

Registration number 07775671

Woodchurch High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 1 October 2012 to 31 August 2013



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Leavitt Walmsley Associates Limited
Chartered Certified Accountants and Statutory Auditors
8 Eastway
Sale
Cheshire
M33 4DX

Woodchurch High School

Contents

Reference and Administrative Details	1
Governors/Trustees Report	2 to 7
Governance Statement	8 to 10
Statement on Regularity, Propriety and Compliance	11
Statement of Trustees' Responsibilities	12
Independent Auditor's Report on the Financial Statements	13 to 14
Independent Auditor's Assurance Report on Regularity	15 to 16
Statement of Financial Activities incorporating Income and Expenditure Account	17 to 18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21 to 40

Woodchurch High School

Reference and Administrative Details

Trustees (Directors)	Canon Turnbull
Governors and Trustees (Directors)	Mrs Eileen Heron Mr Tony Smith
Governors	Mrs Glenys Astle (appointed 5 December 2012) Mr Alan Brimage, Responsible Officer Mrs Sharon Broderick Mr Michael Brown Mr Simon Burke Ms Maureen Cain Mr David Cumberland Dr Michael Gilbertson Ms Valerie Jones Ms Julie Merry Canon Elizabeth Renshaw MBE Mr Andrew Smith Mrs Ailsa Whorton (appointed 5 December 2012)
Company Secretary	Mrs Susan Rogers
Principal and Registered Office	Ms Rebekah Phillips Woodchurch High School Carr Bridge Road Woodchurch Wirral Merseyside CH49 7NG
Company Registration Number	07775671
Auditors	Leavitt Walmsley Associates Limited Chartered Certified Accountants and Statutory Auditors 8 Eastway Sale Cheshire M33 4DX
Bankers	Barclays Bank Plc 2 Liscard Village Wallasey CH45 4JS

Woodchurch High School

Governors/Trustees Report for the period from 1 October 2012 to 31 August 2013

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2013

Discussion on conversion to academy trust

On the conversion to academy trust status, under the Academies Act 2010, all the operations assets and liabilities were transferred to Woodchurch High School from the Local Authority for £nil consideration

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

Structure, governance and management

Constitution

The Academy is registered as a company limited by guarantee with no share capital under Company Number 07775671. The Academy was incorporated on 15 September 2011 and commenced trading on 1 October 2012. The company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of Woodchurch High School and are also directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Principal activities

The Academy has entered into a Funding Agreement with the Department for Education, which provides a framework within which the Academy must operate. The principal activities of the Academy is to advance, for the public benefit, education in the United Kingdom by leading and developing a school offering a broad and varied curriculum.

Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association. The members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously (save that the agreement of the members(s) to be removed shall not be required) in writing agree to remove any such additional members.

Woodchurch High School

Governors/Trustees Report for the period from 1 October 2012 to 31 August 2013

Policies and procedures adopted for the induction and training of Governors

The Academy is governed by the Trustee Board which delegates functions as appropriate to governor committees. When the Academy was formed it was decided that the trustees were authorised to sign the main deeds, documents, reports and accounts on behalf of all directors. The trustees and governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy.

The trustees and governors' who were in office at 31 August 2013 and served throughout the period are listed on page 1. All governors are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governor. Governors attend training courses as appropriate.

Organisational structure

The management structure consists of four levels: the trustees, the governors, the senior leadership team and the various faculty teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction, vision of the Academy, capital expenditure and senior staff appointments. The senior leadership team is comprised of the principal, deputy principal, assistant principals and business manager. The leadership team control the Academy at a day-to-day level, implementing the policies laid down by the governors and the agreed Vision and School Development Plan.

Risk management

The Trustees have reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been put in place to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the significant risks that have been in place for the period-ended 31 August 2013 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Trustees.

Connected organisations, including related party relationships

The Academy owns 100% of the ordinary share capital in Woodchurch High Sports Complex Ltd, a company registered in England and Wales under Company Number 08110622. For details of related party transactions with Woodchurch High Sports Complex Ltd, please refer to Note 26.

