

**Hilbre High School Humanities College
(A Company Limited by Guarantee)**

Report and Financial Statements

Year Ended

31 August 2015

Company Number: 08075363

Hilbre High School Humanities College

Report and financial statements
for the year ended 31 August 2015

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Hilbre High School Humanities College

Reference and Administrative Details for the year ended 31 August 2015

Governors Members

G Kemp (Chair)

J Levenson (resigned from 31st August 2015)

M Bellamy (Interim Principal and Accounting Officer) (Appointed 1st September 2015)

C Robinson

Governors (Trustees)

S Reynolds

J Jubb

C Steiger (resigned from 22nd September 2014)

L Thierry

C Keenan (resigned from 23rd March 2015)

G Kerr (resigned from 31st August 2015)

S Hazlehurst (Appointed 1st September 2015)

P Freeman

S Jenkinson

J Money

E Myers (staff governor)

C Joyce (staff governor)

Senior Leadership Team

J Levenson Principal (resigned from 31st August 2015)

M Bellamy –Vice Principal (till 31st August 2015) (Interim Principal from 1st September 2015)

S McNamara – Assistant Vice Principal

P Lloyd – Assistant Vice Principal

J Whisker – Assistant Vice Principal

E Wallace – Assistant Vice Principal

V Devonport – Assistant Vice Principal

Company Secretary

K Rainsford

Hilbre High School Humanities College

Reference and Administrative Details
for the year ended 31 August 2015

Company Name

Hilbre High School Humanities College

Principal and Registered Office

Frankby Road

West Kirby

Wirral

CH48 6EQ

Company Registration Number

08075363 (England and Wales)

Independent Auditor

BDO LLP

5 Temple Square

Temple St

Liverpool

L2 5RH

Bankers

Lloyds Bank

355 Woodchurch Road

Prenton

CH42 8PE

Solicitors

Browne Jacobson

44 Castle Gate

Nottingham

NG1 7BJ

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015

Trustee's Report

The Governors (who also act as trustees and directors) present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015.

The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupil aged 11-18, including 6th Form provision, serving a catchment area in West Wirral. It has a pupil capacity for Pre16 students of 900 and had a roll of 869 in the school census on 26th February 2015. Post16 students for the same census on roll were 193.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Governors act as trustees of Hilbre High School Humanities College, who are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hilbre High School Humanities College.

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

Trustees' Indemnities

In accordance with normal commercial practice, the School trust has purchased insurance to protect the Governing Body from claims arising due to negligent acts, errors or omissions occurring on school business.

Method of Recruitment and Appointment or Election of Trustees

The School as set out in the articles of association has various stakeholders representing the school:

Parent Governors

Staff Governors

Community Governors

Partnership Governors

Co-opted Governors

To ensure that Hilbre High School Humanities College is strongly led and robustly governed, the school recruits select and induct appropriate individuals as Governors, not just from the Local Community, but from all walks of life and backgrounds, who can bring different skills, experience and fresh viewpoints to help maintain and foster the quality and standards of the School.

The method for recruitment of new governors must reflect the skills required at any given time by the School, as determined by the Governing Body.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

Policies and Procedures Adopted for the Induction and Training of Trustees

Governors undertake an induction programme in-line with the School's Induction Policy for Governors, including meetings with the Principal and Vice Principal, and the Assistant Vice Principal responsible for Academy business and finance, for Governors appointed to the Audit Committee and Academy, Business and Finance Committee

Organisational Structure

The Governing Body of the School is responsible for ensuring that the school meets all obligations placed upon it by the Secretary of State for Education. In order to better fulfil the obligations placed upon it the Governing Body has formed the following Committees:

- Academy, Business & Finance Committee, the Audit Committee;
- HR, Personnel & Performance Management Committee;
- Pay Committee;
- Curriculum, Achievement & Student Wellbeing Committee.

The key purposes of the Governing Body are:

- Monitoring the school's financial and academic performance;
- Developing strategic policies and procedures which reflect the school's vision and ethos;
- Promoting the school and fostering links with local, national and global communities.

In fulfilling the above purposes, the Governing Body discharges the following responsibilities:

- To develop and review the School Improvement Plan;
- To review and monitor the school's financial position on a regular basis, considering any significant contractual matters or issues;
- To monitor the educational performance of the School against outcomes and success criteria;
- To approve and review the implementation and effectiveness of key operational policies;
- To monitor and review the school's staffing structure against current provision and future requirements;
- To participate in marketing and communication with parents/carers and the local and wider community;
- To monitor and review the effective and efficient management of the school's site and buildings;
- To maintain an overview of the school's risk management procedures.

The Full Governing Body, together with all the above Committees, meet at least once every term with additional meetings being called as necessary. All meetings are minuted.

The School's Senior Leadership Team consists of the Principal, Vice Principal, 5 Assistant Vice Principals. The Senior Leadership Team manages the school at an executive level, implementing the policies and procedures agreed and approved by the Governing Body.

Related Parties and other Connected Charities and Organisations

The Governing Body works closely with Wirral Borough Council, the DfE, the EFA, neighbouring secondary schools, especially Pensby Federated High School, which the school currently collaborates with to enhance local 6th form provision.

This year our English Department has been working with other local secondary schools, West Kirby Grammar Schools for Girls, St. Mary's Catholic College and The Mosslands School, in terms of a joint moderation day. The purpose of the day was to look at work undertaken on 'Life without Levels' focusing on KS3 and also the new orders for English GCSE teaching from September 2015.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

The English Department also held a day of training on the 16th June 2015 with Heads of English and their KS3 and KS4 coordinators from West Kirby Grammar School.

Local primary schools and other local organisations also work closely with the Governing Body.

The school has Academy partners which are Liverpool John Moores University and Wirral University Teaching Hospital, who themselves are an NHS Foundation Trust based at Arrowe Park. In working alongside such local, highly-respected partners we are seeking to share best practice, broaden opportunity for both our students and the staff we employ, and provide a high quality education for all our learners.

The school runs the Duke of Edinburgh Award Scheme and students participate in a wide range of activities including charitable activities such as funding raising initiatives for Claire house, St Johns Hospice and in 2015 participated in a home building project in Cape Town, South Africa.

The school also has links with South African and Chinese schools as part of its International School work and Humanities ethos.

The School has an active association named Friends of Hilbre, which acts as a consultative body as well as raising funds to support the school.

The school has a fulltime careers officer on site, as part of a service level agreement with Merseyside Connexions. This provision allows students greater access to work experience opportunities, apprenticeships, and invaluable, one to one guidance for students not continuing with further education and academic studies. This ensures that the school has extremely low figures for the students becoming NEET (Not engaged in education or employment with training).

Objectives and Activities

Objects and Aims

Hilbre is a hardworking, lively school in which learning is an enjoyable and rewarding experience.

We recognise the varied and individual needs of our students and provide a broad, balanced education, both in and outside the classroom, ensuring our students are equipped with the skills, knowledge and understanding necessary to contribute confidently to today's ever changing society.

Opening the door of Hilbre High School Humanities College, you will find an 11-18 co-educational high school with just over one thousand students on roll. We are a school which genuinely welcomes you into a partnership with a shared aim; to achieve the most we possibly can, both academically and socially, for the students we educate. We believe in success and are constantly striving to ensure that all our students achieve it, in whatever way it is measured.

