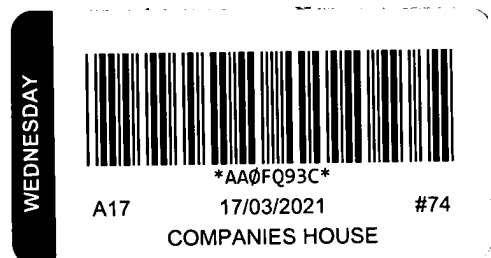


PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Roper MBE Mr T Harrison Mr C Pierce Mrs L Ayling
Trustees	Ms L Eaton #, Chair Mrs L Ayling *, Headteacher & Accounting Officer, Head Teacher Dr J Coen, Vice Chairman Mrs A Sass, Parent Governor Ms K Weston, Parent Governor Miss A Doyle, Teacher Governor Mr T Fazackerley, Co-opted 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

Registered office

Hesketh Avenue
Birkenhead
Wirral
CH42 6RR

**Principal operating
office**

Hesketh Avenue
Birkenhead
Wirral
CH42 6RR

Senior leadership team

Mrs L Ayling, Headteacher
Mrs G Fraser, Deputy Headteacher
Mrs R Sagar, Assistant Headteacher
Ms J Chatburn, Director of Finance & Operations (resigned 10 December 2019)
Mrs R Davies, School Business Manager (appointed 25 November 2019)

Independent auditors

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

Registered Bank

Lloyds Bank PLC
355 Woodchurch Road
Prenton
CH42 8PE

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors	Stone King 13 Queen Square Bath BA1 2HJ
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PRENTON HIGH SCHOOL FOR GIRLS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an Academy for students aged 11 to 16 serving a catchment area in Birkenhead, Wirral. It has a student capacity of 790 and had a roll of 775 in the school census on October 2019.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of Prenton High School for Girls are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Prenton High School for Girls.

Details of the Trustees who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

The Academy Trust shall have the following Governors as set out in its Articles of Association and funding agreement: The number of Governors shall be not less than three but shall not be subject to any maximum. The Academy shall have the following Governors:

- up to 9 Governors, appointed by Members
 - a minimum of 3 Parent Governors, elected by Parents of registered students at the Academy
 - up to 2 staff Governors, elected by staff and appointed by Members
 - up to 3 co-opted Governors, appointed by Governors
 - the Principal (Headteacher)
- Working within the Articles, with effect from 11/07/2016 the Governors 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 adopted for the induction and training of Trustees

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, 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 National Governance Association, The Key, The School Bus and Edsential.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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.

There are 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 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 ratify policies, to appoint or remove the Chair and/or Vice Chair, 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, Assistant Headteacher and the School Business Manager. 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 SLT and Subject and Student Services Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and Business Manager 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 every endeavour is made to always include a Governor in senior staff appointment panels.

The Headteacher is the Accounting Officer.

PRENTON HIGH SCHOOL FOR GIRLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. 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 Head Teacher, Business Manager and Assistant Head Teacher, 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.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
Total cost of facility time	-
Total pay bill	105
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Objectives and activities

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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 all abilities between the ages of 11 and 16.

The aims of the Academy during the year ended 31 August 2020 are summarised below:

- to continue to develop the Academy so that it enables students to achieve the best possible outcomes and prepares them for the next steps in their education and training;
- to ensure 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, Attainment 8 score at least in line with national results;
- to develop the Academy site so that it enables students to achieve the best possible outcomes;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- 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 our aim is making a positive difference today to achieve a better tomorrow. 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 positive outcomes for all students, including that all students achieve a positive Progress 8 score
- To continue to increase the school roll and to be full in September 2020 (158 students)
- To continue to promote good attendance and reduce the gaps for disadvantaged students and students with SEND
- 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

PRENTON HIGH SCHOOL FOR GIRLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

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

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/ carers 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 positive difference today to achieve a better tomorrow' through our core values of Trust, Respect, Integrity, Kindness and Endeavour.

