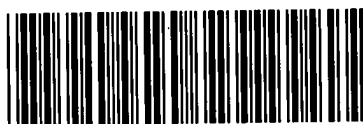


Registered number: 07672980

PRENTON HIGH SCHOOL FOR GIRLS

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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PRENTON HIGH SCHOOL FOR GIRLS
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Governors

Governors

Mr P Sandman, Chair*, Chair
Mrs L Eaton #, Vice Chair
Mrs K Podmore *
Mr O Roberts * (resigned 13 December 2016)
Mrs M Faulkner #, Responsible Officer
Mrs L Ayling *, Headteacher & Accounting Officer
Mr C Pierce* (resigned 21 July 2017)
Mr T Harrison*
Ms P Concliffe Hughes, Parent Governor (resigned 21 July 2017)
Mr S Taylor, Staff Governor
Mrs A Winter, Staff Governor

* Members of the Finance Committee

Members of the Audit Committee

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

Company registered number

07672980

Company 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
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. 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 in Birkenhead, 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 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.

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.

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 financial year 2016/2017 there were 2 committees as follows:

- Outcomes and Performance - this meets once a term and is responsible for monitoring, evaluating and reviewing policy, practice, teacher performance and performance outcomes in relation to curriculum and pastoral planning, communication, examinations, target setting, assessment, attendance, behaviour and other related issues.
- Finance, Premises, Pay and Personnel – this meets once a term and is responsible for monitoring, evaluating and reviewing Academy policy, practice and performance in relation to all staffing, financial management and controls, risk management, Health and Safety management, premises related issues and the PFI contract, compliance with reporting and regulatory requirements, receiving reports from the

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Responsible Officer and drafting the annual budget including setting staffing levels.

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 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

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 within 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 Lisa Ayling, Headteacher, is a member of the IEB for Bebington High Sports College.

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
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all students;
- 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, grades 4+ and 5+ in English and Maths, English Baccalaureate (at 4+ and 5+), Attainment 8 score in line with national results;
- 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 secure sustainability, 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 2017 (158 students)
- To continue to promote good attendance and reduce the gaps for disadvantaged students
- Develop the sustainability of the school and its ability to adapt to change in order to secure its long term future
- To continue to develop and strengthen governance

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

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Commission in exercising their powers or duties.

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. In Autumn 2016 we introduced The Prenton Promise; this is a charter to engage all students in a broad range of additional opportunities beyond the curriculum and sets out both expectations and a commitment to provide opportunities for students throughout their time at Prenton.

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.

b. KEY FINANCIAL PERFORMANCE INDICATORS

Key performance indicators:

Measure	School*	National	National: Non-selective schools
Progress 8	+0.06	0	+0.04
Attainment 8	43.56	44.2	41.8
% achieving 4+ in English and maths	65.5	63.3	55.2
% achieving 5+ in English and maths	32.8	39.1	31
% achieving EBacc (4+)	29.4	23.5	Data not available
% achieving EBacc (5+)	21	19.5	Data not available

*figures shown have removed 2 students who left Prenton in February 2017 and didn't sit examinations, however, as this was post January census these students are included in the nationally reported data.

National data and data for non-selective schools are included for comparison as this contextualises the local selective system and demonstrates positive outcomes from lower than average starting points.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

A key focus for Pupil Premium spending for 2016-17 was targeted towards high prior attaining students. Interventions implemented within the English department secured excellent outcomes and progress for all disadvantaged students, and whilst all groups achieved positive progress scores in English, the highest score of +0.67 was achieved by the high prior attaining disadvantaged students.

In 2016-17 the Academy entered its first cohort of Students for the Bronze Duke of Edinburgh Award. A cohort of 54 students successfully completed the award, the largest cohort on the Wirral.

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. Cashflow has increased from £1,383K in 2016 to £1,445K in 2017.

All statutory deadlines for reporting have been met and all internal audit regularity control checks returned no findings.

External fire audit conducted and no findings or recommendations at school level were reported.