Our pledge is to ensure that every student, whatever their starting point, makes rapid and sustained progress through effective, high quality teaching, in order to achieve good outcomes within a caring and support environment.

At Hilbre High School Humanities College we aim to:

- Challenge all our students to do their very best: progress through endeavour;
- Provide a caring, healthy and supportive environment in which students can feel secure and happy and in which they can easily relate to people;
- Maintain exacting standards and provide a broad and balanced education both in and outside the classroom;
- Promote excellent teaching and learning across all curriculum areas, driven by our commitment to continuous improvement and our desire to develop independent learners;
- Provide an innovative and challenging curriculum which recognises the varied and individual needs of all our students;

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

- Provide sound academic foundations to enable our students to leave school with the skills, knowledge and understanding necessary to contribute confidently to today's changing world;
- Enable children and parents to participate fully in the life of the school and enjoy the many and wide ranging activities on offer;
- Continue to enhance our capacity to meet the needs of a wide range of young people in our community;
- Enable our students to reach out to the wider world and become global citizens of the twenty-first century;
- Continue providing wide-ranging enrichment activities;
- Promote our students' pride in themselves and their school

We value:

- Learning as an enjoyable and rewarding experience for all our students;
- Our students making significant progress whilst at school and beyond;
- Our high levels of care, support and guidance for our students;
- Partnership with all our stakeholders including students, parents, staff and Governors;
- The achievement of significant honours in recognition of our school's many successes and the commitment of our staff and students;
- Our school environment including new state of the art buildings;
- Our students' participation in significant community work;
- Our partnerships with schools and other organisations at local, national and international levels.

Objectives, Strategies and Activities

Following our Ofsted inspection in February 2014, the Senior Leadership Team in consultation with the Governing Body produced a Post-Ofsted Improvement Plan for 2014-16.

The improvement plan pledges to ensure that every student, whatever their starting point, makes rapid and sustained progress through effective, high quality teaching, in order to achieve good outcomes within a caring and supportive environment.

Post OFSTED Improvement Plan – 2014/2016

Achievement

- To meet or exceed Fischer Family Trust type D whole school KS4 targets.

	Year 11 2014	Year 11 2015
5A*-C (E&M)	65%	63%
English 3+ Levels	74%	71%
English 4+ Levels	36%	33%
Mathematics 3+ Levels	73%	67%
Mathematics 4+ Levels	31%	26%

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

- To narrow the gap by meeting or exceeding FFT D KS4 estimates for student groups.

	Year 11 2014	Year 11 2015
Boys	58%	60%
Girls	75%	68%
Higher Ability	91%	89%
Middle Ability	73%	77%
Lower Ability	37%	45%
FSM6 Yes	57%	55%
FSM6 No	67%	66%

(Progress and outcomes of Children in Care and SEN students will be closely monitored as part of our groups' analysis)

- To meet or exceed ALPs targets for KS5 students.
- To meet or exceed our school attendance target of 96%.

Quality Teaching

- 100% of lessons to be judged as good or better. **(As judged through quality insurance, book scrutiny and learning walks)**
- To ensure that all teaching promotes good or better learning and progress. **(As judged by monitoring grades and external examination results)**
- All students demonstrate a consistently positive attitude towards their learning, their teachers and fellow students. **(As judged by 'Ethos Walks', IRIS records, detention data, Libra referrals and exclusions)**

Leadership & Management

- Expectation of student performance is universally high throughout the establishment following introduction of new target setting system. **(As judged by student progress and outcomes)**
- Middle leaders supported, challenged and held to account through external training, internal co-coaching and enhanced performance management reviews. **(As judged through participation levels at training events, minutes of focus meetings with senior leaders and performance management)**
- To ensure Governors are confident and equipped to be able to hold the school to account in regard to performance. **(As judged by Governing Body minutes, Leadership Board meetings, Link Governor reports and Governor Monitoring of Post Ofsted Action Plan in conjunction with members of the Senior Leadership Team)**

Behaviour & Safety

- All students attend school well and punctually, dressed in correct uniform and properly equipped. **(As judged by student attendance figures, 'Ethos Walks', QA and lesson observations and effective implementation of active form time)**
- All students demonstrate respect and consideration for each other, the staff, the school environment and the wider community. **(As judged by bullying records, 'Ethos Walks' and the improved appearance of the environment)**

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

- Reinforcement of school motto 'Progress through Endeavour' to ensure that all students regardless of their starting point make rapid and sustained progress through effective high quality teaching in order to achieve good outcomes within a caring and supportive environment. **(As judged by 'Ethos Walks', Progress data and outcomes)**

The school's Charitable activities are substantial and each year we elect to support three charities; one local; one national and one international.

The charities we support are elected annually by the Student Council after debate about the value of each charity. This academic year, 2014-15, we are supporting:

- (local) Clatterbridge Hospital
- (National) Macmillan
- (International) LEPRO/Christian Aid

On occasion, we also support other charities through short-term collections; these may be focused around an individual or a tutor group and will usually be supported because of a personal connection for an individual or individuals.

Strategies we deploy to raise funds for charities include:

- Fundraising Fridays. This involves a small team of students touring the school on 'Fridays' to hold a bucket collection for a number of selected charities. The strategy was highly successful in 2014-15.
- Tutor Group Fundraising Initiatives such as Cake Sales.
- Bag packing at major local supermarkets
- Sponsored Events
- Total monies raised for these events was £1,728.55

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. Given the activities of the Academy and the student population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

Strategic Report

Achievements and Performance

A Level Results

Headline figures:

Academic APS/Student up from 523 (2014) to 542 (2015)

Academic APS/Entry down from 172 (2014) to 171 (2015) both scores = D-

Vocational APS/Student up from 557 (2014) to 595 (2015)

Vocational APS/Entry down from 225 (2014) to 221 (2015) both scores = Dist

These figures suggest we are getting students through more courses with no significant drop in overall quality.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

Top Subject Performance

	A* (300)	A (270)	B (240)	C (210)	D (180)	E (150)	U (0)
Academic		2	12	22	31	19	6
	Dist* (270)	Dist (225)	Merit (195)		Pass (165)		Fail (0)
Vocational	38	18	24		15		1

Impressive results achieved by all of the BTEC subjects: Animal Management, Music, Science, Business Btec, IT, Engineering Btec, Public Services Btec, Health and Social Care Btec and Sport Btec (Positive Residuals).

Top A Level Subjects: English Language, Geology, Chemistry, Creative Writing, Theatre Studies, History, Art and Textiles (Positive Residuals).

AS Results

Headline Figures:

None to report.

Top Subject Performance

		A (135)	B (120)	C (105)	D (90)	E (75)	U (0)
Academic		14	23	48	41	47	55
	Dist* (135)	Dist (112.5)	Merit (97.5)		Pass (82.5)		Fail (0)
Vocational	38	20	26		13		22

Sterling results achieved by BTEC subjects: Health and Social Care, Science, Business, Public Services, IT, Animal Management and Music (Positive Residuals).

Top A Level Subjects: Art, Theatre studies, Music, Religious Studies, Creative Writing, Media Studies, Geology, English Language, Film Studies, Chemistry, Spanish, English, History, Physics and Economics (Positive Residuals).