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. The Prenton Pathway to Success maps a broad range of additional opportunities beyond the curriculum and sets out our commitment to provide opportunities for students throughout their time at Prenton.

Strategic report

Achievements and performance

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

In 2020 due to the World Pandemic GCSE exams were cancelled and replaced by Centre Assessed Grades. As such, accountability measures and national performance measures were not recorded for this Academic year.

Measure	School 2019	National 2019	School CAG's 2020
Progress 8	+0.34	0	
Attainment 8	46.3	46.5	49.6
% achieving 5+ in English and maths	44.7%	43%	47.3%
EBacc APS	4.04	4.06	5.65
Destinations*	93%	94%	
Attendance**	95.1%	94.5%	

Prior to the closure of school to most students and the cancellation of GCSE exams, a key focus for Pupil Premium spending for 2019-20 continued to be targeted towards Maths and English. Whilst examinations were cancelled in the summer of 2020 Centre Assessed Grades (CAGs) indicated positive outcomes for disadvantaged students in both English and maths.

In 2019-20 the Academy entered its fourth cohort of students for the Bronze Duke of Edinburgh Award and third cohort of students for the Silver Duke of Edinburgh Award; its second cohort as a licenced centre for the Duke of Edinburgh Award. Despite the impact of the pandemic on this award, students were still able to engage in a range of online activities for which they could be certificated.

The main financial performance indicator is the level of cash reserves held at the Balance Sheet date. Cash at bank has decreased from £1,976K in 2019 to £1,554K in 2020 due to significant capital investment.

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

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

Total on roll:
October 2019 - 775
October 2018 - 786
October 2017 - 790
October 2016 - 758
October 2015 - 762

Staff costs as a percentage of grant income: 77% (Grant funding - £4,652K, Staff costs - £3,602k) compared to 70.3% in 2018.

PRENTON HIGH SCHOOL FOR GIRLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Financial review

Most of the Academy's income is obtained from the DfE via the ESFA 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 2020 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 2020, total expenditure of £5,406K was primarily funded by recurrent grant funding from the DfE, together with other incoming resources totalling £549K.

At 31 August 2020 the net book value of fixed assets was £1,078k and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students 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 20 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 2022 and will be able to meet its obligations. Furthermore, due to the Academy's strong cash position, a decision was taken to pre-pay the three years' contributions saving the Academy in the region of £8k.

Key financial policies adopted or reviewed during the year include the Academies Financial 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.

The Governors appointed Langtons to undertake a programme of internal checks on financial controls. During the year, the Governors have received reports from Langtons which contained no matters of significance.

PRENTON HIGH SCHOOL FOR GIRLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. 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 remains stable, risks to revenue funding from a falling roll remain a concern and 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 20 to the financial statements, represents a significant potential liability. Whilst the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, therefore minimising the risk from this liability, there is a need to budget for increased contributions in the coming years to reduce its size.

PRENTON HIGH SCHOOL FOR GIRLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. 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 98.9% of the Academy's incoming resources was ultimately Government funded (2019: 90%) and whilst this level is expected to continue, the Academy continues to operate within a transitional phase towards the full implementation of the National Funding Formula. 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 Langtons 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. Two members of the finance team are AAT qualified, and a dedicated ACCA qualified Management Accountant employed on a part time basis.

d. Investment Policy

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

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

Fundraising

The academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The Academy will continue to strive to provide outstanding education and improve the levels of performance of all students. 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, Maths and Science which will support continued improvement in academic outcomes. In addition, the Academy plans to build upon the success of the Duke of Edinburgh Award and ensure that, when it is safe to do so, students continue to access this opportunity.

