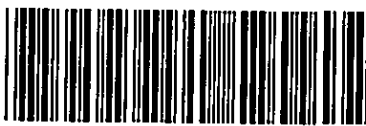


**GREENBANK HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**PERIOD ENDED 31<sup>st</sup> AUGUST 2012**

**THURSDAY**



\*A21OWGHL\*

A14	07/02/2013	#272
COMPANIES HOUSE		
A27	25/01/2013	#107
COMPANIES HOUSE		

***Company Limited by Guarantee***

***Registration Number***  
***7790934 (England and Wales)***

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

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## **Governor's and Accounting Officer's Annual Report**

### **Structure, Governance and Management**

#### Constitution

The Academy is a company limited by guarantee with no share capital (registration no 7790934)

The company's memorandum and articles of association are the primary governing documents of the Academy Trust. Members of the Academy Trust are appointed in accordance with the articles of association. The articles of association require the members of the Academy Trust to appoint at least three governors to be responsible for the statutory and constitutional affairs of the company and the management of the Academy.

#### Members' liability

Each member of the Academy Trust undertakes to contribute to the assets of the Academy Trust 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.

#### Governance

The governors are directors of the Academy Trust for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Governors' terms of office are for four years, except for the Headteacher.

The Governors who were in office at 31<sup>st</sup> August 2012 and served throughout the period (from the date of formation of the Academy Trust), except where shown are listed on page 8.

During the period under review the Governors held 5 meetings. In addition, there was a full day's facilitated training event covering Governors' responsibilities. The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on relevant educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

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 £5,000,000 on any one claim.

#### Organisational Structure

Following transfer to Academy status in November 2011, the existing management structure remained in place to ensure a smooth transfer process. The Headteacher is employed for three days per week as part of her phased retirement arrangement whilst the Deputy Head took the responsibilities of Head for the remaining two days. During the period the Deputy Head was appointed as the successor to the Head's position and will take up the role from 1<sup>st</sup> September 2012. The current managerial structure consists of the Governors, the Head and Deputy and Assistant Heads.

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 of the Academy, capital expenditure and senior staff appointments.

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

The Senior Managers are the Headteacher, Deputy Head (acting as Head for two days per week) and three Assistant Heads. A Finance Manager has been appointed in a temporary role to assist in the transfer to Academy status and to develop the financial and business management arrangements for the Academy as it moves forward. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits for further approval being set down in the Academy's Finance and Business Manual.

The Senior Leadership Team is as described in the previous paragraph. The Directors of Learning are responsible for the day to day teaching within the Academy, in particular organising the teaching staff, facilities and students. The Progress Leaders, in liaison with the Form Tutors, are responsible for the overall progress and general welfare of the pupils.

#### **Strategic Direction**

##### **Objects, aims and objectives for Public Benefit**

The principal object and activity of the charitable company is the operation of Greenbank High School Academy Trust and to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

In accordance with the articles of association the Academy Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn (if any), and that the curriculum should comply with the substance of the national curriculum with an emphasis on languages.

The main objectives of the Academy during the period ended 31 August 2012 are summarised below.

It will -

- create a school in which all pupils and staff feel happy and secure and can achieve their full potential, regardless of any factor such as gender, race, social background or disability,
- develop academic excellence, creativity, imagination and self-esteem by providing a broad, balanced and relevant curriculum which will prepare all pupils to take their place in the world,
- help pupils to be polite and honest and to develop a sense of independence, strengthened by the ability to work with others in a tolerant, caring and understanding way,
- help pupils to develop positive and confident attitudes to the needs of others and the environment,
- play an integral part in the local community and build strong links with parents and local organisations,
- develop the teaching of languages and the international dimension, to encourage and foster positive and tolerant attitudes towards other cultures and to increase pupils' awareness and knowledge of foreign languages as well as their mother tongue.