Lessons from Post 16 Results

1. We are moving in the right direction: students completing more courses whilst simultaneously maintaining the quality of grades achieved.
2. Vocational qualifications are critical for the overall judgement of Post 16 results.
3. Academic qualifications are critical for maintaining the size of our 6th form provision.
4. 18/21 of the top performing students either did a completely vocational route or a vocational/academic mixed route.
5. When we have quality intake – we can get some impressive results (Yr12 top end).
6. It's vital we have last year's Yr11 on the right courses to eliminate Yr12 U grades.

GCSE Results

Headline Figures:

- 5A*-C including English & Maths 48% (up from 46% in 2014)
- 5A*-C 68% (up from 64% in 2014)
- 3 LoP in English 61% (up from 55% in 2014)
- 3 LoP in Maths 63% (up from 59% in 2014)
- Progress 8 -0.25 (up from -0.36 in 2014)

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (continued)

Groups Analysis:

Student Groups	Progress 8 Score
▪ All Pupils	-0.25
▪ Pupil Premium	-0.74
▪ Non Pupil Premium	-0.07
▪ Girls	-0.31
▪ Boys	-0.21
▪ HA	-0.39
▪ MA	-0.13
▪ LA	-0.49
▪ LAC	-0.79
▪ Non LAC	-0.24
▪ SEN support	-0.37
▪ SEN statement -	0.22
▪ Non SEN	-0.24

Ebac (Sig- year group)

Subject	Value Added Score	A*-C	Levels of progress
English:	VA 999.2 up	Eng Lang 60% down Eng Lit 58% down	3LoP up 6%
Maths:	VA 1000.6 up	Maths 66% up	3LoP up 4%
Science:	VA 1003.6 up	Science 94% up Science+100% up Biology 86% up Chemistry 98% up Physics 82% down	
Humanities:	VA 1003.7 up	History 69% up Geography 65% up	
Languages:	VA 1004.9 down	French 100% up Spanish 82% down	

Capped 8 +EM VA 1005.0 (990.3 in 2014, 984.2 in 2013)

Subject Performance:

- **In terms of 3 Levels of Progress:** RE, Additional Science, Textiles, French, Core Science, Chemistry, BTEC Business, BTEC Health & Social Care, BTEC Science, Drama, Art, Physics & Dance
- **27 A*'s:** Drama (12), Maths (5), Spanish (3), Chemistry (2), Textiles (2), Art (1), Geography (1), Biology (1)
- **115 A's or Distinction*'s:** Chemistry (19), Physics(15), Drama (12), Maths (12), English Literature (11), History (10), Geography (5), English Language (4), Biology (4), French (3), Spanish (3), Physical Education (3), Textiles (3), Health and Social Care (3), Humanities (2) and one each in the following subjects: Art, Dance, Graphic Design, RE, Science Additional, and Core Science.

Comparison to Local Secondary Schools

5A*-C including English & Maths we out performed 7 secondary schools

5A*-C: we out performed 9 secondary schools

3 Levels of Progress for English we out performed 4 secondary schools

3 Levels of Progress for Maths we out performed 9 secondary schools

Progress 8: we out performed 6 secondary schools

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

Lessons from KS4 Results

1. Positive news given they were a below average year group on entry
2. PP students major focus: initiatives & funding
3. Girls progress could be an issue: impact of death/teenage pregnancy & alternative curriculum
4. RE-marks process underway in order to resolve some issues
5. BTEC qualifications at KS4 starting to be problematic – investigate alternatives
6. Most able in English and Least able in Maths.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date.

As funding is based on pupil numbers, this is also a key performance indicator. Pupil numbers for 2014-15 based on the Funding Statement from the Education Funding Agency were 1010, compared to 2013-14 which were 1000.

The Audit Committee and Academy, Business & Finance Committee review key financial data, including performance indicators and outcomes, at each of their meetings. All Financial performances are measured using a series of control and monitoring systems and procedures.

A detailed commentary on performance for a specific period is presented, with comprehensive management accounts that include the following:

- Income to date against budget to date comparisons, analysed by income headings;
- Expenditure to date against budget to date comparisons, analysed by expenditure headings;
- Projected surplus/deficit for the academic year analysed by income and expenditure headings;
- Bank and Investment balances, both month end and current.

Staff costs represent the majority of the School's expenditure and as such they are closely scrutinised with an agreed percentage of no more than 80% of the total budget. Actual staff costs are monitored monthly against budget settings with trends being extrapolated to provide expected year end outcomes.

As a PFI school, all utility costs are covered under the PFI monthly recharges, and as such, information provided by the Local Authority is interrogated to ensure efficient use of resources, having regard to environmental impact. The following KPIs were set at the start for the academic year:

- Pupil Improved progress or attendance
- Positive pupil/pupil/staff relationships

Attendance %
Target: 96
Actual: 94.3

Exam success % (5A*-C including English and Maths)
Target: 63
Actual: 68

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

Going Concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The majority of the School'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 as detailed in the funding agreement. The grants received from the EFA during the period 1st September 2014 – 31st August 2015 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities (SoFA).

The amount of recurrent grant funding for this period received from the Education Funding Agency was £5,624,000. A full listing of income received for this period from various sources is shown within the Statement of Financial Activities (SoFA).

The School also receives grants for fixed assets from the EFA, in accordance with the Charities' "Statement of Recommended Practice, Accounting and Reporting by Charities" (SoRP 2005). Such grants if received are shown in the Statement of Financial Activities (SoFA) as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

The School has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion, the opening value at the start of this academic year was £1,602,000.

Pupil numbers - we expect the number of pupils in Years 7 to 11 to increase slightly from 1010 in September 2014, to approximately 1054 in September 2015.

Key financial policies adopted or reviewed during the period include the Financial Procedures Manual, Fraud and Corruption policy, Capital Revenue and Investment Reserves policy and Gifts and Hospitality. The Financial Procedures Manual sets out the framework for financial management, including financial responsibilities of the Governors, Principal (as Accounting Officer), the Assistant Vice Principal for Academy, Finance and Business Development, budget holders and other affected staff as well as delegated authority for expenditure protocols.

The Governors have appointed BDO LLP to undertake agreed upon procedures in order to support the internal control process of the Academy School and undertake a programme of internal checks on financial control and processes. The Audit and Finance Committees receives detailed reports and feedback from such reviews and given the necessary support and guidance, if required. The reports issued during the year contained no significant issues or concerns in relation to the school's financial management.

The Governors have agreed a strategic approach to robust financial management and budgetary control whilst continuing to invest accordingly in Human and Physical resources to sustain the school's development priorities. The governing body has also taken a prudent approach to policy on reserves and investments, in order to protect the organisation from commercial, political and financial risk.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (continued)

Reserves Policy

The Governing Body reviews the reserve levels of the school annually at the year-end and as a part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Particular regard is given to the likely levels of future income to be received from the Education Funding Agency and the likelihood that these may reduce over the forthcoming years, along with the increase in employers NI and pension contributions.

Governors determine what the level of uncommitted reserves should be. The aim 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 or in-year expenditure over and above the agreed budget setting.

As a part of its monitoring of in-year financial performance the Governing Body reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. As such, the Governing Body plans to establish a reasonable level of restricted and unrestricted general reserves at the year-end in order to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to mitigate anticipated very challenging budget shortfalls.

As at 31 August 2015 the School held the following reserves:

• Restricted Reserves	(£1,102,000)
• Unrestricted Reserves	£ 867,000

On conversion to academy status, the School inherited the past service deficit in relation to the Local Government Pension Scheme that is provided for our non-teaching staff. The current deficit as of the 31st August 2015 was £1,696,000.