Woodchurch High School

Governors/Trustees Report for the period from 1 October 2012 to 31 August 2013

Objectives and activities

Objects and aims

The principal objective and activity of the company is the operation of Woodchurch High School, to provide education for pupils of different abilities between the ages of 11 and 16

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Education and the Academy Trust the Academy is governed by the Governing Body which exercises its power and functions with a view to fulfilling a largely strategic role in the running of the school. The Funding Agreement specifies the admissions arrangements, among other things, and that the curriculum, in substance, complies with statutory requirements

The main objectives of the Academy during the period ended 31 August 2013 are summarised below

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- To raise aspirations and encourage ambition for all pupils,
- To raise the standard of educational achievement and progress of all pupils,
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- To provide value for money for the funds expended,
- To maintain close links with the community and build successful partnerships with other institutions, and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Objectives, strategies and activities

The Academy's main strategy is to raise standards of achievement and progress through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning, its people and resources are constantly measured by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its pupils. Key activities which support the main strategic purpose of the organisation are

- Robust quality assurance processes (inspections) which are transparent and inform all subsequent actions,
- To improve teaching further so that all is good or better by continuing to share the good practice that exists, ensure that pupils are effectively involved in the learning in all lessons and ensuring teachers make frequent checks on the extent to which pupils understand their learning,
- Secure use of data and tracking to measure progress and inform actions and intervention and to use this to encourage even higher aspirations so that pupils achieve their full potential in all subjects,
- To improve and develop our BLF strategy and decrease the number of fixed term exclusions and decrease the percentage of persistent absenteeism and other absenteeism,
- A constant review of CPD and training opportunities for staff,
- To continue to develop the Christian Ethos,
- A core structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are also clear, and
- Structures to support the organisation and integration of all internal and external resources and support available for both pupils and staff

Woodchurch High School

Governors/Trustees Report for the period from 1 October 2012 to 31 August 2013

Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Achievements and performance

The Academy has completed its first year of operation and indicators reveal an upward trend in performance and measurement. Examination results for 2012/13 were very pleasing on a number of measures.

93% of pupils achieved the equivalent of 5 GCSE's A* to C grade (2011/12 92%, 2010/11 81%) and 63% of pupils achieved 5 A* to C including English and Maths (2011/12 54%, 2010/11 49%).

To ensure that standards are continually raised, the Academy, governing body and the senior leadership team

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning,
- Is scrutinised and supported by an independent School Improvement Partner, and
- Undertakes a rigorous review of attainment using RAISEONLINE, SISRA and FFT to measure the progress of pupils, paying particular regard to the achievement on entry and levels of progress secured and particular emphasis on Pupil Premium Pupils.

Going concern

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

Key financial performance indicators

	Unit	2013
Incoming resources	£m	34,601.00
Net income for the period	£m	26,881.00
Funds at 31 August 2013	£m	26,820.00
Net current assets	£m	2,305.00

Key non-financial performance indicators

For Academic year 2012/13

Attendance target = 95%, Actual = 94%
Exclusion target = 4.84%, Actual = 4.81%
Pupil numbers = 1,395 Actual = 1,370

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Woodchurch High School

Governors/Trustees Report for the period from 1 October 2012 to 31 August 2013

Principal risks and uncertainties

Falling pupil numbers are a principal risk for the Academy. Pupil numbers and the impact on budget planning and outcomes continue to be carefully monitored by the Academy. The senior leadership team meets to determine a strategy to maintain our healthy roll numbers. The Academy continues its aggressive marketing campaigns including local paper advertising, primary magazines, bus advertisements and train station advertisements. The Academy is currently over-subscribed and the appeals are submitted each year.

Pupil premium funding has been identified as a principal risk for the Academy. Pupil premium funding is forecasted for future years, based on information from the EFA. A budget plan is allocated and funding is utilised for the purposes of provision. Staff are recruited within this budget on fixed-term contracts to enable us to manage future requirements in line with funding received.

Special Education Needs (SEN) funding is currently under review and the Academy may be significantly affected by a reduction in funding from Academic year 2014/15. This has led us to review our SEN staffing structure whilst considering the needs of our SEN pupils. For budget planning purposes, the Academy has forecasted the worst case scenario to allow us to plan effectively.

The budget monitoring process is ongoing throughout the year and known changes are addressed to reflect any future impact.