The Academy has continued to work successfully as part of the PiXL (Partners in Excellence) network; we will continue to invest in this national resource as we build and embed our work around Currency (outcomes for students) Character (Leadership and wider life and employability skills) and Culture (following the 'Them and Us' programme). The PiXL network provides the Academy with national benchmarking assessment data, targeted resources to support teaching and learning and a wide range of CPD opportunities. The key areas that we are focusing upon strongly underpin and support the School Development Plan.

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

In response to increased costs for alternative provision, the Academy is continuing to build and develop flexible, high quality on site alternative provision for a small cohort of students.

This year the capital investment plan has successfully enabled the redevelopment of the staff room; the creation of a Photography studio and teaching space; the redevelopment of the Library and Resource Base and the redevelopment of the Music department. All of these investments will further secure positive outcomes for students and support future recruitment and retention of staff and students, thus continuing to support the priorities identified in the SDP.

In order to plan for the mid-term financial requirements, the Academy has continued to monitor its 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, together with the pressure of escalating costs of inflation and pay awards, employer NI contributions and contracted out pension arrangements, in addition to the ongoing issues surrounding PFI costs.

Costs of the PFI contract, in particular future benchmarking, 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.

Full details of our plans for the future are given in the Academy's School Development Plan.

Funds held as custodian on behalf of others

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2020 and signed on its behalf by:



Ms L Eaton
Chair of Governors

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Prenton High School for Girls and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

PRENTON HIGH SCHOOL FOR GIRLS
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Eaton	4	4
A Sass	4	4
J Coen	3	4
T Fazackerley	4	4
K Weston	4	4
L Ayling, Headteacher and Accounting Officer	4	4
A Doyle	2	4

As central government public sector bodies, Academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible. This assurance must be communicated in a governance statement.

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

- 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 2018-19 4 Governors either reached the ends of their term of office, or resigned from the Governing Body. Two new staff Governors were appointed, although one later resigned. Recruitment for additional Governors, based upon a skills analysis continues to be undertaken by the Chair of Governors in order to fill vacancies.
- The role of Link Governors has been further 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 2019-20 were:

Annual Audit:

To achieve an unqualified audit judgement and be able to demonstrate the school as a 'going concern'.
Internal audit visits demonstrate that control measures are robust.

Numbers on roll:

To ensure a full intake (158) for September 2020.

Partnerships:

To have evidence of value for money, including 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 has been the further development of the Academy's Medium Term Financial Plan.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at the Finance, Premises and Pay and Personnel committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L. Eaton	3	3
A. Sass	3	3
L. Ayling	3	3

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

Governance:

- 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.
- 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:

- The implementation of the revised staffing structure from September 2017 continue to secure predicted savings.
- The Academy has continued to challenge the performance of the PFI contract in order to secure value for money. This has resulted in £4k worth of performance failure payments to the Academy. In addition, the Academy continues to benefit from decoration and enhancement to the fabric of the building outside of lifecycle at no additional cost.
- The Academy underwent its second phase of PFI Benchmarking in July 2018, securing no increase to costs for the next five years in respect of Spie facilities staffing costs, in addition to removal of the catering subsidy previously payable by the school.

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 on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Prenton High School for Girls for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Langtons Professional Services Limited, the external auditors, to perform additional checks.

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

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

On a termly basis, the reviewer reports to the board of trustees, through the Finance, Premises, Pay and Personnel committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

GOVERNANCE STATEMENT (CONTINUED)

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the internal reviewer.

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 Trustees on 7 December 2020 and signed on their behalf by:



Ms L. Eaton
Chair of Governors



Mrs L. Ayling
Accounting Officer and Headteacher

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Prenton High School for Girls I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2019.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

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: 7 December 2020

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees 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 Trustees 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 ESFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees on 7 December 2020 and signed on its behalf by:



Ms L Eaton
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**

Opinion

We have audited the financial statements of Prenton High School for Girls (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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.

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 (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 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 matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the academy'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 Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Auditors' report.

