-	68	85
Rates	-	13	15
Legal and professional costs	17	36	62
Insurance	-	17	17
Catering	-	48	48
Other support costs	-	10	6
Hospitality	-	1	2
Printing, postage, stationery and telephone	-	25	13
IT expenditure and support costs	-	53	57
Furniture	-	-	1
Wages and salaries	-	331	371
National insurance	-	22	24
Pension cost	-	169	185
	<u>£ 17</u>	<u>£ 1,195</u>	<u>£ 1,238</u>

8. EXPENDITURE

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	Total 2015 £000
Direct costs	2,747	-	521	3,268	-
Support costs	522	501	172	1,195	-
	<u>£ 3,269</u>	<u>£ 501</u>	<u>£ 693</u>	<u>£ 4,463</u>	<u>£ -</u>

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the charity	131	88
Auditors' remuneration - audit	11	10
	<u>142</u>	<u>98</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	2,552	2,591
Social security costs	215	192
Operating costs of defined benefit pension schemes	453	418
	<u>3,220</u>	<u>3,201</u>
Supply teacher costs	49	65
Staff restructuring costs	-	3
	<u>£ 3,269</u>	<u>£ 3,269</u>

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

	2016 No.	2015 No.
Teachers	43	44
Administration and support	44	42
Management	5	5
	<u>92</u>	<u>91</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	40	42
Administration and support	35	33
Management	5	5
	<u>80</u>	<u>80</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1

Two of the above employees participated in the Teachers Pension Scheme and one is in the Local Government Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employment benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £410,797 (2015: £397,142). There were no salary increases other than the Statutory National Pay Award

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10. STAFF COSTS (continued)

of 1% and the increased employer's pension costs as stipulated by the pension providers featured in note 22.

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

11. GOVERNORS' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees 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 Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£000	£000
L. Ayling (Headteacher and Governor)	Remuneration	70-75	70-75
	Pension contributions paid	10-15	10-15
A. Winter (Staff Governor)	Remuneration	20-25	20-25
	Pension contributions paid	0-5	0-5
S. Taylor (Staff Governor)	Remuneration	25-30	25-30
	Pension contributions paid	0-5	0-5

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

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £2026 (2015 - £949).

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13. OTHER FINANCE INCOME

	2016 £000	2015 £000
Interest income on pension scheme assets	(5)	58
Interest on pension scheme liabilities	(52)	(97)
	<u>£ (57)</u>	<u>£ (39)</u>

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2015	557	83	354	994
Additions	16	-	-	16
At 31 August 2016	<u>573</u>	<u>83</u>	<u>354</u>	<u>1,010</u>
Depreciation				
At 1 September 2015	63	43	100	206
Charge for the year	42	13	76	131
At 31 August 2016	<u>105</u>	<u>56</u>	<u>176</u>	<u>337</u>
Net book value				
At 31 August 2016	<u>£ 468</u>	<u>£ 27</u>	<u>£ 178</u>	<u>£ 673</u>
At 31 August 2015	<u>£ 494</u>	<u>£ 40</u>	<u>£ 254</u>	<u>£ 788</u>

15. DEBTORS

	2016 £000	2015 £000
Trade debtors	1	-
Other debtors	15	58
Prepayments and accrued income	96	112
	<u>£ 112</u>	<u>£ 170</u>

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16. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	159	392
Other taxation and social security	65	59
Other creditors	62	73
Accruals and deferred income	97	64
	£ 383	£ 588

	2016	2015
	£000	£000
Deferred income		
Deferred income at 1 September 2015	8	8
Resources deferred during the year	8	8
Amounts released from previous years	(8)	(8)
Deferred income at 31 August 2016	£ 8	£ 8

At the balance sheet date, the academy trust was holding funds received in advance for rates relief for the year ended 31st August 2017.