It should be noted however that this does not present the Academy with a current liquidity problem. Contributions to the pension scheme to cover this deficit will be paid on an annual basis over 25 years, increasing at 4.5% and it will be refined as part of the 2015 valuation, based on final membership information.

Investment Policy

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Governing Body.

Governor's management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FCA Approved List included in the Financial Services Compensation Scheme (FSCS).

Governors will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. Arrangements for deposits may include, but are not limited to Treasury Bonds and CCLA Deposit Accounts. Deposit account providers must be selected from the FCA Approved List included in the Financial Services Compensation Scheme (FSCS) or from the CCLA.

Where significant funds are have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Governors may consider the investment of these funds in order to generate a longer term income or capital fund. In addition, the school may at times receive investments as part of a legacy or gift.

The approval of the Audit and Academy, Business & Finance Committees is required before any investment is made.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

The following criteria should be used in selecting an appropriate investment:

- What level of risk does the investment represent? The governors' approach to risk is cautious – typical investments will include corporate bonds and fixed interest funds.
- The anticipated level of return
- Management fees and associated costs
- Any penalties e.g. for early redemption
- Ease of access should governors wish to realise the investment.

The Audit and Academy, Business & Finance Committees will approve any changes to the organisations and/or accounts in which the School's funds are invested. However, in doing so, they will take a low risk approach to investment, particular at a time when investment returns are low, in order to protect the funds generated to date for the benefit of future years.

Principal Risks and Uncertainties

Governors are responsible for the management of risks to which the school is exposed and are assisted in this task by the School Senior Leadership Team, Human Resource advisors from SAS Daniels LLP, Risk and Insurance Services and Health and Safety Services are purchased from the Local Authority with financial advice and support provided by BDO LLP.

Operational risks are identified, assessed and reported on at school level and these are reviewed by Governors who also identify and assess the key strategic risks facing the school during the academic year.

The key controls used by Governors include:

- Detailed Terms of Reference for all Committees;
- Formal agendas for all meetings and Committee meetings of the Governing Body;
- Minutes of Full Governing Body and Committee meetings are formally approved by governors and noted;
- Schemes of Delegation and formal financial regulations for school staff;
- Approved formal written policies and procedures, including those required by law to protect the vulnerable;
- Clear and transparent authorisation and approval levels.

Financial - the School has considerable reliance on continued Government funding through the EFA. As the majority of the School's incoming resources were ultimately Government funded. Schools saw the introduction of new funding mechanisms from 2013 academic year, there are already reductions in areas of Academy funding, and with the Government's announcement as part of their Autumn Spending Review Statement that the current school funding system is to be replaced once again with a new national funding formula from 2017. Therefore, schools will need to be well prepared for such changes, in order to accurately forecast and calculate budgets. In the present environment, Post 16 funding continues to decline, coupled with curriculum changes, the additional pressures in respect to Special Educational Needs funding, and the increase in employer costs, will impact schools in terms maintaining standards over the next few years, increasing the need for further prudent budgeting and contingency planning.

PFI contract – as the School is part of the Local Authority's PFI Scheme, Governors are mindful of the increasing unitary charges per annum. The PFI contract provides that from the first "Price Adjustment Date" and every five years thereafter the Provider is given the opportunity to revise the annual price charged for specific facilities management (FM) services in line with current market prices. This price is then fixed for the next five years. The first "Price Adjustment Date" for Wirral was 31st August 2013, by which time the revised price has to be agreed and implemented (the actual costs of this review was only agreed in 2015.) The Governors are aware that the additional increases to the annual unitary charge as part of the review, has an impact on not only the school's current budget setting, but subsequent forecasts, which will be addressed accordingly.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 *(continued)*

Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the School is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and Mismanagement of Funds – The School has appointed BDO LLP to carry out agreed upon procedures on internal financial systems and records as required by the School's Financial Manual. The Governors have also a Fraud and Corruption Policy. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area

Risk Management procedures have been reviewed during the year and Governors are satisfied that the major risks identified in the Schools Risk Register have been reviewed, and processes have been established to manage those risks accordingly.

Pupil numbers and forecasted numbers based on the numbers of pupils within feeder primary schools are annually reviewed to ensure appropriate recruitment policies are adopted, including recruiting students from outside the immediate catchment area, to help ensure all places are filled.

Plans for Future Periods

Effectiveness of Leadership & Management

- To ensure the new leadership structures and leadership programmes are successfully embedded, held accountable and result in school improvement. **(As judged by performance management outcomes, accreditation in external programmes and school performance indicators).**
- To ensure Governors are confident and equipped to be able to hold the school to account in regard to performance. **(As judged by Governing Body minutes, Governor attendance at school meetings, Link Governor reports and Governor monitoring of the School Improvement Plan in conjunction with members of the SLT).**
- Middle leaders supported, challenged and held to account through external training, internal co-coaching and the enhanced performance management reviews. **(As judged by participation levels at training events, minutes of focus meeting with senior leaders and performance management).**
- To ensure that the Academy has robust financial, safeguarding and performance management policies and procedures in place and proactively responds to challenges and opportunities presented by the new national landscape. **(As judged by unqualified accounts, value for money statement, minutes from Governors meetings and externally accredited safeguarding training).**
- To ensure the curriculum provides breadth, depth and relevance to meet the needs of all learners; to ensure the curriculum reflects changes nationally and standards of assessment are rigorously quality assured. **(As judged by minutes of meetings, Governor Link reports, student/parental feedback and student outcomes in all Key Stages).**
- To increase student participation in key initiatives pertaining to the leadership and management of the school. **(As judged by evidence of student participation in key initiatives).**

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (*continued*)

Quality of Teaching, Learning & Assessment

- To ensure that all teaching promotes good or better learning and progress. **(As judged by monitoring grades and external examination results).**
- To support and develop teaching that requires improvement, to ensure good or better outcomes are achieved. **(As judged by coaching records, external examination results and performance records).**
- To ensure that marking in Learner Journals is consistent across all subjects and Key Stages and provides constructive dialogue between staff and students to move learning forward. **(As judged by SLT and Subject Learner Journal Scrutinies).**
- To promote a culture of sharing and developing practice through a range of teaching and learning forums within and beyond school. **(As judged by participation at forums and enhanced class room practice).**

Personal Development, Behaviour & Welfare

- Expect and maintain high standards of student accountability for all of their actions supported by a range of approaches, both internally and externally. **(As judged by enhanced ECM outcomes such as: improved health, improved participation, preparedness for next stage in education, enjoyment of school and improved performance outcomes).**
- All students demonstrate a consistently positive attitude towards their school, learning, staff, peers, appearance and environment. **(As judged by school culture, rewards, attendance, punctuality, uniform, behaviour and respect for the environment).**
- Reinforcement of school motto 'Progress through Endeavour' to ensure that all students, regardless of their starting point, make rapid and sustained progress, through effective high quality teaching in order to achieve good outcomes, within a caring and supportive environment. **(As judged by school culture, progress data and performance outcomes).**

Outcomes for Children & Learners

- To ensure that all students achieve their best at Hilbre High School. **(As judged by performance indicators and external examination performance).**
- To meet or exceed FFT D targets for the whole school and specific student groups.