Use of our report

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 (CONTINUED)**



A. J. McCall (Senior statutory auditor)

for and on behalf of
Langtons Professional Services Limited

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

7 December 2020

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 AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31/08/17 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Prenton High School for Girls during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Prenton High School for Girls's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Prenton High School for Girls's funding agreement with the Secretary of State for Education dated 01/08/11 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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



A. J. McCall
Langtons Professional Services Limited

Date: 7 December 2020

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 2020**

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants	3	-	24	17	41	74
Charitable activities		22	5,264	-	5,286	5,062
Other trading activities		3	7	-	10	12
Investments	6	16	-	-	16	11
Total income		41	5,295	17	5,353	5,159
Expenditure on:						
Charitable activities		-	5,421	125	5,546	5,239
Total expenditure		-	5,421	125	5,546	5,239
Net income/(expenditure)		41	(126)	(108)	(193)	(80)
Transfers between funds	15	-	(569)	569	-	-
Net movement in funds before other recognised gains/(losses)		41	(695)	461	(193)	(80)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	111	-	111	(1,055)
Net movement in funds		41	(584)	461	(82)	(1,135)
Reconciliation of funds:						
Total funds brought forward		827	(2,439)	617	(995)	140
Net movement in funds		41	(584)	461	(82)	(1,135)
Total funds carried forward		868	(3,023)	1,078	(1,077)	(995)

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

The notes on pages 33 to 60 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	12	1,077	615
		<u>1,077</u>	<u>615</u>
Current assets			
Debtors	13	382	245
Cash at bank and in hand		1,554	1,976
		<u>1,936</u>	<u>2,221</u>
Creditors: amounts falling due within one year	14	(724)	(744)
Net current assets		<u>1,212</u>	<u>1,477</u>
Total assets less current liabilities		<u>2,289</u>	<u>2,092</u>
Net assets excluding pension liability		<u>2,289</u>	<u>2,092</u>
Defined benefit pension scheme liability	21	(3,366)	(3,087)
Total net assets		<u>(1,077)</u>	<u>(995)</u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	15	1,078	617
Restricted income funds	15	343	649
		<u>1,421</u>	<u>1,266</u>
Restricted funds excluding pension asset	15	1,421	1,266
Pension reserve	15	(3,366)	(3,088)
Total restricted funds	15	<u>(1,945)</u>	<u>(1,822)</u>
Unrestricted income funds	15	868	827
Total funds		<u>(1,077)</u>	<u>(995)</u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 28 to 60 were approved by the Trustees, and authorised for issue on 07 December 2020 and are signed on their behalf, by:



Ms L Eaton
Chair of Governors

The notes on pages 33 to 60 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	149	498
Cash flows from investing activities	18	(571)	(194)
Change in cash and cash equivalents in the year		(422)	304
Cash and cash equivalents at the beginning of the year		1,976	1,672
Cash and cash equivalents at the end of the year	19, 20	<u>1,554</u>	<u>1,976</u>

The notes on pages 33 to 60 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees 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 Trustees 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy'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 Income

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

- **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant 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 year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

1.4 Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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**

These 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.

1.5 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 institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- over terms of PFI agreement
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line

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

1.8 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.

1.9 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.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders 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/donor and include grants from the Department for Education Group.

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

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FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 or 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

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3. Income from donations and capital grants

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	24	-	24
Capital Grants	-	17	17
	<u>24</u>	<u>17</u>	<u>41</u>

	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Donations	17	-	17
Grants	-	56	56
	<u>17</u>	<u>56</u>	<u>73</u>

4. Funding for the academy's direct costs

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,824	4,824
Other non DfE/ESFA grants	-	371	371
Local Authority grants	22	69	91
	<u>22</u>	<u>5,264</u>	<u>5,286</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy's direct costs (continued)

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,617	4,617
Other non DfE/ESFA grants	-	346	346
Local Authority grants	31	69	100
	<u>31</u>	<u>5,032</u>	<u>5,063</u>

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Sales and mentoring income	<u>3</u>	<u>7</u>	<u>10</u>