Financial and risk management objectives and policies

The Governors have assessed the major risks to which the Academy is exposed, relating to strategic and reputational, operational compliance, financial and curriculum risks. The Governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

Reserves policy

Capital reserves policy

The purpose of the policy is to consider that Academies are expected to create reserves from their annual GAG funding. The EFA provide some Devolved Capital Funding to Academies, albeit at a reduced level during their first three years of occupation. The EFA provides no other annual capital funding - current annual amount is approximately £26 000. As assets of new-build academies are generally purchased simultaneously, they reach the need for replenishment simultaneously.

The Trustees of Woodchurch High School require a capital reserve to be created to fund future capital expenditure. These are normally met via transfers from GAG funding or funded via unrestricted reserves. The Academy holds assets to fund planned capital expenditure over the next three years. As such, assets should be invested to minimise risk.

Revenue reserves policy

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The governors of Woodchurch High School require a revenue reserve to be created to fund expenditure related to the School Development Plan, strategic long-term aims and developments.

The procedure of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies subject to any constraint on the level of permitted resources that the EFA may impose.

Woodchurch High School

Governors/Trustees Report for the period from 1 October 2012 to 31 August 2013

Investment policy

The Academy's investment policy is as follows

- To regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the current account has adequate balances to meet forthcoming commitments
- To maintain a working balance of a minimum of £50,000 to respond to unexpected financial demands
- The academy will normally seek to avoid its current account going overdrawn
- The Academy will identify funds surplus to immediate cash requirements and transfer to the Treasury Account bearing a higher interest rate
- Periodically (at least annually) review interest rates and compare with other investment opportunities
- The Academy's current policy is to only invest funds in risk free and immediately assessable deposit accounts
- Any change in Policy requires the approval of Governors via the Finance and Personnel Committee

Plans for future periods

The Academy will concentrate and continue to

Improve teaching further so that all is good or better by

- Continuing to share the good practice that exists,
- Ensure that pupils are effectively involved in the learning in all lessons, and
- Ensure all teachers make frequent checks on the extent to which pupils understand their learning

Data

- Monitor carefully the effectiveness of improvements in target-setting and progress-tracking systems last year, and use this to encourage even higher aspirations so that students achieve their full potential in all subjects

Behaviour for learning

- Decrease the number of fixed term exclusions, and
- Decrease the percentage of persistent absenteeism and other absenteeism

Christian Ethos

- To continue to develop the Christian Ethos

Auditor

In so far as the Members and Governors are aware

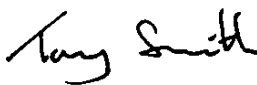
- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Reappointment of auditor

The auditors Leavitt Walmsley Associates Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Approved by order of the members of the on 12.12.13 and signed on its behalf by

Mr Tony Smith



Woodchurch High School

Governance Statement

Statement on governance and internal control

The Governors have overall responsibility for ensuring that the Academy has an effective and appropriate system of internal control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the Companies Act 2006. The Governors also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- The Academy is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use,
- The proper records are maintained and financial information used within the Academy or for publication is reliable, and
- The Academy complies with relevant laws and regulations

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 where possible and a system of delegation and accountability. In particular it includes

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- Regular reviews by the Finance and Personnel Committee of reports which include financial performance against the forecasts and of major purchase plans and capital expenditure programmes,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing guidelines,
- Delegation of authority and segregation of duties, and
- Identification and management of risks

The Governors have considered the need for a specific internal audit function and have appointed Mr Alan Brimage, a Governor and Director, as Responsible Officer (RO). The RO's role includes performing a range of checks on the Academy's financial systems. The RO reports termly to the governing body on the effective operations of the systems. These arrangements can provide only reasonable assurance and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period. In the period-ended 31 August 2013, the Trustees confirm that the RO function has been fully delivered in line with the requirements of the EFA.