	Year 11 2016/2017
5A*-C (E&M)	61%
English 3+ Levels of Progress	70%
English 4+ Levels of Progress	31%
Maths 3+ Levels of Progress	67%
Maths 4+ Levels of Progress	24%

	Year 11 2016/2017
Boys	60%
Girls	64%
Higher Ability	94%
Middle Ability	75%
Lower Ability	36%
Pupil Premium	57%
Non-Pupil Premium	63%

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2015 (continued)

- To demonstrate progress against exacting Post 16 ALPs targets. **(As judged by ALPs monitoring reports).**
- New internal assessments, monitoring and scrutiny of progress against challenging targets will ensure that all students maximise their performance and achieve good outcomes. **(As judged by monitoring grades, external examination results, group outcomes and scrutiny of quality assured assessment materials).**

Following student outcomes, especially in GCSE, the Governing Body have ratified the decision to focus on 2 main School Improvement Targets for the 2015-16 academic year.

The two key targets are:

- To improve pupils' attitudes to learning, ensuring they take pride in their work and are focused on learning so they value their education, are keen learners and want to find out more.
- To secure improvement in the progress of Pupil premium pupils, which include better use of Pupil Premium funding to ensure that deployment of staff and resources deliver good or better outcomes.

Funds Held as Custodian Trustee on Behalf of Others

The School does not hold funds on behalf of others.

Auditor

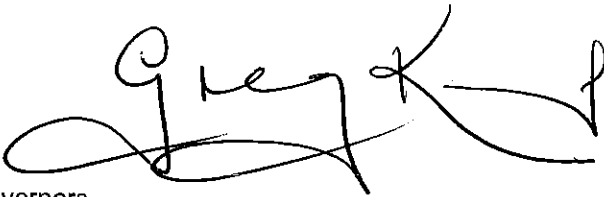
BDO LLP was appointed by the Governing Body for this period.

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 8 December 2015 and signed on the board's behalf by:

G Kemp



Chair of Governors

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, 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 Hilbre High School Humanities College Academy Trust 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' Report and in the Statement of Governors' Responsibilities. The Full Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
G Kemp (Chair)	16	17
J Levenson (Principal and Accounting Officer)	17	17
S Reynolds	5	11
C Robinson	13	13
J Jubb	6	7
C Steiger (resigned 22/9/14)	1	1
L Thierry	3	7
C Keenan (resigned 23/3/15)	2	5
G Kerr	6	13
P Freeman	7	10
S Jenkinson	11	11
J Money	6	7
E Myers (staff governor)	5	7
C Joyce (staff governor)	5	7

For this academic year, this being the third Annual Report and Financial Statements, the key changes in the composition of the Governing Body, result from the resignation of two Governors, in particular a Governor who has served the school prior to academy conversion, with a medical background. New appointments will be made in line with the skills matrix used by the school for recruiting new Governors with a key skill set, e.g. Business, HR and Legal, in order for the school to have a broad and varied range of experienced Governors, which can be utilised to maximum effect.

As such, a new Governor has been appointed with a business and health background, the appointment will commence from 1st September 2015.

Particular challenges that have arisen for the Governors include:

- Retirement of the current Principal with effect from 31st August 2015;
- Arrangements for the 2015-16 academic year in terms of an Interim Principal;
- The implementation of the approved Post Ofsted Improvement Plan 2014-16;
- The approval of the Curriculum Leadership Business Plan;
- Recruitment of Teaching and Support Staff in key areas.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015 (*continued*)

Notwithstanding, the complexities and responsibilities held by nominated Members and appointed Governors, under the auspices of an Academy.

Governance reviews:

Governors are a key factors in raising the quality of education, working with the Senior Leadership Team, the Local Authority and the Education Funding Agency , for ensuring all learners achieve whilst also managing many other facets of an academy.

It is recognised that for the school to function effectively, it does so without tension between the governing body, Senior Leadership Team, Local Authority, and Central Government, therefore establishing relationships of mutual respect and a shared vision.

With the increasing demands of accountability placed on academy schools leaders, leaders who empower others need considerable autonomy and involve their school communities to attain school improvement.

At Hilbre High School Humanities College, the governing body regularly challenge their own performance. Robust debates about the effectiveness of governance are common. Where there were opposing views, issues were discussed fully and additional information sought, including from external experts if required.

This includes external reviews of the schools financial systems and procedures, with the latest review being undertaken in March 2015 in respect of internal controls relating to School fund and Fixed Assets. Also, the Governing Body has also worked with our HR/Legal Advisors with regards to an external review of the restructuring for curriculum management and the interim Senior Leadership structure and the impact of such review and subsequent outcomes give the Governing Body an unbiased assessment of not only how the school operates, but just as important, is how effective the Governing Body operates.

The effectiveness of the governing body structures and committee membership are also reviewed annually. The Governing Body works with the School's SIP, taking advice and guidance from them in terms of feedback and reviews, including self-evaluation, carried out on an academic year basis.

The school has Investors in People (IIP) accreditation, with the last review being carried out on 9th and 10th November 2015. As part of the overall review, governance formed part of the interview process.

For 2015-16 academic year, the issue of seeking a formal external review of governance for the school from a professional practitioner will be debated.

The **Academy, Business and Finance Committee** is a sub-committee of the main board of Governors. Its purpose is to:

- To consider the Academy's indicative funding, notified annually by the DfE/EFA, and to assess its implications for the academy, in consultation with the Principal, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend acceptance/non-acceptance of the academy's budget, before the start of each new academic year.
- To contribute to the formulation of the academy's school improvement plan, through the consideration of financial priorities and proposals, in consultation with the Principal, with the stated and agreed aims and objectives of the academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the HR, Personnel, Pay and Curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015 (continued)

- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements.
- To receive Auditors' and Assessment of Internal Control reports and to recommend to the Full Governing Body action as appropriate in response to audit findings.
- To recommend to the Full Governing Body the appointment or reappointment of the auditors of the academy.
- To advise the Board of Governors on acquisition and disposal of premises.
- Under the auspices of the School's PFI Agreement:
 - To evaluate proposals and quotations relating to major building works and other fixed assets.
 - To monitor/report on all works relating to buildings and other fixed assets.
 - fixed assets.

The particular issues dealt by this committee for this period surrounds staffing costs, the outcome of the PFI benchmarking exercise and the implementation of practices, procedures and responsibilities in line with the Articles of Association and Funding Agreement.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
G Kemp (Chair)	3	3
J Levenson (Principal and Accounting Officer)	3	3
G Kerr	2	3
S Jenkinson	3	3
P Freeman	2	3

The Audit Committee is also a sub-committee of the main board of Governors. Its purpose is:

- To review the effectiveness of financial and other control systems.
- To ensure that all significant losses have been properly investigated and reported as appropriate.
- To oversee the academy's policy on fraud and irregularity
- To oversee the academy's corporate governance arrangements including the code of practice.
- To monitor the implementation of approved recommendations relating to both the work performed by the auditors under agreed upon procedures and the external auditors.
- To monitor the effectiveness of the internal control monitoring procedures and external auditing service and to promote co-ordination between the two.
- To consider and advise the governing body on the audit needs assessment.
- To consider and advise the governing body on agreed upon procedure reports,
- To monitor the academy's arrangements to secure value for money.
- Understanding the concepts and requirements of risk management.
- Acting as a catalyst for risk management activity across the school.
- Ensuring appropriate audit work on risk management.
- Collecting information on risks and risk management.
- To advise the governing body on the appointment and remuneration of external auditors and the scope of their work (in line with Academies Financial Handbook reporting requirements).
- To work with the external auditors on the nature and scope of the audit as necessary.
- To consider and advise the governing body on the external auditors Financial Statements and Accounting Reports.
- To consider the academy's financial statements as appropriate.
- To receive and review relevant reports relating to audit.
- To advise on Risk Management, Health & Safety, and Emergency Planning issues in respect of finance, buildings, systems and fixed assets.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015 (*continued*)

The particular issues dealt by this committee for this period surrounds the effectiveness and resilience of all financial controls and risk management, in particular the PFI contract.