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **Strategies and activities**

The Academy's main strategy is encompassed in the school motto which is 'Suaviter in modo, fortiter in re' – 'Gentle in manner, strong in deed' To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff,
- a programme of sporting, after school leisure and international opportunities for all students

#### **Equal opportunities and employment of disabled persons**

The Academy is committed to ensuring equality of opportunity for all who learn and work here We respect and value positively differences in race, gender, sexual orientation, ability, class and age We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry This policy will be resourced, implemented and monitored on a planned basis

The Academy's Equal Opportunities Policy, including its Race Relations and Transgender Policies, is available on request

The Academy considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned Where an existing employee becomes disabled, every effort is made to ensure that employment with the Academy continues The Academy's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees An equalities plan is published each year and monitored by managers and Governors

#### **Disability statement**

The Academy seeks to achieve the objectives set down in the Disability Discrimination Act 2005 as amended by the Special Education Needs and Disability Acts 2001 and 2005

- a) As part of its accommodation strategy the Academy updated its access audit
- b) There is a list of specialist equipment, which the Academy can make available for use by students and a range of assistive technology is available in the learning centre
- c) The admissions policy for all students is described in the Academy charter Appeals against a decision not to offer a place are dealt with under the complaints policy
- d) There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities
- e) Specialist programmes are described in Academy prospectuses, and achievements and destinations are recorded and published in the standard Academy format

#### **Performance against Objectives**

Greenbank High School transferred to Academy in November 2011 and is currently in its first year of operation Total students in the year ended 31<sup>st</sup> August 2012 numbered 875 The Academy has surplus places in most year groups The Academy has an agreed capacity of 206 students in each year group

Examination results for 2012 were very pleasing At GCSE 89% of pupils gained 5+ A\*-C grades and 72% gained 5+ A\* - C GCSEs including English and Maths (2011 figures 90% & 69%)

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**Financial objectives**

The Academy's financial objectives are

- to maintain an annual balanced budget
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances
- to generate sufficient levels of income to support the asset base of the Academy
- to ensure that the income from lettings produces a net surplus
- to fund continued capital investment

These objectives were achieved in the period ending 31<sup>st</sup> August 2012

**Other achievements during the period**

- There has been much emphasis on raising the level of teaching so that the majority of lessons move from good to outstanding. Staff inset, curriculum reviews and performance management targets have been used to ensure this improvement.
- Following the outstanding judgement in December 2010, the lessons of one member of staff led to the 'good practice' visit of the National Subject Advisor (HMI) for Geography in March 2012. Her work will be acknowledged in his report of good practice and has resulted in her being invited to become a Fellow of the Royal Geographical Society, an accolade for both the school and the individual.
- Enterprise Education continues to feature prominently during Enrichment Days and as extra-curricular activities.
- Links with the community are a strong feature of the school. Pupils work with the Rotary Clubs in public speaking, technology and charity activities. They work as young leaders in primary schools in languages, PE and Maths. Links with the local infants' school in art have led to the production of mosaics and murals decorating the school and the local station.
- Despite the lack of separate funding for the languages specialism, the school continues to promote this aspect as a feature of the school.
- Pupils continue to raise vast sums of money for a range of charities - over £6,000 this year. In particular, close links with a school in Ghana have resulted in a planned visit there in February 2013.

**Finance Review**

**Financial report for the year**

Most of the Academy's income is obtained from the YPLA / EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA / EFA during the period ended 31<sup>st</sup> August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy also receives income from the letting of its facilities for community and sport use.

The Academy operates a non-trading account for the management of educational activities, trips and events including the receipt of contributions from parents and pupils.

During the period ended 31<sup>st</sup> August 2012, total expenditure of £4,214k was more than covered by recurrent grant funding from the YPLA / EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £856k. At 31<sup>st</sup> August 2012 the net book value of fixed assets was £18,550k and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**Reserves policy and financial position**

***Reserves policy***

The Governors have reviewed the reserve levels of the Academy. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of available reserves should be equivalent to two month's expenditure, approximately £600k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and the pension reserve) is £831k which is greater than is needed.

***Financial position***

The Academy held fund balances at 31<sup>st</sup> August 2012 of £18,250k comprising £298k of restricted funds and £515k of unrestricted general funds and a pension reserve deficit of £1,131k.

***Investment policy***

The Academy has not invested any funds outside of the Deposit Account attached to the main current account. The balance as at 31<sup>st</sup> August 2012 is £500k held in the deposit account. The remainder is held within the current account.

**Principal Risks and Uncertainties**

The Academy has undertaken significant work during its initial period to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on the Academy's objectives, the Resources Committee will undertake a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy.

The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

**1 Government funding**

The Academy has considerable reliance on continued government funding through the YPLA / EFA. In 2011/12, over 98% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be 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.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the YPLA / EFA

**2 Maintain adequate funding of pension liabilities**

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17.