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Sales and mentoring income	<u>3</u>	<u>9</u>	<u>12</u>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	<u>16</u>	<u>16</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income (continued)

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Investment income - local cash	11	11

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Direct costs	3,632	-	3,632
Support costs	-	1,907	1,907
	<u>3,632</u>	<u>1,907</u>	<u>5,539</u>

	<i>Activities undertaken directly 2019 £000</i>	<i>Support costs 2019 £000</i>	<i>Total funds 2019 £000</i>
Direct costs	3,333	-	3,333
Support costs	-	1,905	1,905
	<u>3,333</u>	<u>1,905</u>	<u>5,238</u>

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2020 £000	Total funds 2020 £000
Pension finance costs	47	47
Staff costs	3,162	3,162
Depreciation	125	125
Other staff costs	23	23
Educational supplies	193	193
Examination fees	42	42
Pupil recruitment	26	26
Staff development	14	14
	<u>3,632</u>	<u>3,632</u>

	<i>Direct costs 2019 £000</i>	<i>Total funds 2019 £000</i>
Pension finance costs	47	47
Staff costs	2,818	2,818
Depreciation	105	105
Other staff costs	27	27
Educational supplies	242	242
Examination fees	57	57
Pupil recruitment	23	23
Staff development	14	14
	<u>3,333</u>	<u>3,333</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2020 £000	Total funds 2020 £000
Staff costs	856	856
PFI charges	703	703
Travel	1	1
Repairs and maintenance	7	7
Heat, light, water and waste disposal	55	55
Rates	15	15
Legal and professional	17	17
Insurance	19	19
Catering	96	96
Other support costs	3	3
Educational supplies	2	2
Printing, postage, stationary and telephone	29	29
IT expenditure and support	35	35
Agency staff costs	49	49
Governance costs	20	20
	<hr/> 1,907 <hr/>	<hr/> 1,907 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Direct costs</i> 2019 £000	<i>Total funds</i> 2019 £000
Staff costs	884	884
PFI charges	696	696
Travel	1	1
Repairs and maintenance	2	2
Heat, light, water and waste disposal	55	55
Rates	16	16
Legal and professional	20	20
Insurance	18	18
Catering	71	71
Other support costs	6	6
Hospitality	1	1
Printing, postage, stationary and telephone	19	19
IT expenditure and support	45	46
Agency staff costs	60	60
Governance costs	12	12
	<hr/> 1,906 <hr/>	<hr/> 1,906 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	<i>2019</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets	125	<i>102</i>
Fees paid to auditors for:		
- audit	10	<i>10</i>
	=====	<i>=====</i>

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	2,705	<i>2,710</i>
Social security costs	261	<i>259</i>
Pension costs	1,000	<i>680</i>
	=====	<i>=====</i>
	3,966	<i>3,649</i>
Supply teacher costs	52	<i>41</i>
Staff restructuring costs	-	<i>13</i>
Agency staff costs	49	<i>60</i>
	=====	<i>=====</i>
	4,067	<i>3,763</i>
	=====	<i>=====</i>

Staff restructuring costs comprise:

	2020	<i>2019</i>
	£000	<i>£000</i>
Redundancy payments	-	<i>13</i>
	=====	<i>=====</i>
	-	<i>13</i>
	=====	<i>=====</i>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Staff (continued)

b. Staff numbers

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

	2020 No.	<i>2019</i> <i>No.</i>
Teachers	45	<i>43</i>
Administration and support	38	<i>36</i>
Management	4	<i>4</i>
	<hr/> 87 <hr/>	<hr/> <i>83</i> <hr/>

c. Higher paid staff

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

	2020 No.	<i>2019</i> <i>No.</i>
In the band £60,001 - £70,000	-	<i>1</i>
In the band £70,001 - £80,000	1	<i>1</i>
In the band £80,001 - £90,000	1	<i>1</i>
	<hr/> 1 <hr/>	<hr/> <i>2</i> <hr/>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £365,059 (2019 £352,232).