Review of Value for Money

As Accounting Officer the Principal has responsibility for ensuring that the Academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

The Dedicated School Grant (DSG) for 2014/15 has seen per-pupil funding once again ranging from around £3,950 to as much as £8,595.

The average for all authorities across England is £4,550.54 per-pupil, compared to this school which received £4,490.00 per pupil.

Set against this funding context and taking into account the setting of a balance budget with realistic strategic planning, and outcomes, our perception is that Hilbre High School demonstrates value for money.

The school continually reviews its staffing structure to ensure it deploys staff efficiently. The school does not simply make like for like appointments but effectively deploys its existing staff while making appointments that aim to future proof the Academy amidst an ever-changing position.

In relation to our headline results identified within the Achievement and Performance section, these figures suggest we are getting students through more courses with no significant drop in overall quality.

The academy benchmarks itself against national benchmarking data, comparing ourselves with other schools of similar size, student numbers, staff numbers and costs where applicable. The school is also part of the Wirral Academy Finance group, where they meet to compare costs, share best practice and collaborate whenever possible.

Improving educational outcomes:

- Ensuring that Pupil attendance is closely monitored and managed, with support and early intervention to ensure that all students maximise their time at school. This includes the school's Attendance Panel, where parents are invited in to discuss a student's attendance record, and agree strategies/solutions in improving their absence record. Included within this, is the weekly interaction with the school's Educational Social Worker. For this academic year attendance was 94.3% for pre16 students.
- Provision of revision sessions between Easter break and Whit Week for all students sitting exams, including Saturday and Sunday sessions.
- Extended school activities to improved progress/attainment and build positive pupil/pupil/staff relationships.
- Kept our staffing structure under review, ensuring good curriculum provision but being efficient and being conscious of value for money.
- Levels of Progress - In Year 11, 61% of all students made 3 levels of progress in English, compared to 55% in 2014. In Maths, 63% of all students made 3 levels of progress, in comparison to 59% in 2014.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015 (*continued*)

Improved Income Generation:

- The school explores every opportunity to generate income through bidding for additional funding streams, seeking sponsorship and realising commercial value from our progressive educational approach.
- Examples taken to maximise income include Income generation from hiring the school premises, sale of 'beyond reasonable repair' assets or assets due for disposal and successful grant applications.

Improved Purchasing: All avenues are considered when making purchases or entering into Service Level Agreements (SLA). SLAs are reviewed and alternatives sought to ensure that we obtain best value. Stringent financial controls are communicated to staff to ensure they are aware of the financial constraints governing the school as an academy. Budget holders are held accountable for how they operate their budget, and are assisted by the Finance Team in sourcing best value.

Examples of steps taken to ensure value for money when purchasing include developing business relationships with companies and negotiating discounts, e.g. Apple, who will price match any other quote and offer other incentives, negotiating costs of advertising vacancies, we managed to reduce the cost of advertising from approx. £2500 per advert to £1000, with one company, and if the vacancy is not filled within 12 weeks, the job will be listed on their website free of charge.

We also achieve savings by viewing alternative purchasing options on-line in order to find the most competitive price, e.g. eBay, in order to purchase goods for at least 50% less than other mainline supplier and the Local Authority.

The school is part of the YPO (Yorkshire Purchasing Organisation) loyalty scheme. As this company is 100% public sector owned, customers share their profits, this year we received a voucher for £158.40.

Notwithstanding, considering whether the purchase is necessary.

Having a school's financial procedures manual, this clearly states all policies and procedures which have to be adhered to, including Purchasing. The manual is reviewed and revised annually, and ratified by the Governing Body.

This Academy is conscious that we operate within an environment of continual change and are responsive to national directives and policy changes and also to local demands from our wider community. As such, we acknowledge that there will always be valuable lessons to be learnt and a constant need to review our procedures and systems to ensure that value for money is at the heart of everything we do to enhance the learning opportunities for our students.

The Senior Leadership Team and the Governors are not complacent and recognise that there is always room for improvement and innovation, and that the effective application of resources to best support the various educational needs of all the students is paramount.

Governors and our accountants/auditors continually challenge school leaders about the financial decisions made, and the allocation of resources, to ensure that they understand the rationale behind these decisions

This section refers to many examples of what we consider to be good practice to help us secure value for money at every opportunity. This in turn supports the work towards our School Improvement Plan which sets out clearly our specific objectives and the future direction of the academy.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015 (*continued*)

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 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 Hilbre High School Humanities College for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements.

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 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 Audit Committee and Academy, Finance and Business 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 to continue with the current practice:

- Not to appoint an internal auditor. However, the Governing Body have appointed the School's nominated auditors to provide agreed upon procedures to support the Academy's internal review processes.

BDO LLP role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of School Fund
- testing of Fixed Assets

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2015 (*continued*)

During the Academic year, BDO LLP, reports to the board of trustees, through the Audit and Academy, Business and Finance committees on the operation of the systems of control.

Review of Effectiveness

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

- The work of the BDO LLP on agreed upon procedures;
- The work of the Audit Committee;
- The work of the Auditors;
- The Financial Management and Governance self-assessment process;
- The work of the Assistant Vice Principal (nominated CFO) within the School who has 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 Audit Committee and Academy, Finance and Business Committee and a plan to address weaknesses, if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8 December 2015 signed on its behalf by:



G Kemp
Chair of Governors



M Bellamy
Interim Principal/Accounting Officer

Hilbre High School Humanities College


Statement on Regularity, Propriety and Compliance for the year ended 31 August 2015

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Hilbre High School Humanities College Academy Trust, 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 for Education. 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. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.



M Bellamy

Accounting Officer

8 December 2015

Hilbre High School Humanities College

Statement of Governors' Responsibilities for the year ended 31 August 2015

Statement of Governors' Responsibilities

The trustees (who act as governors of Hilbre High School Humanities College Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business


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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 of trustees on 8 December 2015 and signed on its behalf by:

Signed:



G Kemp
Chair of Governors

Hilbre High School Humanities College

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hilbre High School Humanities College

We have audited the financial statements of Hilbre High School Humanities College ("the Academy") for the year ended 31 August 2015 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of recognised gains and losses, the balance sheet, the cashflow 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) and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005). Our audit work has been undertaken so that we might state to the Academy's members and 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 Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of Hilbre High School Humanities College and 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

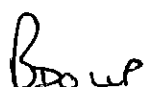
Hilbre High School Humanities College

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hilbre High School Humanities College (*continued*)

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 and proper 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 governor's remuneration specified by law are not made; or
- we have not received all the information and explanations for audit.