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **Plans for Future Periods**

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students continue in further education once they leave

The Academy aims in the future to provide the opportunity for education to a greater number of students. To achieve this we are drawing up a community development plan, based on an identification and analysis of need. The plan's aim is to establish ways to benefit the wider community (from links with mainly local secondary and primary schools) and direct access to the Academy's technology facilities, curricular materials and the expertise of Academy staff.

#### **Public Benefit, Sustainability, Social and Community Issues**

##### **Public Benefit**

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

##### **Sustainability**

The Academy is committed to sustainable development throughout all aspects of its operations. A sustainable development strategy has been written to complement the policy which was approved by the Governors. The Academy will continue to strive to meet or exceed the Sustainable Development in Government targets. The Academy's Display Energy Certificate (DEC) rating is C.

##### **Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires academies, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent.

During the accounting period 1<sup>st</sup> November 2011 to 31<sup>st</sup> August 2012, the Academy incurred no interest charges in respect of late payment.



# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### Reference and Administrative Details

Members	Mrs Pat McQuade (Headteacher)*
(Members are also Governors & Trustees)	Mr Peter Miles (Chair)*
	Mrs Heather Shulver (Vice Chair)*
	Mrs Kate Webb
Governors (Trustees)	Mr Martin Ball *
	Mr David Bleackley *
	Mrs Tracey Courtney *
* = members of the Resources Committee	Mrs Gillian Forrester (Appointed 27/06/2012)
	Mr John Gall
	Mr Peter Gane (Resigned 31/03/2012)
	Mr Paul Molineux
	Mr Matthew Palmer *
	Miss Carol Sharman *
	Mr Kevin Sinclair
	Mr Ashley Sinclair (End of Office 07/05/2012)
	Mrs Andrea Woods *
Clerk to the Governors	Ms Anja Gouldbourne
Company Secretary	Eversheds
Registered Office	Hastings Road
	Southport
	PR8 2LT
Company Registration Number	7790934 (England and Wales)

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**Auditors**

RSM Tenon Audit Limited

Sumner House

St Thomas's Road

Chorley

Lancashire

PR7 1HP

**Bankers**

HSBC

25 Liverpool Road

Birkdale

Southport

PR8 4AB

**Solicitors**

Eversheds

Eversheds House

70 Great Bridgewater Street

Manchester

M1 5ES

United Kingdom

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **Performance Indicators**

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence

In the most recent inspection in November 2010 (prior to transfer), Ofsted concluded that the Academy was an 'Outstanding' school

#### **Ofsted Inspection judgements**

Overall effectiveness how good is the school? 1  
The school's capacity for sustained improvement 2

These are the grades for pupils' outcomes

**Pupils' achievement and the extent to which they enjoy their learning 2**

- Taking into account Pupils' attainment<sup>1</sup> 2
- The quality of pupils' learning and their progress 2
- The quality of learning for pupils with special educational needs and/or disabilities and their progress 2

**The extent to which pupils feel safe 2**

**Pupils' behaviour 1**

**The extent to which pupils adopt healthy lifestyles 2**

**The extent to which pupils contribute to the school and wider community 1**

**The extent to which pupils develop workplace and other skills that will contribute to their future economic well-being 1**

- Taking into account Pupils' attendance<sup>1</sup> 1

**The extent of pupils' spiritual, moral, social and cultural development 1**

These are the grades for the quality of provision

**The quality of teaching 2**

- Taking into account The use of assessment to support learning 2

**The extent to which the curriculum meets pupils' needs, including, where relevant, through partnerships 1**

**The effectiveness of care, guidance and support 1**

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

These are the grades for leadership and management

**The effectiveness of leadership and management in embedding ambition and driving improvement** **2**

- Taking into account The leadership and management of teaching and learning **2**

**The effectiveness of the governing body in challenging and supporting the school so that weaknesses are tackled decisively and statutory responsibilities met** **1**

**The effectiveness of the school's engagement with parents and carers** **2**

**The effectiveness of partnerships in promoting learning and well-being** **1**

**The effectiveness with which the school promotes equality of opportunity and tackles discrimination** **1**

**The effectiveness of safeguarding procedures** **2**

**The effectiveness with which the school promotes community cohesion** **1**

**The effectiveness with which the school deploys resources to achieve value for money** **1**

Note Grade 1 is 'Outstanding' and Grade 2 is 'Good'

#### **Other External reviews**

The Academy is also monitored through the completion and submission of the YPLA / EFA

- the annual Whole Government Accounts Return
- the Financial Plan for the period 2011 to 2013 to the YPLA / EFA
- the annual Financial Management and Governance Evaluation

The current rating of Good for all returns is considered to be a suitable outcome

## **Risk Management**

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

## **Governance Statement**

### *Scope of responsibility*

As Governors, we acknowledge we have overall responsibility for the Academy's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Headteacher is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between Greenbank High School and YPLA / EFA. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### *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 at Greenbank High School for the period from its transfer on 1<sup>st</sup> November 2011 to the end of the initial financial period on 31<sup>st</sup> August 2012 and up to the date of approval of the annual report and accounts.