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10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£000	<i>£000</i>
Mrs L Ayling, Headteacher & Accounting Officer	Remuneration	85 - 90	<i>80 - 85</i>
	Pension contributions paid	20 - 25	<i>10 - 15</i>
Miss A Doyle, Staff Governor	Remuneration	20 - 25	<i>20 - 25</i>
	Pension contributions paid	5 - 10	<i>0 - 5</i>
Mrs L Thompson, Staff Governor	Remuneration		<i>20 - 25</i>
	Pension contributions paid		<i>0 - 5</i>

During the year ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £NIL*).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Trustees' 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 2020 is not separately identifiable (*2019 - not separately identifiable.*)

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	691	89	525	1,305
Additions	303	195	89	587
At 31 August 2020	994	284	614	1,892
Depreciation				
At 1 September 2019	234	83	372	689
Charge for the year	63	20	42	125
At 31 August 2020	297	103	414	814
Net book value				
At 31 August 2020	697	181	200	1,078
At 31 August 2019	457	5	153	615

13. Debtors

	2020 £000	2019 £000
Due within one year		
Other debtors	63	48
Prepayments and accrued income	319	197
	382	245

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NOTES TO THE FINANCIAL STATEMENTS
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14. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	251	<i>406</i>
Other taxation and social security	67	<i>65</i>
Other creditors	116	<i>79</i>
Accruals and deferred income	290	<i>194</i>
	<u>724</u>	<u><i>744</i></u>
	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income		
Deferred income at 1 September 2019	13	<i>-</i>
Resources deferred during the year	-	<i>22</i>
Amounts released from previous periods	(13)	<i>(9)</i>
	<u>-</u>	<u><i>13</i></u>
Deferred income at 31st August 2019		

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	827	41	-	-	-	868
Restricted general funds						
Restricted Funds - all funds	649	5,295	(5,032)	(569)	-	343
Pension reserve	(3,088)	-	(389)	-	111	(3,366)
	(2,439)	5,295	(5,421)	(569)	111	(3,023)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	617	17	(125)	569	-	1,078
Total Restricted funds	(1,822)	5,312	(5,546)	-	111	(1,945)
Total funds	(995)	5,353	(5,546)	-	111	(1,077)

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.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Statement of funds (continued)

There is only one Academy in the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General Funds - all funds	782	45	-	-	-	827
Restricted general funds						
General Annual Grant	672	4,618	(4,446)	(195)	-	649
Pupil Premium	-	346	(346)	-	-	-
Other Grants	-	69	(69)	-	-	-
Other restricted funds	-	25	(25)	-	-	-
Pension reserve	(1,786)	-	(247)	-	(1,055)	(3,088)
	<u>(1,114)</u>	<u>5,058</u>	<u>(5,133)</u>	<u>(195)</u>	<u>(1,055)</u>	<u>(2,439)</u>
Restricted fixed asset funds						
Capital expenditure from GAG	471	56	(105)	195	-	617
Total Restricted funds	<u>(643)</u>	<u>5,114</u>	<u>(5,238)</u>	<u>-</u>	<u>(1,055)</u>	<u>(1,822)</u>
Total funds	<u><u>139</u></u>	<u><u>5,159</u></u>	<u><u>(5,238)</u></u>	<u><u>-</u></u>	<u><u>(1,055)</u></u>	<u><u>(995)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	1,077	1,077
Current assets	868	1,067	-	1,935
Creditors due within one year	-	(724)	-	(724)
Provisions for liabilities and charges	-	(3,366)	-	(3,366)
Total	868	(3,023)	1,078	(1,077)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	(2)	-	617	615
Current assets	1,573	648	-	2,221
Creditors due within one year	(743)	-	-	(743)
Provisions for liabilities and charges	-	(3,087)	-	(3,087)
Total	827	(2,439)	617	(995)