Mark Sykes (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom
11 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Hilbre High School Humanities College

Independent Reporting Accountant Assurance Report on Regularity to Hilbre High School Humanities College and the Education Funding Agency

In accordance with the terms of our engagement letter dated 2 December 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the year to 31 August 2015 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 Hilbre High School Humanities College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hilbre High School Humanities College 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 Hilbre High School Humanities College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hilbre High School Humanities College's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of the Hilbre High School Humanities College's funding agreement with the Secretary of State for Education dated 29 June 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015 (SORP 2005). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

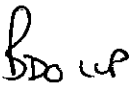
The work undertaken to draw to our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 9 of the Academies Accounts Direction 2014 to 2015 (SORP 2005).

Hilbre High School Humanities College

Independent Reporting Accountant's Assurance Report on Regularity to Hilbre High School Humanities College and the Education Funding Agency (*continued*)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BDO LLP

Reporting Accountant

Liverpool

United Kingdom

11 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Hilbre High School Humanities College

Statement of financial activities for the year ended 31 August 2015

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Activities for generating funds	2	26	-	-	26	26
Investment income	3	7	-	-	7	8
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	4	-	6,062	22	6,084	6,172
Total income resources		33	6,062	22	6,117	6,206
Resources expended						
<i>Charitable activities:</i>						
Academy trust educational operations	6	10	6,133	47	6,190	6,392
<i>Other resources expended:</i>						
Governance costs	7	-	17	-	17	17
Total resources expended	5	10	6,150	47	6,207	6,409
Net incoming/(outgoing) resources before transfers		23	(88)	(25)	(90)	(203)
Gross transfers between funds	14	-	(29)	29	-	-
Net income/(expenditure) for the year		23	(117)	4	(90)	(203)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	14,22	-	(38)	-	(38)	116
Net movement in funds		23	(155)	4	(128)	(87)

Hilbre High School Humanities College

Statement of financial activities for the year ended 31 August 2015 (continued)

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
Reconciliation of funds						
Total funds brought forward at 1 September 2014	15	844	(1,026)	75	(107)	(20)
Total funds carried forward at 31 August 2015		867	(1,181)	79	(235)	(107)

All of the academy's activities derive from continuing operations during the above two financial periods.

Hilbre High School Humanities College

Balance sheet at 31 August 2015

Company number: 08075363

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	11		79		75
Current assets					
Debtors	12	177		127	
Short term asset investments		300		300	
Cash at bank and in hand		1,190		1,436	
		<u>1,667</u>		<u>1,863</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(285)		(443)	
		<u></u>		<u></u>	
Net current assets			1,382		1,420
Total assets less current liabilities			1,461		1,495
Net assets excluding pension liability			1,461		1,495
Pension scheme liability	22		(1,696)		(1,602)
Net assets including pension liability			(235)		(107)
Funds of the academy trust					
Restricted funds					
Fixed asset fund	14	79		75	
General fund	14	515		576	
Pension reserve	14	(1,696)		(1,602)	
		<u></u>		<u></u>	
Total restricted funds			(1,102)		(951)
Unrestricted income funds					
General fund	14	867		844	
		<u></u>		<u></u>	
Total unrestricted funds			867		844
		<u></u>		<u></u>	
Total funds			(235)		(107)
		<u></u>		<u></u>	

The notes to the financial statements on pages 35 to 54 were approved by the trustees, and authorised for issue on 8 December 2015 and are signed on their behalf by:

G Kemp
Chair of Governors

Hilbre High School Humanities College

Cash flow statement for the year ended 31 August 2015

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	17	(224)	77
Returns on investments and servicing of finance	18	7	8
Capital expenditure	19	(29)	-
		<hr/>	<hr/>
(Decrease)/increase in cash in the year	20	(246)	85
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		1,436	1351
		<hr/>	<hr/>
Net funds at 31 August 2015		1,190	1,436
		<hr/> <hr/>	<hr/> <hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015

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 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.

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 grants are reflected in the balance in the restricted fixed asset fund.

▪ 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.

▪ 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 accounting policies.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

1 Accounting policies (*continued*)

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.

▪ Costs 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.

▪ Governance Costs

These included the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £3,000 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 on a straight-line and reducing balance basis over its expected useful life, as follows:-

- | | |
|------------------------------------|----------------------|
| ▪ Fixtures, fittings and equipment | 20% straight line |
| ▪ ICT equipment | 33% straight line |
| ▪ Motor vehicles | 25% reducing balance |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

1 Accounting policies (continued)

PFI Agreement

The Academy occupies buildings which are owned by Wirral Borough Council and utilised by the Academy under a PFI agreement. The Academy pays revenue contributions in respect of facilities management. The Academy does not have any rights or obligations of ownership in respect of these assets and therefore they are not included on the Academy's balance sheet. The revenue payment is recognised in the SOFA.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 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.

Pensions 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 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 Government Actuary on the basis of quin-quennial valuations using a prospective benefit method. As stated in Note 23, 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.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

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/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 Activities for Generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	16	-	16	26
Staff consultancy	10	-	10	-
	<hr/>	<hr/>	<hr/>	<hr/>
	26	-	26	26
	<hr/>	<hr/>	<hr/>	<hr/>

3 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	7	-	7	8
	<hr/>	<hr/>	<hr/>	<hr/>
	7	-	7	8
	<hr/>	<hr/>	<hr/>	<hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,319	5,319	5,208
Capital grants	-	22	22	31
Other DfE/EFA grants	-	283	283	292
	-	5,624	5,624	5,531
Other Government grants				
Local authority grants	-	315	315	375
	-	315	315	375
Non-Government grants				
Other income	-	5	5	7
School fund	-	140	140	259
	-	145	145	266
	-	6,084	6,084	6,172

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

5 Resources expended

	Non Pay Expenditure			Total 2015 £'000	Total 2014 £'000
	Staff costs £'000	Premises £'000	Other £'000		
Academy's educational operations:					
Direct costs	3,301	-	405	3,706	4,387
Allocated support costs	1,138	693	653	2,484	2,005
	<u>4,439</u>	<u>693</u>	<u>1,058</u>	<u>6,190</u>	<u>6,392</u>
	Staff costs £'000	Premises £'000	Other £'000	Total 2015 £'000	Total 2014 £'000
Governance costs including allocated support costs	-	-	17	17	17
	<u>4,439</u>	<u>693</u>	<u>1,075</u>	<u>6,207</u>	<u>6,409</u>
Incoming/outgoing resources for the year include:				2015 £'000	2014 £'000
Operating leases				575	681
Fee's payable to auditor – audit				9	9
Fee's payable to auditor – other				7	7
				<u>7</u>	<u>7</u>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2014 (*continued*)

6 Charitable activities

	Total 2015 £'000	Total 2014 £'000
Direct costs – educational operations		
Teaching and educational support staff costs	3,301	3,662
Technology costs	18	42
Educational supplies	101	105
Examination fees	107	91
Staff development	17	12
Educational consultancy	95	105
Other direct costs	67	370
	<hr/> 3,706	<hr/> 4,387
Support costs – educational operations		
Support staff costs	1,198	872
Depreciation	47	41
Technology costs	71	53
Recruitment and support	31	30
Maintenance of premises and equipment	579	710
Cleaning	5	5
Rent and rates	31	29
Insurance	31	-
Security and transport	6	7
Catering	27	49
Travel and subsistence	1	-
Legal and professional	62	-
Other support costs	395	209
	<hr/> 2,484	<hr/> 2,005
Total direct and support costs	<hr/> 6,190	<hr/> 6,392

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

7 Governance costs

	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	1	1
Auditors' remuneration		
Audit of financial statements	9	9
Other accountancy costs	7	7
	<u>17</u>	<u>17</u>

8 Staff

	2015 £'000	2014 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	3,601	3,676
Social security costs	250	238
Pension costs	560	552
	<u>4,411</u>	<u>4,466</u>
Supply staff costs	84	42
Staff restructuring costs	4	26
	<u>4,499</u>	<u>4,534</u>
b. Staff severance payments		

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £4,047 which was paid to one staff member. (2014: £19,500 paid to three members of staff)

Hilbre High School Humanities College

Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

8 Staff (continued)

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No	2014 No
Charitable activities		
Teachers	66	62
Administrations and support	56	57
Management	7	7
	129	126

d. Staff numbers

The number of employees whose emoluments exceeded £60,000 was:

	2015 No	2014 No
£70,001 - £80,000	1	1
£100,001 - £110,000	0	1
£110,001 - £120,000	1	0
	2	2

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £26,346 (2014: £20,180).