### *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 governing body,
- regular reviews by the Resources 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

## GREENBANK HIGH SCHOOL

### REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

In addition, the Governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

- set policies on internal controls which cover the following
  - the type of risks the Academy faces,
  - the level of risks which they regard as acceptable,
  - the likelihood of the risks materialising,
  - the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
  - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Management Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed P McQuade, the Headteacher and a Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. As permitted by the YPLA Financial Handbook for Academies, this task has been outsourced to the external auditors. The external auditors reported to the Governing Body on the operation of the systems of control and on the discharge of the RO's financial responsibilities on

#### *Review of effectiveness*

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. The Headteacher's review of the effectiveness of the system of internal control is informed by

- the work of the responsible officer
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework
- comments made by the Academy's financial statements auditors and any appointed funding auditors in their management letters and other reports

The Headteacher has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Resources Committee, which oversees the work of the responsible officer, and a plan to address weaknesses and ensure continuous improvement of the system is in place. The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Resources Committee also receive regular reports from the responsible officer, which include recommendations for improvement. The Resources Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Resources Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2012 meeting, the Governing Body carried out the initial assessment for the period ended 31<sup>st</sup> August 2012 by considering documentation from the senior management team and responsible officer, and taking account of events since 31<sup>st</sup> August 2012.

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**Going concern**

After making appropriate enquiries, the Governing Body considers that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

So far as the Accounting Officer and Governing Body are aware, the Academy has disclosed all relevant information to the financial statement auditors. The Accounting Officer believes he has taken all the steps that he ought to make himself aware of any information relevant to the audit and to establish that the financial statement auditors are aware of that information.

The financial statement auditors, RSM Tenon, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Governing Body on 18 December 2012 and signed on its behalf by



**Peter Miles**

**Chair of The Governors**



**Ian Raikes**

**Headteacher**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Greenbank 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.

**Ian Raikes**



**Accounting Officer**

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **Basis of Preparation of Financial Statements and Accounting Policies and Practices**

The financial statements have been prepared in accordance with the accounting policies set out in this document and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005

So far as the Accounting Officer and Governing Body are aware, the Academy has disclosed all relevant information to the financial statement auditors. The Accounting Officer believes he has taken all the steps that he ought to make himself aware of any information relevant to the audit and to establish that the financial statement auditors are aware of that information

The financial statement auditors, RSM Tenon, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting



## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **Statement of Governors' and Accounting Officer's Responsibilities**

The Governors are responsible for preparing the Governors report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Governors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP
- make judgements 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 operation

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

The report of the Governors was appointed by the Governors on 18 December 2012 and signed on their behalf by



**Peter Miles**

**Chair of the Governors**

**Greenbank High School**

# **GREENBANK HIGH SCHOOL**

## **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF GREENBANK HIGH SCHOOL 31<sup>st</sup> AUGUST 2012**

We have audited the financial statements of Greenbank High School for the period ended 31<sup>st</sup> August 2012, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, the Principal Accounting Policies 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 Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditors**

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

As explained more fully in the Statement of Governors' Responsibilities set out in the Governors' Report, the Governors 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 Governor's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### Opinion on financial statements

In our opinion

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006,
- ◆ the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency / Education Funding Agency in respect of the relevant financial year, and
- ◆ grants made by the Young People's Learning Agency / Education Funding Agency have been applied for the purposed intended

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' 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

- ◆ 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

Karen Musgrave  
Senior statutory auditor  
for and on behalf of

RSM Tenon Audit Limited Date 19/12/12.

RSM Tenon Audit Limited  
Statutory Auditor  
Sumner House  
St Thomas's Road  
Chorley  
Lancashire  
PR7 1HP

## GREENBANK HIGH SCHOOL

### REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### Independent Auditor's Report on Regularity to the Governing Body of Greenbank High School and the Education Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period ended 31 August 2012 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. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 review work, for this report, or for the opinion we have formed.

#### Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period ended 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

#### Opinion

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 ended 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Karen Musgrave  
Senior statutory auditor  
for and on behalf of

RSM Tenon Audit Limited Date 19/12/12.

RSM Tenon Audit Limited  
Statutory Auditor  
Sumner House  
St Thomas's Road  
Chorley  
Lancashire  
PR7 1HP

# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### STATEMENT OF FINANCIAL ACTIVITIES for the period ended 31 AUGUST 2012 including Income and Expenditure Account and Statement of Total Recognised Gains and Losses

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2012 £000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Transfer from local authority on conversion		364	-	19,195	19,559
Activities for generating funds	2	78	-	-	78
Voluntary income	3	5	-	-	5
Investment Income					
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	4	-	3,660	18	3,678
Other Incoming resources	5	257	-	-	257
<b>Total incoming resources</b>		<b>704</b>	<b>3,660</b>	<b>19,213</b>	<b>23,577</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
Academy's educational operations	7	189	3,306	706	4,201
Governance costs	8	-	13	-	13
<b>Total resources expended</b>	6	<b>189</b>	<b>3,319</b>	<b>706</b>	<b>4,214</b>
<b>Net incoming resources before transfers</b>		<b>515</b>	<b>341</b>	<b>18,507</b>	<b>19,363</b>
Gross transfers between funds	15	-	(61)	61	-
<b>Net incoming resources before other recognised gains and losses</b>		<b>515</b>	<b>280</b>	<b>18,568</b>	<b>19,363</b>
<b>Other recognised gains and losses</b>					
Transferred from local authority on conversion		-	(925)	-	(925)
Actuarial losses on defined benefit pension schemes	15,20	-	(188)	-	(188)
<b>Net movement in funds</b>		<b>515</b>	<b>(833)</b>	<b>18,568</b>	<b>18,250</b>
<b>Funds/(deficit) carried forward at 31 August 2012</b>	15	<b>515</b>	<b>(833)</b>	<b>18,568</b>	<b>18,250</b>

All of the Academy's activities derive from acquisitions during the period


All of the Academy's activities derive from continuing operations during the 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

**GREENBANK HIGH SCHOOL****REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012****BALANCE SHEET at 31 AUGUST 2012**

		2012 £000
	Note	
<b>Fixed assets</b>		
Tangible assets	12	18,550
		<u>18,550</u>
<b>Current assets</b>		
Debtors	13	16
Cash at bank and in hand		929
		<u>945</u>
<b>Liabilities</b>		
Creditors Amounts falling due within one year	14	(114)
		<u>831</u>
<b>Net current assets</b>		
		<u>831</u>
<b>Net assets excluding pension liability</b>		19,381
Pension scheme liability	20	(1,131)
		<u>18,250</u>
<b>Net assets including pension liability</b>		
		<u>18,250</u>
<b>Funds of the academy</b>		
<b>Restricted funds</b>		
Fixed asset fund	15	18,568
General fund	15	298
Pension reserve	15	(1,131)
<b>Total restricted funds</b>		<u>17,735</u>
<b>Unrestricted funds</b>		
General fund		515
		<u>515</u>
<b>Total unrestricted funds</b>		
		<u>515</u>
<b>Total Funds</b>		<u>18,250</u>

The financial statements on pages 20 to 37 were approved by the governors on 18 December 2012 and signed on their behalf by



Chairperson

Peter Miles

**GREENBANK HIGH SCHOOL****REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012****CASH FLOW STATEMENT**

	2012 £000
<b>Net cash inflow from operating activities</b>	
Surplus on continuing operations after depreciation of assets	19,363
Depreciation (note 12)	706
Capital grants from DfE and Others	(19,213)
Transfer from local authority on conversion	(18)
FRS 17 pension cost less contributions payable (note 20)	(15)
FRS 17 pension finance income (note 20)	33
Increase in debtors	(16)
Increase in creditors	114
<b>Net cash inflow from operating activities</b>	<b>972</b>
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(61)
Capital grants from DfE/EFA	18
	<b>(43)</b>
<b>Increase in cash in the year</b>	<b>929</b>
<b>Analysis of changes in net funds</b>	
	<b>At 31 August 2012 £000</b>
Cash in hand and at bank	929

All of the cashflows are derived from acquisitions during the current financial period

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **PRINCIPAL ACCOUNTING POLICIES 31 AUGUST 2012**

##### **Basis of preparation**

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005, The Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### **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 its recognition is deferred and included in creditors as deferred income.