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

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	641	58	(6)	-	-	693
Other General funds	-	(1)	-	-	-	(1)
	<u>641</u>	<u>57</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>692</u>
Restricted funds						
GAG	120	4,013	(3,882)	52	-	303
Pupil Premium	81	342	(326)	-	-	97
Other grants	3	65	(63)	-	-	5
Other restricted funds	-	71	(56)	-	-	15
Pension reserve	(1,488)	-	-	(68)	(1,010)	(2,566)
Other Restricted funds	-	1	-	-	-	1
	<u>(1,284)</u>	<u>4,492</u>	<u>(4,327)</u>	<u>(16)</u>	<u>(1,010)</u>	<u>(2,145)</u>
Restricted fixed asset funds						
Capital expenditure from GAG	787	-	(131)	16	-	672
DfE/EFA capital grant	-	16	(16)	-	-	-
	<u>787</u>	<u>16</u>	<u>(147)</u>	<u>16</u>	<u>-</u>	<u>672</u>
Total restricted funds	<u>(497)</u>	<u>4,508</u>	<u>(4,474)</u>	<u>-</u>	<u>(1,010)</u>	<u>(1,473)</u>
Total of funds	<u>£ 144</u>	<u>£ 4,565</u>	<u>£ (4,480)</u>	<u>£ -</u>	<u>£ (1,010)</u>	<u>£ (781)</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..

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

17. STATEMENT OF FUNDS (continued)

A total of £16k (2015: £219k) of restricted funds have been transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG income.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	673	673	787
Current assets	699	795	-	1,494	1,432
Creditors due within one year	(8)	(375)	-	(383)	(586)
Provisions for liabilities and charges	-	(2,566)	-	(2,566)	(1,489)
Difference	-	1	-	1	-
	<u>£ 692</u>	<u>£ (2,145)</u>	<u>£ 672</u>	<u>£ (781)</u>	<u>£ 144</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £000	2015 £000
Net income for the year (as per Statement of financial activities)	85	94
Adjustment for:		
Depreciation charges	131	89
Dividends, interest and rents from investments	-	(1)
Decrease in debtors	58	36
Decrease in creditors	(205)	(200)
Capital grants from DfE and other capital income	(16)	(17)
Defined benefit pension scheme cost less contributions payable	10	5
Defined benefit pension scheme finance cost	57	39
Net cash provided by operating activities	<u>£ 120</u>	<u>£ 45</u>

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash in hand	<u>1,391</u>	<u>1,263</u>
Total	£ 1,391	£ 1,263

21. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016 £000	2015 £000
Contracted for but not provided in these financial statements	£ -	£ -

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**NOTES TO THE FINANCIAL STATEMENTS
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22. 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 Multi-employer defined benefit pension schemes.

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 ££53,372 (TPS £35,273; LGPS £18,099) were payable to the schemes at 31 August 2016 (2015 - £52,210) 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £270,892 (2015 - £237,042).

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22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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 2016 was £215,000 (2015 - £234,000), of which employer's contributions totalled £166,000 (2015 - £180,000) and employees' contributions totalled £49,000 (2015 - £54,000). 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Expected return on scheme assets at 31 August	- %	5.30 %
Rate of increase in salaries	3.30 %	3.80 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %
Inflation assumption (CPI)	1.80 %	2.30 %

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

	2016	2015
Retiring today		
Males	22.5	22.4
Females	25.4	25.3
Retiring in 20 years		
Males	24.9	24.8
Females	28.2	28.1

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22. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	865	721
Debt instruments	76	165
Other bonds	194	62
Property	135	103
Cash/liquidity	61	35
Other	316	113
Total market value of assets	£ 1,647	£ 1,199

The actual return on scheme assets was £253,000 (2015 - £28,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £000	2015 £000
Net interest cost	£ (57)	£ (39)
Actual return on scheme assets	£ 253	£ 28

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

	2016 £000	2015 £000
Opening defined benefit obligation	2,688	2,335
Current service cost	176	185
Employee contributions	49	54
Actuarial losses	1,212	62
Interest costs	109	97
Exchange differences on foreign schemes	-	(45)
Benefits paid	(21)	-
Further service cost	-	-
Closing defined benefit obligation	£ 4,213	£ 2,688

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22. PENSION COMMITMENTS (continued)

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

	2016 £000	2015 £000
Opening fair value of scheme assets	1,199	982
Return on plan assets (excluding net interest on the net defined pension liability)	52	58
Actuarial gains and (losses)	202	(30)
Contributions by employer	166	180
Assets acquired in a business combination	-	54
Benefits paid	(21)	(45)
Member contributions	49	-
	<u>1,647</u>	<u>1,199</u>
Closing fair value of scheme assets	£ 1,647	£ 1,199

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts payable:		
Within 1 year	388	388
Between 1 and 5 years	1,564	1,562
After more than 5 years	3,900	4,290
Total	£ 5,852	£ 6,240

24. RELATED PARTY TRANSACTIONS

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

25. MEMBERS' LIABILITY

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