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

Total on roll:
October 2017 - 787
October 2016 - 758
October 2015 - 762
October 2014 - 742

Staff costs as a percentage of grant income: 76.4% (DfE Grant funding - £4,550K, Staff costs - £3,476K) compared to 74% in 2016. Increased budget pressures made a staffing restructure for 2017-18 necessary in order to secure the future financial sustainability of the school.

Financial review

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 2017 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 2017, total expenditure of £4,617K was primarily funded by recurrent grant funding from the DfE, together with other incoming resources totalling £501K. The excess of expenditure over income for the period (excluding restricted fixed assets funds) was £9k before accounting for a £465k actuarial gain in the Local Government Pension Scheme liability.

At 31 August 2017 the net book value of fixed assets was £549k and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 21 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, a decision has been taken to pre-pay the three years' contributions saving the Academy in the region of £11k.

Key financial policies adopted or reviewed during the year include the Academies Finance Handbook, 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.

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 reports at all full Governors' and Finance Committee meetings. In addition, abbreviated 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.

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 21 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

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

contributions in the coming years to reduce its size.

b. PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the Academy's incoming resources was ultimately Government funded (2016: 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. 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 candidate applications in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of 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

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

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

and Maths and look to extend the specialist provision further into Science which will reflect in academic outcomes being improved. In addition, following the success of this year's cohort in achieving the Bronze Duke of Edinburgh award, in 2017 we will be extending our commitment by introducing the Silver Duke of Edinburgh award.

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 mid-term financial requirements, the Academy has developed a robust Medium Term Financial Plan, taking into account all income streams, budget forecasts, staffing, curriculum and capital requirements whilst noting changes to 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 6th December 2017 and signed on its behalf by:


Mr P Sadman, Chair
Chair of Governors


Mrs L Ayling,
Headteacher & Accounting Officer

PRENTON HIGH SCHOOL FOR GIRLS
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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 4 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Trustee	Meetings attended	Out of a possible
L Eaton	4	4
T Harrison	2	4
K Podmore	4	4
M Faulkner (Responsible Officer)	1	4
C Pierce (resigned 21.07.2017)	4	4
S Taylor, (Staff Governor)	4	4
A Winter (Staff Governor)	1	4
P Condliffe-Hughes (resigned 21.07.2017)	2	4
O Roberts (resigned 13.12.2016)	1	1
L Ayling (Headteacher & Accounting Officer)	4	4
P Sandman	4	4

Following an internal review of governance in 2015-16 the working structure of the board was revised for 2016-17 to include the following:

- Revised committee structure. Reduced 4 committees to 2 core committees – Outcomes and Performance and Finance, Premises, Pay and Personnel. Broadly speaking the 2 committees oversee the 2 key aspects of the Academy's work: the student based outcomes and the business and financial aspects.
- Key Performance Indicators for each committee were agreed at the start of the year in order for each committee to effectively monitor and measure performance.
- During the academic year 2016-17 2 long serving Governors reached the end of their terms of office and 3 new Parent Governors were appointed in readiness for academic year 2017-18. The recruitment process was led by the Chair of Governors who ran information and introductory sessions for parents wanting to find out about the role of the Governor. Recruitment was also based upon a skills analysis to ensure that the skills set of the Governance was strengthened through the recruitment process.
- The role of Link Governors was developed throughout the year with greater expectation upon the individual Governors to support and develop an in-depth knowledge of their area of responsibility, provide a written update to the relevant committee in order to streamline committee meetings to enable these to focus upon strategic development, rather than operational matters.

The Finance, Premises and Pay and Personnel committee is a sub-committee of the main board of trustees. Its key performance indicators for the year 2016-17 were:

Annual Audit:

To achieve an unqualified audit judgement and be able to demonstrate the school as a 'going concern'.

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GOVERNANCE STATEMENT (continued)

Internal audit visits demonstrate that control measures are robust.