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Ms Rebekah Phillips, 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 Woodchurch High School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors/Trustees Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the period. Attendance during the period at meetings of the Governing Body was as follows

Woodchurch High School

Governance Statement

Trustee	Meetings attended	Out of a possible
Mr Tony Smith	5	5
Mrs Eileen Heron	4	5
Ms Rebekah Phillips	5	5
Mrs Glenys Astle	2	2
Mr Alan Brimage	5	5
Mrs Sharon Broderick	1	2
Mr Michael Brown	5	5
Mr Simon Burke	4	5
Ms Maureen Cain	4	5
Mr David Cumberland	4	5
Dr Michael Gilbertson	4	5
Ms Valerie Jones	5	5
Ms Julie Merry	4	5
Canon Elizabeth Renshaw MBE	5	5
Mr Andrew Smith	5	5
Mrs Ailsa Whorton	2	2

The Finance and Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to monitor financial control of the Academy and report to the Governors. Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Mr Tony Smith	2	3
Ms Rebekah Phillips	3	3
Mrs Eileen Heron	2	3
Mr Michael Brown	3	3
Ms Julie Merry	1	3
Canon Elizabeth Renshaw MBE	3	3
Mr Andrew Smith	2	3

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Woodchurch High School for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Woodchurch High School

Governance Statement

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Mr Alan Brimage as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Termly, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

Review of effectiveness

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 12/12/2013 and signed on its behalf by



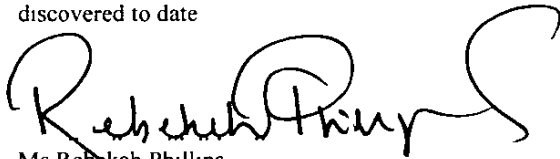
Woodchurch High School

Statement on Regularity, Propriety and Compliance

As accounting officer of Woodchurch High School I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Ms Rebekah Phillips
Accounting officer

Woodchurch High School

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors/Trustees Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. 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 apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

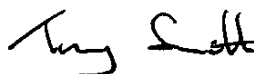
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 the EFA/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 on 12.12.2013 and signed on its behalf by

Mr Tony Smith



Woodchurch High School

Independent Auditor's Report on the Financial Statements to the members of Woodchurch High School

We have audited the financial statements of Woodchurch High School for the period from 1 October 2012 to 31 August 2013, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 12), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors/Trustees Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

Woodchurch High School

**Independent Auditor's Report on the Financial Statements to the members of
Woodchurch High School**

- 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



Steven John Collings FCCA (Senior Statutory Auditor)
For and on behalf of Leavitt Walmsley Associates Limited, Statutory Auditor

8 Eastway
Sale
Cheshire
M33 4DX

Date 12 ~~DECEMBER~~ 2017

Woodchurch High School

Independent Auditor's Assurance Report on Regularity to Woodchurch High School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woodchurch High School during the period 1 October 2012 to 31 August 2013 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. 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 period from 1 October 2012 to 31 August 2013 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 Annual Accounts Direction issued by the Education Funding Agency. 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 trust's income and expenditure

The work undertaken to draw to our conclusion includes

- An evaluation of the control environment,
- Appropriate enquiry and analytical review,
- Substantive testing of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 October 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Woodchurch High School

**Independent Auditor's Assurance Report on Regularity to Woodchurch High School
and the Education Funding Agency**



Steven John Collings FCCA

For and on behalf of Leavitt Walmsley Associates Limited, Chartered Accountants

8 Eastway

Sale

Cheshire

M33 4DX

Date 12 DECEMBER 2013

Woodchurch High School

Statement of Financial Activities for the Period from 1 October 2012 to 31 August 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income					
Transfer on conversion	2	841,630	(1,547,929)	27,239,696	26,533,397
Other voluntary income	2	-	1,950	-	1,950
Activities for generating funds	3	41,355	110,232	-	151,587
Investment income	4	2,468	-	-	2,468
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	5	-	7,904,163	-	7,904,163
<i>Other incoming resources</i>					
Other incoming resources	6	<u>7,564</u>	<u>-</u>	<u>-</u>	<u>7,564</u>
Total incoming resources		<u>893,017</u>	<u>6,468,416</u>	<u>27,239,696</u>	<u>34,601,129</u>
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		-	35,005	-	35,005
Cost of generating funds		12,146	100,096	-	112,242
<i>Charitable activities</i>					
Academy's educational operations		-	7,285,110	270,242	7,555,352
Governance costs	9	<u>-</u>	<u>17,469</u>	<u>-</u>	<u>17,469</u>
Total resources expended	7	<u>12,146</u>	<u>7,437,680</u>	<u>270,242</u>	<u>7,720,068</u>
Net incoming/(outgoing) resources before transfers		880,871	(969,264)	26,969,454	26,881,061
Gross transfers between funds		<u>-</u>	<u>(318,207)</u>	<u>318,207</u>	<u>-</u>
Net income/(expenditure) for the period		880,871	(1,287,471)	27,287,661	26,881,061
Other recognised gains and losses					
Actuarial gains (losses) on defined benefit pension schemes	25	<u>-</u>	<u>(61,000)</u>	<u>-</u>	<u>(61,000)</u>