##### **Interest receivable**

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

##### **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.

##### **Fund accounting**

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 15.

##### **Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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). 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.

Assets costing less than £1,000 are written off in the period of acquisition. All other assets are capitalised.



## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **PRINCIPAL ACCOUNTING POLICIES 31 AUGUST 2012**

##### **Depreciation**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are

Long leasehold land & buildings	40 years straight line
Furniture and equipment	5 years straight line
Computer equipment	4 years straight line

##### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

##### **Taxation**

The Academy trust is considered to pass the tests 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 and 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.

##### **Pensions**

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 20.

##### ***Defined Benefit Schemes***

###### ***Teachers' Pension Scheme***

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the period.

## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### ***Local Government Pension Scheme***

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **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 Greenbank High School to an Academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors 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 Greenbank High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in other resources expended in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 22.

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012**

			2012 £000
<b>1 General Annual Grant (GAG)</b>			
<b>Results and Carry Forward for the year</b>			
GAG allocation for year			3,576
<b>Total GAG available to spend</b>			<b>3,576</b>
Recurrent expenditure from GAG			(3,217)
Fixed assets purchased from GAG			(61)
<b>GAG carried forward to next year</b>			<b>298</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)			(429)
<b>GAG to surrender to DfE (12% rule breached if result is positive)</b>			<b>(131)</b>
<b>2 Activities for Generating Funds</b>	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>2012 Total £000</b>
Lettings income	78	-	78
<b>3 Voluntary Income</b>	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>2012 Total £000</b>
Other donations	5	-	5
<b>4 Funding for Academy's educational operations</b>	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>2012 Total £000</b>
<b>DfE/EFA capital grant</b>			
- Devolved formula capital allocations	-	18	18
<b>DfE/EFA revenue grants</b>			
General Annual Grant (GAG) (note 1)	-	3,576	3,576
Pupil premium	-	36	36
Other DfE / EFA grants	-	2	2
	-	<b>3,614</b>	<b>3,614</b>
<b>Other Government grants</b>			
- Pupil premium via LA	-	46	46
	-	<b>3,678</b>	<b>3,678</b>

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012**

<b>5 Other incoming resources</b>	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>2012 Total £000</b>
Academy trips	178	-	178
Sickness insurance	4	-	4
Sundry income	75	-	75
	<u>257</u>	<u>-</u>	<u>257</u>

<b>6 Resources Expended</b>	<b>Staff Costs £000</b>	<b>Other Costs £000</b>	<b>Depreciation £000</b>	<b>Total 2012 £000</b>
Academy's educational operations				
- Direct costs	2,301	446	706	3,453
- Allocated support costs	306	442	-	748
	<u>2,607</u>	<u>888</u>	<u>706</u>	<u>4,201</u>
Governance costs including allocated support costs	-	13	-	13
	<u>2,607</u>	<u>901</u>	<u>706</u>	<u>4,214</u>

**7 Charitable Activities – Academy's educational operations**

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>2012 Total Funds £000</b>
<b>Direct costs</b>			
Teaching and educational staff costs	-	2,301	2,301
Depreciation	-	706	706
Educational supplies	-	112	112
Examination fees	-	59	59
Staff development	-	16	16
Educational consultancy	-	70	70
Other direct costs	189	-	189
	<u>189</u>	<u>3,264</u>	<u>3,453</u>

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012**

**7 Charitable Activities – Academy's educational operations (Continued)**

	Unrestricted funds £000	Restricted funds £000	2012 Total £000
<b><i>Allocated support costs</i></b>			
Support staff costs	-	306	306
Recruitment and other staff costs	-	5	5
Heat and light	-	55	55
Technology costs	-	85	85
FRS17 interest charge	-	33	33
Maintenance of premises and equipment	-	169	169
Catering	-	49	49
Other support and admin expenses	-	46	46
	<u>-</u>	<u>748</u>	<u>748</u>

**8 Governance costs**

	Unrestricted funds £000	Restricted funds £000	2012 Total £000
Legal and professional fees	-	5	5
Auditors' remuneration			
- Audit of financial statements	-	7	7
- Other services	-	1	1
	<u>-</u>	<u>13</u>	<u>13</u>