Numbers on roll:

To ensure a full intake (158) for September 2017

Partnerships:

To have evidence of value for money through PFI and all school contracts

Compliance:

To demonstrate statutory compliance in order to manage risk

In addition, as reflected in the School Development Plan, securing financial sustainability for the school was a key priority, and an aspect of work under the remit of this committee was the development of a Medium Term Financial Plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Podmore	5	5
P Sandman	4	5
T Harrison	4	5
C Pierce	4	5
O Roberts	1	1
L Ayling	5	5

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:

Governance:

- Implementing and reviewing new Governance/ committee structure
- Strengthening skill set of Governors through recruitment of new Parent Governors for 2017-18
- The impact of the review and development of Governance is that the Board has a clearer strategic focus, measurable KPIs, and has helped to shape the sustainability of the school through supporting the development of a Medium Term Financial Plan.
- Governance to be further reviewed Summer 2018
- An additional Board Meeting is now held at the start of the academic year in order to present academic outcomes to Trustees and finalise the details of the SDP.

Other strategies:

- Additional meetings of the Finance, Premises, Pay and Personnel committee were convened throughout the Spring and Summer terms to support the significant restructuring process that the Academy undertook in order to secure its financial sustainability for 2017-18 onwards.
- The Academy has continued to challenge the performance of the PFI contract in order to secure value for money. This has resulted in £33,000 worth of performance failure payments to the Academy. In addition, the Academy has benefited from extensive decoration and enhancement to the fabric of the building outside of lifecycle at no additional cost.
- The Academy increased non grant revenue across a range of areas, including fundraising for specific school projects.

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

GOVERNANCE STATEMENT (continued)

- An independent review of utility charges through the PFI contract has secured a reduction of £30,000 for the Academy.
- The decision to prepay a three-year contribution to the Local Government Pension Scheme deficit upfront saved the Academy in excess of £11,000.
- Interest received from management of cash-flow increased by 25%, despite interest rates being at an all-time low.
- A review of legal and professional services secured an in year saving of £10,000 for the Academy.

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 Academy Trust for the year 1 September 2016 to 31 August 2017 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 year 1 September 2016 to 31 August 2017 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, Premises, Pay and Personnel 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 Trustees have appointed Mrs Maria Faulkner, a trustee and qualified accountant, to carry out a programme of internal checks, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of Governors, through the Finance, Premise, Pay and Personnel committee on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities.

The reviewer's 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:

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNANCE STATEMENT (continued)

testing of payroll systems
testing of purchase systems
testing of control account/ bank reconciliations
testing of VAT returns and compliance
testing of income

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises Pay and Personnel committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Governors on 6 December 2017 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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 ESFA.



Mrs L. Ayling
Accounting Officer

Date: 06/12/2017

PRENTON HIGH SCHOOL FOR GIRLS
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017;
- 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 ESFA/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 6 December 2017 and signed on its behalf by:



Mr P Sandman
Chair of Governors

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

**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 31st August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2017 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2016 to 2017 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such

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**

material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Governors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

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

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

RESPONSIBILITIES OF GOVERNORS

As explained more fully in the governors' responsibilities statement set out on page 12, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



A J McCall, Senior Statutory Auditor

for and on behalf of

Langtons Professional Services Limited
6 December 2017

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

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

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

authorities which govern them.



A J McCall (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

6 December 2017

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

		Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
	Note					
INCOME FROM:						
Donations and capital grants	2	-	3	17	20	80
Charitable activities	5	33	4,517	-	4,550	4,459
Other trading activities	3	9	18	-	27	17
Investments	4	11	-	-	11	9
TOTAL INCOME		53	4,538	17	4,608	4,565
EXPENDITURE ON:						
Charitable activities		-	4,492	125	4,617	4,463
Other expenditure		-	-	-	-	17
TOTAL EXPENDITURE	8	-	4,492	125	4,617	4,480
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	53	46	(108)	(9)	85
		-	16	(16)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		53	62	(124)	(9)	85
Actuarial losses on defined benefit pension schemes	21	465	-	-	465	(1,011)
NET MOVEMENT IN FUNDS		518	62	(124)	456	(926)
RECONCILIATION OF FUNDS:						
Total funds brought forward		691	(2,145)	672	(782)	144
TOTAL FUNDS CARRIED FORWARD		1,209	(2,083)	548	(326)	(782)