Woodchurch High School

Statement of Financial Activities for the Period from 1 October 2012 to 31 August 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £
Net movement in funds/(deficit)	<u>880,871</u>	<u>(1,348,471)</u>	<u>27,287,661</u>	<u>26,820,061</u>
Reconciliation of funds				
Funds/(deficit) carried forward at 31 August 2013	<u>880,871</u>	<u>(1,348,471)</u>	<u>27,287,661</u>	<u>26,820,061</u>

All of the Academy's activities derive from acquisitions in the current financial period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Woodchurch High School
(Registration number: 07775671)
Balance Sheet as at 31 August 2013

	Note	31 August 2013 £
Fixed assets		
Tangible assets	13	27,287,661
Investments	14	<u>1</u>
		<u>27,287,662</u>
Current assets		
Stocks	15	2,010
Debtors	16	275,625
Cash at bank and in hand		<u>2,547,750</u>
		2,825,385
Creditors Amounts falling due within one year	17	<u>(519,986)</u>
Net current assets		<u>2,305,399</u>
Total assets less current liabilities		<u>29,593,061</u>
Net assets excluding pension liability		29,593,061
Pension scheme liability	25	<u>(2,773,000)</u>
Net assets including pension liability		<u><u>26,820,061</u></u>
Funds of the Academy		
Restricted funds		
Restricted general fund		1,424,529
Restricted fixed asset fund		27,287,661
Restricted pension fund		<u>(2,773,000)</u>
		25,939,190
Unrestricted funds		
Unrestricted general fund		<u>880,871</u>
Total funds		<u><u>26,820,061</u></u>

The financial statements on pages 17 to 40 were approved by the Trustees and authorised for issue on 12 12 2013 and signed on their behalf by

Mr Tony Smith



Woodchurch High School

Cash Flow Statement for the Period from 1 October 2012 to 31 August 2013

	Note	31 August 2013 £
Net cash inflow from operating activities	20	2,863,489
Returns on investments and servicing of finance	21	2,468
Capital expenditure and financial investment	22	<u>(318,207)</u>
Increase in cash in the period	23	<u>2,547,750</u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	2,547,750
Net funds at 1 October 2012	<u>-</u>
Net funds at 31 August 2013	<u>2,547,750</u>

All of the cash flows are derived from acquisitions in the current financial period. Cash inherited on conversion to academy status was £2,422,336.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

1 Accounting policies

Basis of preparation

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

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Woodchurch High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

1 Accounting policies (continued)

General Annual Grant (GAG) is accounted for on a receivable basis and is treated within the Statement of Financial Activities as restricted funds. The GAG is used for day-to-day running expenses of the Academy and is also used for the part-funding of fixed assets. Where part of the GAG is used to meet the cost of fixed assets the Academy will transfer the amount of the purchase from restricted general funds to the restricted fixed asset fund. The accounting policy for such a transfer is that it only takes place once the fixed asset has been purchased.

Capital grants are recognised on a receivables basis and are treated as restricted funds within the Statement of Financial Activities.

Donations

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

Other income

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

Interest receivable is included within the statement of financial activities on a receivable basis.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Where it has been established that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and with an appropriate credit entry to voluntary income within the restricted fixed asset fund. The valuation basis is an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

1 Accounting policies (continued)

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

Tangible fixed assets

Assets costing £1 000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Asset class	Depreciation method and rate
Land	No depreciation
Buildings (including fixed plant and machinery)	2% straight-line
Motor vehicles	25% reducing-balance
Capital equipment (plant and machinery and fixtures and fittings)	25% straight-line
Computer equipment and software	33.33% straight-line

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

1 Accounting policies (continued)

Stock

Unsold uniforms and shop stocks are valued at the lower of cost or net realisable value. Cost is derived from expenditure which has been incurred on products in the normal course of business and in bringing the product to its present location and condition. It includes the cost of purchase and freight and the cost-flow assumption used at the period-end 31 August 2013 is derived from the first-in first-out method. Net realisable value is the estimated selling price of a product less the costs to be incurred to complete the sale and provision is also made for slow-moving and obsolete items.

Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
Transfer on conversion	841,630	(1,547,929)	27,239,696	26,533,397
Other voluntary income				
Donations	-	1,950	-	1,950
Total voluntary income	<u>841 630</u>	<u>(1,545,979)</u>	<u>27,239,696</u>	<u>26,535,347</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £
Other income	<u>41,355</u>	<u>110 232</u>	<u>151,587</u>

4 Investment income

	Unrestricted funds £	Total 2013 £
Bank interest	<u>2,468</u>	<u>2,468</u>

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

5 Funding for Academy's educational operations

	Restricted funds £	Total 2013 £
DfE/EFA capital grants		
Capital grants	25,977	25,977
DfE/EFA revenue grants		
Pupil Premium	406,679	406,679
Other government grants		
General Annual Grant	7,404,507	7,404,507
Other grants	67,000	67,000
	<u>7,471,507</u>	<u>7,471,507</u>
Total grants	<u>7,904,163</u>	<u>7,904,163</u>

6 Other incoming resources

	Unrestricted funds £	Total 2013 £
Miscellaneous income	<u>7,564</u>	<u>7,564</u>

7 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2013 £
Costs of generating voluntary income	-	-	35,005	35,005
Costs of activities for generating funds	-	-	112,242	112,242
Academy's educational operations				
Direct costs	5,309,815	-	886,078	6,195,893
Allocated support costs	<u>768,460</u>	<u>373,120</u>	<u>217,879</u>	<u>1,359,459</u>
	6,078,275	373,120	1,103,957	7,555,352
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>17,469</u>	<u>17,469</u>
	<u>6,078,275</u>	<u>373,120</u>	<u>1,268,673</u>	<u>7,720,068</u>

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

7 Resources expended (continued)

Net incoming/outgoing resources for the period include

	31 August 2013 £
Fees payable to auditor - audit	6,000
Depreciation	<u>270,242</u>

8 Charitable activities - Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
Direct costs			
Teaching and educational support staff costs	5,298,260	-	5,298,260
Exam invigilator salaries	11,555	-	11,555
Educational supplies	256,442	-	256,442
Examination fees	122,066	-	122,066
Staff development	41,422	-	41,422
Other direct costs	195,906	-	195,906
Depreciation	-	270,242	270,242
	<u>5,925,651</u>	<u>270,242</u>	<u>6,195,893</u>
Allocated support costs			
Support staff costs	768,460	-	768,460
Maintenance of premises and equipment	195,365	-	195,365
Cleaning	21,283	-	21,283
Rent rates and utilities	20,566	-	20,566
Insurance	6,109	-	6,109
Energy costs	129,797	-	129,797
Security and transport	7,968	-	7,968
Catering	92,830	-	92,830
Other support costs	117,081	-	117,081
	<u>1,359,459</u>	<u>-</u>	<u>1,359,459</u>
	<u>7,285,110</u>	<u>270,242</u>	<u>7,555,352</u>

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

9 Governance costs

	Restricted funds £	Total 2013 £
Legal and professional fees	11,469	11,469
Auditors' remuneration		
Audit of financial statements	6,000	6,000
	<u>17,469</u>	<u>17,469</u>

10 Staff costs

	2013 £
Staff costs during the period were:	
Wages and salaries	4,884,178
Social security costs	349,433
Pension costs	783,144
Supply teacher costs	39,263
Compensation payments	22,257
	<u>6,078,275</u>

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

	31 August 2013 No
Charitable Activities	
Teachers	150
Administration and support	76
Management	9
	<u>235</u>

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

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

10 Staff costs (continued)

	31 August 2013 No
£60,001 - £70,000	1
£90,001 - £100,000	1

2 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £22,371.

11 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Ms Rebekah Phillips (Principal and trustee) £90,000 - £95,000

Mr Andrew Smith (Staff trustee) £40,000 - £45,000

Mrs Glenys Astle (Staff trustee) £10,000 - £15,000

Ms Valerie Jones (Staff trustee) £55,000 - £60,000

During the period ended 31 August 2013, travel and expenses totalling £Nil were reimbursed to 0 trustees. Related party transactions involving the trustees are set out in note 26.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2013 was £919.