**9 Staff Costs**

Staff costs comprise	Unrestricted funds £000	Restricted funds £000	2012 Total £000
Wages and salaries	-	2,099	2,099
Social security costs	-	160	160
Other pension costs	-	307	307
	<u>-</u>	<u>2,566</u>	<u>2,566</u>
Supply teacher costs	-	41	41
	<u>-</u>	<u>2,607</u>	<u>2,607</u>

The average number of persons (including Senior Leadership Team) employed by the Academy during the period expressed as full time equivalents was as follows

	2012 No
<b><i>Charitable Activities</i></b>	
Teachers	53
Support and management	44
	<u>97</u>

No employees earned more than £60,000 during the period

# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012

#### 10 Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of the services they provide under the roles as principal and staff members and not in respect of services as governors

Headteacher	£38,205
Staff Governor	£29,258
Staff Governor	£11,417
Staff Governor	£19,589

Other related party transactions involving the trustees are set out in note 21

#### 11 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 cannot be separately identified from the overall insurance expense in the Financial Statements

#### 12 Tangible Fixed Assets

	Long leasehold land and buildings	Furniture & equipment	Computer equipment	Total
	£000	£000	£000	£000
<b>Cost</b>				
Additions	17	8	36	61
Transfer from local authority on conversion	17,320	1,245	630	19,195
At 31 August 2012	<u>17,337</u>	<u>1,253</u>	<u>666</u>	<u>19,256</u>
<b>Depreciation</b>				
Charged in period	361	209	136	706
At 31 August 2012	<u>361</u>	<u>209</u>	<u>136</u>	<u>706</u>
<b>Net book values</b>				
At 31 August 2012	<u>16,976</u>	<u>1,044</u>	<u>530</u>	<u>18,550</u>

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012**

<b>13 Debtors</b>	<b>2012 £000</b>
Sundry debtors	4
Prepayments and accrued income	8
VAT recoverable	4
	<b>16</b>

<b>14 Creditors amounts falling due within one year</b>	<b>2012 £000</b>
Accruals and deferred income	57
Other creditors	57
	<b>114</b>

<b>15 Funds</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains, losses and transfers</b>	<b>At 31 August 2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Restricted General Funds</b>				
General Annual Grant (GAG)	3,576	(3,217)	(61)	298
Other DFE/EFA Grants	38	(38)	-	-
	<u>3,614</u>	<u>(3,255)</u>	<u>(61)</u>	<u>298</u>
Pension reserve	-	(18)	(1,113)	(1,131)
	<u>3,614</u>	<u>(3,273)</u>	<u>(1,174)</u>	<u>(833)</u>
<b>Other Restricted Grants</b>				
LEA and other grants	46	(46)	-	-
	<u>46</u>	<u>(46)</u>	<u>-</u>	<u>-</u>
<b>Fixed asset funds</b>				
DFE capital grants	18	-	-	18
Capital expenditure from GAG	-	-	61	61
Transfer from local authority on conversion	19,195	(706)	-	18,489
	<u>19,213</u>	<u>(706)</u>	<u>61</u>	<u>18,568</u>
<b>Total restricted funds</b>	<b>22,873</b>	<b>(4,025)</b>	<b>(1,113)</b>	<b>17,735</b>
<b>Unrestricted funds</b>	<b>704</b>	<b>(189)</b>	<b>-</b>	<b>515</b>
<b>Total funds</b>	<b>23,577</b>	<b>(4,214)</b>	<b>(1,113)</b>	<b>18,250</b>

# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012

#### 15 Funds (Continued)

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

##### *Restricted general fund*

This fund represents grants received for the Academy's operational activities and development

##### *Fixed Asset fund*

These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the School Building Project

##### *Other restricted funds*

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted general fund	Restricted general fund	Restricted fixed asset fund	Total 2012
	£000	£000	£000	£000
Tangible fixed assets	-	-	18,550	18,550
Current assets	515	412	18	945
Current liabilities	-	(114)	-	(114)
Pension scheme liability	-	(1,131)	-	(1,131)
<b>Total net assets</b>	<b>515</b>	<b>(833)</b>	<b>18,568</b>	<b>18,250</b>

#### 17 Financial commitments

##### **Operating leases**

At 31 August 2012 the Academy has annual commitments under non-cancellable operating leases as follows

	2012 £000
Other	
Expiring within two and five years inclusive	5
	<b>5</b>



## **GREENBANK HIGH SCHOOL**

### **REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

#### **NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012**

##### **18 Contingent Liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement whether as a result of the Secretary of State or the Academy service notice, the Academy shall repay to the Secretary of State sums determined by reference to