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
FIXED ASSETS				
Tangible assets	14		549	674
CURRENT ASSETS				
Debtors	15	291		110
Cash at bank and in hand		1,445		1,383
		<u>1,736</u>		<u>1,493</u>
CREDITORS: amounts falling due within one year	16	(413)		(383)
NET CURRENT ASSETS			<u>1,323</u>	<u>1,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,872</u>	<u>1,784</u>
Defined benefit pension scheme liability	21		(2,198)	(2,566)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>£ (326)</u>	<u>£ (782)</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	580		421
Restricted fixed asset funds	17	548		672
		<u></u>		<u></u>
Restricted income funds excluding pension liability		1,128		1,093
Pension reserve		(2,198)		(2,566)
		<u></u>		<u></u>
Total restricted income funds			(1,070)	(1,473)
Unrestricted income funds	17		744	691
TOTAL DEFICIT			<u>£ (326)</u>	<u>£ (782)</u>

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

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

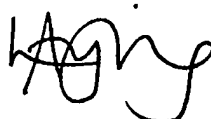
PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



Mr P Sandman
Chair of Trustees



Mrs L Ayling
Headteacher & Accounting Officer

The notes on pages 27 to 48 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 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	46	120
Cash flows from investing activities:			
Dividends, interest and rents from investments		(9)	8
Purchase of tangible fixed assets		-	(16)
Capital grants from DfE/EFA		17	16
Net cash provided by investing activities		8	8
Change in cash and cash equivalents in the year		54	128
Cash and cash equivalents brought forward		1,391	1,263
Cash and cash equivalents carried forward	20	£ 1,445	£ 1,391

PRENTON HIGH SCHOOL FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 ESFA, 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 ESFA..

PRENTON HIGH SCHOOL FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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
FOR THE YEAR ENDED 31 AUGUST 2017**

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	£ -	£ 3	£ 17	£ 20	£ 80

In 2016, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £ 80 was to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Sales and mentoring income	£ 9	£ 18	£ 27	£ 17

In 2016, of the total income from other trading activities, £ 9 was to unrestricted funds and £ 8 was to restricted funds.

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4. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income - local cash	£ 11	£ -	£ 11	£ 9

In 2016, of the total investment income, £ 9 was to unrestricted funds and £ NIL was to restricted funds.

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	4,105	4,105	4,013
Other DfE/EFA grants	-	323	323	342
Local authority grants	31	89	120	104
	£ 31	£ 4,517	£ 4,548	£ 4,459

In 2016, of the total income from charitable activities, £ 39 was to unrestricted funds and £4,420 was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. DIRECT COSTS

	£000	Total 2017 £000	Total 2016 £000
Net pension finance cost	51	51	57
Other staff costs	14	14	23
Educational supplies	178	178	159
Examination fees	52	52	133
Pupil recruitment	16	16	12
Staff development	15	15	5
Wages and salaries	2,436	2,436	2,271
National insurance	209	209	193
Pension cost	362	362	284
Depreciation	125	125	131
Subtotal	3,458	3,458	3,268
Other direct costs	-	-	79
At 31 August 2017	£ 3,458	£ 3,458	£ 3,347

7. SUPPORT COSTS

	Governance £000	£000	Total 2016 £000
PFI charges	-	382	382
Travel	-	1	1
Repairs and maintenance costs	-	7	19
Heat, light, water and waste disposal	-	40	68
Rates	-	15	13
Legal and professional costs	10	25	53
Insurance	-	18	17
Catering	-	50	48
Other support costs	-	9	10
Hospitality	-	1	1
Printing, postage, stationery and telephone	-	30	25
IT expenditure and support costs	-	57	53
Agency staff costs	-	46	38
Wages and salaries	-	296	282
National insurance	-	22	22
Pension cost	-	150	101
At 31 August 2017	£ 10	£ 1,149	£ 1,133

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**NOTES TO THE FINANCIAL STATEMENTS
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8. EXPENDITURE

	Staff costs	Premises	Other costs	Total	<i>Total</i>
	2017	2017	2017	2017	<i>2016</i>
	£000	£000	£000	£000	<i>£000</i>
Direct costs	3,007	-	451	3,458	3,268
Support costs	469	463	217	1,149	1,195
	<u>£ 3,476</u>	<u>£ 463</u>	<u>£ 668</u>	<u>£ 4,607</u>	<u>£ 4,463</u>

Per the SOFA, total expenditure of £4,617k includes the total above of £4,607k plus the governance costs of £10k in the first column of note 7 above.