The cost of this insurance is included in the total insurance cost.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

13 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
Additions	-	6,507	-	311,700	318,207
Inherited assets	<u>27,100,000</u>	<u>85,399</u>	<u>15,252</u>	<u>39,045</u>	<u>27,239,696</u>
At 31 August 2013	<u>27,100,000</u>	<u>91,906</u>	<u>15,252</u>	<u>350,745</u>	<u>27,557,903</u>
Depreciation					
Charge for the year	<u>86,000</u>	<u>67,559</u>	<u>3,495</u>	<u>113,188</u>	<u>270,242</u>
At 31 August 2013	<u>86,000</u>	<u>67,559</u>	<u>3,495</u>	<u>113,188</u>	<u>270,242</u>
Net book value					
At 31 August 2013	<u>27,014,000</u>	<u>24,347</u>	<u>11,757</u>	<u>237,557</u>	<u>27,287,661</u>

14 Investments

	Investment 1 £
Cost	
At 1 October 2012	<u>1</u>
Provision	
At 31 August 2013	<u>-</u>
Net book value	
At 31 August 2013	<u>1</u>
At	<u>1</u>

15 Stock

	31 August 2013 £
Shop stock	<u>2,010</u>

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

16 Debtors

	31 August 2013 £
Prepayments	87,124
VAT recoverable	36,042
Debtors control	152,459
	<u>275,625</u>

17 Creditors: amounts falling due within one year

	31 August 2013 £
Trade creditors	97,544
Other taxation and social security	120 013
Pension scheme creditor	100 379
Accruals	202 050
	<u>519 986</u>

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

18 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted general funds				
Restricted general fund	5,066,416	(3 262 680)	(379 207)	1,424,529
Restricted fixed asset funds				
Restricted fixed asset fund	27,239,696	(270,242)	318,207	27,287,661
Restricted pension funds				
Restricted pension fund	<u>1,402 000</u>	<u>(4,175,000)</u>	<u>-</u>	<u>(2 773,000)</u>
Total restricted funds	33,708,112	(7,707,922)	(61,000)	25,939,190
Unrestricted funds				
Unrestricted general funds	<u>893,017</u>	<u>(12,146)</u>	<u>-</u>	<u>880,871</u>
Total funds	<u>34,601,129</u>	<u>(7,720,068)</u>	<u>(61,000)</u>	<u>26,820 061</u>

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

General Annual Grant must be used for normal running expenses of the Academy and any amounts carried forward at the end of a financial year must be used in accordance with the terms of the Funding Agreement

DfE/EFA capital and other revenue grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit on conversion was £2,632,000 and had risen to £2,773,000 at 31 August 2013

Restricted fixed asset funds include capitalised expenditure out of the GAG and other capital grants during the period. Depreciation is charged against the fund

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	27,287,661	27,287,661
Investments	-	-	1	1
Current assets	880,871	1,944,515	-	2,825,386
Current liabilities	-	(519,986)	-	(519,986)
Pension scheme liability	-	(2,773,000)	-	(2,773,000)
Total net assets	<u>880,871</u>	<u>(1,348,471)</u>	<u>27,287,662</u>	<u>26,820,062</u>

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	31 August 2013 £
Net income	26,881,061
Depreciation	270,242
Interest receivable	(2,468)
Increase in stocks	(2,010)
Increase in debtors	(275,625)
Increase in creditors	519,986
Donated capital assets	(27,239,696)
LGPS on conversion to Academy trust	2,632,000
FRS 17 pension cost less contributions payable	80,000
Acquisition of shares in subsidiary	(1)
Net cash inflow from operating activities	<u>2,863,489</u>

21 Returns on investments and servicing of finance

	31 August 2013 £
Interest received	<u>2,468</u>
Net cash inflow from returns on investments and servicing of finance	<u>2,468</u>

22 Capital expenditure and financial investment

	31 August 2013 £
Purchase of tangible fixed assets	<u>(318,207)</u>

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

23 Analysis of changes in net funds

	Cash flows	At 31 August 2013
	£	£
Cash at bank and in hand	<u>2,547,750</u>	<u>2,547,750</u>

24 Members' liability

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

25 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period. Contributions amounting to £100,379 were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

25 Pension and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

25 Pension and similar obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The Academy is one of several employing bodies included within the Merseyside Pension Fund whose members contribute to the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £331,000, of which employer's contributions totalled £255,000 and employees' contributions totalled £76,000. The agreed contribution rates for future years are 14 per cent for employers and 8 per cent for employees.