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Reconciliation of net expenditure to net cash flow from operating activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Net expenditure for the period (as per Statement of financial activities)	(193)	<i>(80)</i>
Adjustments for:		
Depreciation	125	<i>105</i>
Capital grants from DfE and other capital income	(17)	<i>(56)</i>
Defined benefit pension scheme cost less contributions payable	335	<i>200</i>
Defined benefit pension scheme finance cost	54	<i>47</i>
Decrease/(increase) in debtors	(137)	<i>(14)</i>
(Decrease)/increase in creditors	(20)	<i>295</i>
Rounding	2	<i>1</i>
Net cash provided by operating activities	149	<i>498</i>

18. Cash flows from investing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Purchase of tangible fixed assets	(588)	<i>(250)</i>
Capital grants from DfE Group	17	<i>56</i>
Net cash used in investing activities	(571)	<i>(194)</i>

19. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	1,554	<i>1,976</i>
Total cash and cash equivalents	1,554	<i>1,976</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	1,976	92	(514)	1,554
	<u>1,976</u>	<u>92</u>	<u>(514)</u>	<u>1,554</u>

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £52,428 were payable to the schemes at 31 August 2020 (2019 - £53,140) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £297,794 (2019 - £291,398).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £169,000 (2019 - £270,000), of which employer's contributions totalled £119,000 (2019 - £223,000) and employees' contributions totalled £ 50,000 (2019 - £47,000). The agreed contribution rates for future years are 17.1 per cent for employers and 5.5 and 12.5 per cent for employees.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	3.60	<i>3.60</i>
Rate of increase for pensions in payment/inflation	2.20	<i>2.20</i>
Discount rate for scheme liabilities	1.80	<i>2.80</i>
Inflation assumption (CPI)	2.10	<i>2.10</i>

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	22.2	<i>22</i>
Females	25.0	<i>24.8</i>
<i>Retiring in 20 years</i>		
Males	25.2	<i>25</i>
Females	27.9	<i>27.8</i>

Sensitivity analysis

	2020	<i>2019</i>
	£000	£000
Discount rate +0.1%	-	<i>2,965</i>
Mortality assumption - 1 year increase	-	<i>3,191</i>
CPI rate +0.1%	-	<i>3,119</i>
Inflation +0.1%	-	<i>3,215</i>

Share of scheme assets

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Equities	1,318	<i>1,286</i>
Property	243	<i>226</i>
Cash and other liquid assets	146	<i>80</i>
Other	557	<i>528</i>
Debt instruments	441	<i>394</i>
Total market value of assets	2,705	<i>2,514</i>

The actual return on scheme assets was £000-15000 (*2019 - ££112,000*).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(293)	<i>(234)</i>
Past service cost	(54)	<i>(85)</i>
Interest income	46	<i>66</i>
Interest cost	(100)	<i>(113)</i>
Administrative expenses	(4)	<i>(4)</i>
Total amount recognised in the Statement of Financial Activities	(405)	<i>(370)</i>

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21. Pension commitments (continued)

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

	2020 £000	2019 £000
At 1 September	5,602	4,070
Current service cost	293	234
Interest cost	100	113
Employee contributions	47	50
Actuarial (gains)/losses	(71)	1,102
Benefits paid	(177)	(52)
Losses on curtailments	94	-
Past service cost	12	85
Experience gain / (loss)	171	-
At 31 August	6,071	5,602

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

	2020 £000	2019 £000
At 1 September	2,514	2,284
Expected return on assets	46	66
Actuarial gains	40	47
Employer contributions	500	119
Employee contributions	47	50
Benefits paid	(177)	(52)
	(265)	-
At 31 August	2,705	2,514

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22. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	441	443
Later than 1 year and not later than 5 years	1,755	1,757
Later than 5 years	2,632	3,071
	<u>4,828</u>	<u>5,271</u>

23. Members' liability

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

24. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.