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2017	<i>2016</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	125	131
Auditors' remuneration - audit	10	12
	<u>135</u>	<u>143</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	2,556	2,514
Social security costs	231	215
Operating costs of defined benefit pension schemes	512	453
	<u>3,299</u>	<u>3,182</u>
Supply teacher costs	140	49
Staff restructuring costs	37	-
	<u>£ 3,476</u>	<u>£ 3,231</u>

Staff restructuring costs comprise:

Severance payments	<u>37</u>	<u>-</u>
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The average number of persons employed by the academy during the year was as follows:

	2017 No.	2016 No.
Teachers	46	43
Administration and support	42	44
Management	5	5
	<u>93</u>	<u>92</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	44	42
Administration and support	34	33
Management	5	5
	<u>83</u>	<u>80</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	2
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.

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

Included in staff costs are non-statutory/non-contractual severance payments totalling £37,355 (2016: £0). Individually, the payments were £4,278, £3,681, £9,518, £6,614, £1,264 and £12,000.

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 £388,309 (2016: £410,797). There were no salary increases other than the Statutory National Pay Award of 1% and the increased employer's pension costs as stipulated by the pension providers featured in note 21.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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:

		2017	2016
		£000	£000
L. Ayling (Headteacher and Governor)	Remuneration	75-80	70-75
	Pension contributions paid	5-10	10-15
A. Winter (Staff Governor)	Remuneration	35-40	20-25
	Pension contributions paid	0-5	0-5
S. Taylor (Staff Governor)	Remuneration	50-55	25-30
	Pension contributions paid	5-10	0-5

During the year, no Governors received any reimbursement of expenses (2016 - £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 2017 was £2,026 (2016 - £2,026).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. OTHER FINANCE INCOME

	2017 £000	2016 £000
Interest income on pension scheme assets	37	(5)
Interest on pension scheme liabilities	(88)	(52)
	<u>£ (51)</u>	<u>£ (57)</u>

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2016 and 31 August 2017	573	83	354	1,010
Depreciation				
At 1 September 2016	105	55	176	336
Charge for the year	43	13	69	125
At 31 August 2017	148	68	245	461
Net book value				
At 31 August 2017	£ 425	£ 15	£ 109	£ 549
At 31 August 2016	£ 468	£ 28	£ 178	£ 674

15. DEBTORS

	2017 £000	2016 £000
Trade debtors	-	1
Other debtors	17	15
Prepayments and accrued income	274	94
	<u>£ 291</u>	<u>£ 110</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	121	159
Other taxation and social security	69	65
Other creditors	81	62
Accruals and deferred income	142	97
	<u>£ 413</u>	<u>£ 383</u>

	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	8	8
Resources deferred during the year	-	8
Amounts released from previous years	<u>£ -</u>	<u>£ (8)</u>

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
Other General funds	691	53	-	-	-	744
Restricted funds						
Restricted funds: GAG	303	4,105	(3,894)	-	530	1,044
Restricted Funds: Pupil Premium	97	323	(370)	-	50	100
Restricted Funds: Other grants	5	89	(94)	-	-	-
Restricted Funds: Other restricted funds	16	21	(37)	-	-	-
Pension reserve	(2,566)	-	(97)	465	(2,198)	(4,396)
Other Restricted funds	-	-	-	(449)	2,083	1,634
	<u>(2,145)</u>	<u>4,538</u>	<u>(4,492)</u>	<u>16</u>	<u>465</u>	<u>(1,618)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds: Capital expenditure from GAG	672	17	(125)	(16)	548	1,096
Other Restricted funds	-	-	-	-	(548)	(548)
	<u>672</u>	<u>17</u>	<u>(125)</u>	<u>(16)</u>	<u>-</u>	<u>548</u>
Total restricted funds	<u>(1,473)</u>	<u>4,555</u>	<u>(4,617)</u>	<u>-</u>	<u>465</u>	<u>(1,070)</u>
Total of funds	<u>£ (782)</u>	<u>£ 4,608</u>	<u>£ (4,617)</u>	<u>£ -</u>	<u>£ 465</u>	<u>£ (326)</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
Unrestricted funds						
General Funds - all funds	641	56	(6)	-	-	691
	<u>641</u>	<u>56</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>691</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