- (a) The value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and
- (b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

##### **19 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

##### **20 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 Lancashire Pension Fund All are defined-benefit schemes

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

There were no outstanding or prepaid contributions at the end of the financial year

##### **Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by parliament Under the unfunded RPS, teachers' contributions, 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

## GREENBANK HIGH SCHOOL

### REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012

##### 20 Pension Commitments (continued)

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service of 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 investigation, 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 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently 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 valuation date) was £163,420 million. The assumed real rate of return is 3.5% in excess of prices and % in excess of earnings. The real rate of earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable. From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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 the above information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012

#### 20 Pension Commitments (continued)

##### Local Government Pension Scheme

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 2012 was £106,000, of which employer's contributions totalled £82,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years continue to be 17.6 per cent for employers and range from 5.5 to 7.5 per cent for employees.

##### Principal Actuarial Assumptions

	At 31 August 2012
Rate of increase in salaries	4.4%
Rate of increase for pensions in payment / inflation	2.9%
Discount rate for scheme liabilities	5.4%
Inflation assumption	2.9%

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

	At 31 August 2012
<i>Retiring today</i>	
Males	20.80
Females	24.10
<i>Retiring in 20 years</i>	
Males	22.30
Females	25.70

The estimated Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Long-term rate of return expected at 31 August 2012 %	Value at 31 August 2012 £000
Equities	7.7%	413
Gilts	3.8%	112
Bonds	5.1%	28
Property	6.5%	61
Cash	3%	14
Other	10.2%	71
<b>Total market value of assets</b>		<b>699</b>
Present value of scheme liabilities		
- Funded		(1,830)
<b>Deficit in the scheme</b>		<b>(1,131)</b>

**GREENBANK HIGH SCHOOL**

**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

**NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012**

**20 Pension Commitments (Continued)**

**Amounts recognised in the Statement of Financial Activities**

	<b>2012</b>
	<b>£000</b>
Current service cost	67
Total operating charge	<u>67</u>

**Analysis of pension finance income/costs**

Interest on obligation	63
Expected return on scheme assets	<u>(30)</u>
Net finance cost	<u>33</u>

<b>Total expenditure recognised in the Statement of Financial Activities</b>	<b><u>100</u></b>
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**Amounts recognised in the Statement of total recognised gains and losses (STRGL)**

	<b>2012</b>
	<b>£000</b>
Actuarial gains / (losses) on pension scheme assets	6
Actuarial gains / (losses) on scheme liabilities	<u>(194)</u>
<b>Total amount recognised in STRGL</b>	<b><u>(188)</u></b>

GREENBANK HIGH SCHOOL

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012

20 Pension Commitments (Continued)

Movements in the present value of defined benefit obligations

	2012 £000
Current service cost	67
Contributions by scheme participants	24
Interest cost	63
Transfer from local authority on conversion	1,482
Actuarial loss	194
<b>Scheme liabilities at 31 August</b>	<b>1,830</b>

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

	2012 £000
Expected return on scheme assets	30
Contributions by employer	82
Contributions by scheme participants	24
Transfer from local authority on conversion	557
Actuarial gains	6
<b>Fair value of scheme assets at 31 August</b>	<b>699</b>

Movement in deficit during period

	2012 £000
Current service cost	(67)
Employer contributions	82
Net finance cost	(33)
Transfer from local authority on conversion	(925)
Actuarial loss	(188)
<b>Deficit in scheme at 31 August</b>	<b>(1,131)</b>

# GREENBANK HIGH SCHOOL

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

### NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012

#### 21 Related Parties

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.

Transactions with the EFA are detailed in note 4.

#### 22 Conversion to an academy trust

On 1 November 2011 Greenbank High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Greenbank High School Academy Trust from the Sefton 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 as net resources expended in the Statement of Financial Activities as other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £000	Restricted general fund £000	Restricted fixed asset funds £000	Total £000
Tangible fixed assets				
- Leasehold land and buildings	-	-	17,320	17,320
- Other tangible fixed assets	-	-	1,875	1,875
Budget surplus on Local Authority funds	364	-	-	364
Local Government Pension Scheme deficit	-	(925)	-	(925)
<b>Net assets</b>	<b>364</b>	<b>(925)</b>	<b>19,195</b>	<b>18,634</b>