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

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2013 %
Rate of increase in salaries	4.00
Rate of increase for pensions in payment/inflation	2.00
Discount rate for scheme liabilities	5.00
Inflation assumptions (CPI)	2.00
Commutation of pensions to lump sums	<u>50.00</u>

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

	At 31 August 2013
Retiring today	
Males retiring today	22.00
Females retiring today	25.00
Retiring in 20 years	
Males retiring in 20 years	24.00
Females retiring in 20 years	<u>27.00</u>

The academy's share of the assets and liabilities in the scheme were

	At 31 August 2013 £
Equities	798,000
Government bonds	213,000
Other bonds	36,000
Property	118,000
Cash	28,000
Other	<u>209,000</u>
Total market value of assets	<u>1,402,000</u>
Surplus in the scheme	<u>1,402,000</u>

The expected rates of return were

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

25 Pension and similar obligations (continued)

	At 31 August 2013 %
Equities	57.00
Government bonds	15.00
Other bonds	3.00
Property	8.00
Cash	2.00
Other	<u>15.00</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £155,000.

Amounts recognised in the statement of financial activities

	31 August 2013 £
Current service cost	<u>242,000</u>
Total operating charge	<u>242,000</u>

Analysis of pension finance income/(costs)

	31 August 2013 £
Expected return on pension scheme assets	(57,000)
Interest on pension liabilities	<u>150,000</u>
Pension finance income	<u>93,000</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£61,000).

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

25 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	31 August 2013 £
At 1 October	3,564,000
Current service cost	242,000
Interest cost	150,000
Employee contributions	76,000
Actuarial losses	159,000
Benefits paid	<u>(16,000)</u>
At 31 August	<u><u>4,175,000</u></u>

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

	31 August 2013 £
At 1 October	932,000
Expected return on assets	57,000
Actuarial gains	98,000
Employer contributions	255,000
Employee contributions	76,000
Benefits paid	<u>(16,000)</u>
At 31 August	<u><u>1,402,000</u></u>

The estimated value of employer contributions for next period is £280,000

History of experience adjustments

Amounts for the current period are as follows

	31 August 2013 £
Experience adjustments arising on scheme assets	98,000
Experience adjustments arising on scheme liabilities	<u><u>-</u></u>

Comparative figures have not been restated as permitted by FRS 17

Woodchurch High School

Notes to the Financial Statements for the Period from 1 October 2012 to 31 August 2013

26 Related party transactions

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

During the period the academy made the following related party transactions

Woodchurch High Sports Complex Ltd

(An entity in which Woodchurch High School owns 100% of the issued share capital)

During the period to 31 August 2013 the Academy supplied goods and services to Woodchurch High Sports Complex Ltd amounting to £10,152 and received goods and services amounting to £41,586. All transactions were entered into under normal commercial terms. At the balance sheet date an amount of £41,586 was owed by the Academy to Woodchurch High Sports Complex and an amount of £27,879 was owed to the Academy by Woodchurch High Sports Complex. During the period no amounts for doubtful debts was provided for, nor were any debts written off. All amounts owed to and from the Academy are considered payable and recoverable. At the balance sheet date the amount due to Woodchurch High Sports Complex Ltd was £Nil.

27 Conversion to an academy trust

On 1 October 2012 the Woodchurch High School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Woodchurch High School from the Wirral Borough Council Local Authority for £Nil consideration.

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

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	27,100,000	27,100,000
Other tangible fixed assets	-	-	139,696	139,696
Budget surplus on LA funds	1,297,930	630,462	-	1,928,392
LGPS pension deficit	-	(2,632,000)	-	(2,632,000)
Net assets/(liabilities)	<u>1,297,930</u>	<u>(2,001,538)</u>	<u>27,239,696</u>	<u>26,536,088</u>

The above net assets include £2,342,527 that were transferred as cash.