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	-	72	(56)	-	-	16
Pension reserve	(1,488)	-	-	(68)	(1,010)	(2,566)
	<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	£ 144	£ 4,564	£ (4,480)	£ -	£ (1,010)	£ (782)

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

The restricted general fund includes grants receivable from the ESFA, 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 2017**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	548	548
Current assets	693	1,044	-	1,737
Creditors due within one year	-	(413)	-	(413)
Provisions for liabilities and charges	-	(2,198)	-	(2,198)
Difference	51	(51)	-	-
	<u>£ 744</u>	<u>£ (1,618)</u>	<u>£ 548</u>	<u>£ (326)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	673	673
Current assets	700	795	-	1,495
Creditors due within one year	(8)	(375)	-	(383)
Provisions for liabilities and charges	-	(2,566)	-	(2,566)
	<u>£ 692</u>	<u>£ (2,146)</u>	<u>£ 673</u>	<u>£ (781)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017	2016
	£000	£000
Net (expenditure)/income for the year (as per Statement of financial activities)	(9)	85
Adjustment for:		
Depreciation charges	125	131
(Increase)/decrease in debtors	(179)	58
Increase/(decrease) in creditors	29	(205)
Capital grants from DfE and other capital income	(17)	(16)
Defined benefit pension scheme cost less contributions payable	46	10
Defined benefit pension scheme finance cost	51	57
Net cash provided by operating activities	£ 46	£ 120

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£000	£000
Cash in hand	1,445	1,391
Total	£ 1,445	£ 1,391

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NOTES TO THE FINANCIAL STATEMENTS
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21. 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 £52,599 (TPS £37,982; LGPS £14,617) were payable to the schemes at 31 August 2017 (2016 - £53,372) 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.

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

The employer's pension costs paid to TPS in the period amounted to £284,633 (2016 - £270,892).

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 2017 was £275,000 (2016 - £215,000), of which employer's contributions totalled £224,000 (2016 - £166,000) and employees' contributions totalled £51,000 (2016 - £49,000). 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:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	21.6	22.5
Females	24.7	25.4
Retiring in 20 years		
Males	24.2	24.9
Females	27.7	28.2

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,019	865
Debt instruments	301	270
Property	156	135
Cash/liquidity	93	61
Other	375	316
Total market value of assets	£ 1,944	£ 1,647

The actual return on scheme assets was £180,000 (2016 - £253,000).

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

	2017 £000	2016 £000
Net interest cost	£ (51)	£ (57)
Actual return on scheme assets	£ 180	£ 253

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

	2017 £000	2016 £000
Opening defined benefit obligation	4,213	2,688
Current service cost	270	176
Interest cost	88	109
Contributions by employees	51	49
Actuarial (gains)/losses	(471)	1,212
Gains on curtailments	(9)	(21)
Closing defined benefit obligation	£ 4,142	£ 4,213

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21. PENSION COMMITMENTS (continued)

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

	2017 £000	2016 £000
Opening fair value of scheme assets	1,647	1,199
Return on plan assets (excluding net interest on the net defined pension liability)	37	52
Actuarial gains and (losses)	(6)	202
Contributions by employer	224	166
Contributions by employees	51	49
Other item	(9)	(21)
Closing fair value of scheme assets	£ 1,944	£ 1,647

22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	394	388
Between 1 and 5 years	1,560	1,564
After more than 5 years	3,510	3,900
Total	£ 5,464	£ 5,852

23. RELATED PARTY TRANSACTIONS

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

24. 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.