9 Related party Transactions – trustees remuneration and expenses

The principal and other 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 trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

J Levenson (principal and trustee):	£125,000 - £130,000 (2014: £120,000 - £125,000)
C Joyce (staff governor):	£20,000 - £25,000 (2014: £15,000 - £20,000)
E Myers (staff governor):	£10,000 - £15,000 (2014: £5,000 - £10,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £nil (2014: £nil) were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 24.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,603 (2014: £5,224). The cost of this insurance is included in the total insurance cost.

11 Tangible assets

	Furniture and equipment £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
<i>Cost or valuation</i>				
At 1 September 2014	38	126	5	169
Additions	15	36	-	51
Disposals	(11)	-	-	(11)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	42	162	5	209
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 September 2014	18	74	2	94
Provided for the year	35	11	1	47
Disposals	(11)	-	-	(11)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	42	85	3	130
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2015	-	77	2	79
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	20	52	3	75
	<hr/>	<hr/>	<hr/>	<hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

12 Debtors

	2015 £'000	2014 £'000
VAT recoverable	15	21
Prepayments and accrued income	161	106
	<u>176</u>	<u>127</u>

13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Taxation and social security	84	81
Other creditors	74	74
Accruals and deferred income	127	288
	<u>285</u>	<u>443</u>

	2015 £'000
Deferred income	
Deferred income at 1 September 2014	15
Resources deferred in the year	32
Amounts released from previous years	(15)
	<u>32</u>
Deferred income at 31 August 2015	<u>32</u>

At the balance sheet date the academy trust was holding funds received in advance school trips for the autumn term 2015.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

14 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General Annual Grant (GAG)	576	5,319	(5,351)	(29)	515
Other DfE/EFA grants	-	283	(283)	-	-
Other	-	460	(460)	-	-
Pension reserve	(1,602)	-	(56)	(38)	(1,696)
	<u>(1,026)</u>	<u>6,062</u>	<u>(6,150)</u>	<u>(67)</u>	<u>(1,181)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	32	22	(13)	-	41
Capital expenditure from GAG	21	-	(12)	29	38
Transfer to Academy on conversion	22	-	(22)	-	-
	<u>75</u>	<u>22</u>	<u>(47)</u>	<u>29</u>	<u>79</u>
Total restricted funds	(951)	6,084	(6,197)	(38)	(1,102)
Unrestricted funds					
Unrestricted funds	844	33	(10)	-	867
Total unrestricted funds	844	33	(10)	-	867
Total funds	(107)	6,119	(6,208)	(38)	(235)

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 2015.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	79	79
Current assets	867	800	-	1,667
Current liabilities	-	(285)	-	(285)
Pension scheme liability	-	(1,696)	-	(1,696)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	867	(1,181)	79	(235)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 Financial commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Land And buildings		
Expiring in over five years	573	670
	<hr/>	<hr/>
	573	670
	<hr/> <hr/>	<hr/> <hr/>
Other		
Expiring within one year	2	3
Expiring with two and five years inclusive	-	8
	<hr/>	<hr/>
	2	11
	<hr/> <hr/>	<hr/> <hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

17 Reconciliation of net income to net cash inflow from operating activities

	2015 £'000	2014 £'000
Net income	(90)	(203)
Depreciation (note 12)	47	40
Capital grants from DfE and other capital income	(22)	(31)
Interest receivable (note 4)	(7)	(8)
FRS 17 pension cost less contribution payable (note 22)	45	8
FRS 17 pension finance income (note 22)	11	71
(Increase)/decrease in debtors	(49)	(39)
Increase/(decrease) in creditors	(157)	239
	<hr/>	<hr/>
	(224)	77
	<hr/>	<hr/>

18 Returns on investments and servicing of finance

	2015 £'000	2014 £'000
Interest received	7	8
	<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance	7	8
	<hr/>	<hr/>

19 Capital expenditure and financial investment

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(51)	(31)
Capital grants from DfE/EFA	22	31
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(29)	-
	<hr/>	<hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

20 Analysis of changes in net debt

	At 1 September 2014 £'000	Cash flow £'000	At 31 August 2015 £'000
Cash in hand and at bank	1,436	(246)	1,190
	<hr/>	<hr/>	<hr/>
	1,436	(246)	1,190
	<hr/>	<hr/>	<hr/>

21 Member's 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.

22 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 Mercer. 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

22 Pension and similar obligations (*continued*)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Academy trusts should disclose the total contribution payable to the Teachers' Pension Scheme during the period.

The pension costs paid to TPS in the period amounted to £636,352 (2014 - £601,305).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £181,221 (2014: £245,299), of which employer's contributions totalled £184,000 (2014: £183,880) and employees' contributions totalled £57,215 (2014: £61,419). The agreed contribution rates for future years are in the process of being agreed.

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

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

22 Pension and similar obligations (*continued*)

Teachers' Pension Scheme Changes

Principal actuarial assumptions	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	3.70	3.70
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	4.00	4.00
Inflation assumption (CPI)	2.20	2.20
Commutation of pensions to lump sums	50.00	50.00

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 2015	At 31 August 2014 £
<i>Retiring today</i>		
Males	22.4 years	22.3 years
Females	25.3 years	25.2 years
<i>Retiring in 20 years</i>		
Males	24.8 years	24.7 years
Females	28.1 years	28.0 years

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	60.1	931	60.2	764
Government Bonds	13.8	213	13.7	174
Other Bonds	5.2	80	2.3	29
Property	8.6	133	7.8	99
Cash/liquidity	2.9	45	4.4	56
Other	9.4	145	11.6	147
Total market value of assets		1,547		1,269
Present value of scheme liabilities				
Funded		(3,243)		(2,871)
Surplus/(deficit) in the scheme		(1,696)		(1,602)

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular class.

The actual return on scheme assets was £37,000 (2014: £93,000).

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	(195)	(192)
Total operating charge	(195)	(192)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	75	47
Interest on pension liabilities	(120)	(118)
Pension finance income/(costs)	(45)	(71)

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

22 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

The actuarial gains and losses for the current year 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 a £38,000 loss (2014: £116,000 gain).

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At 1 September	2,871	2,313
Current service cost	195	192
Interest cost	120	118
Employee contributions	57	61
Actuarial (gain)/loss	-	187
	<hr/>	<hr/>
At 31 August	3,243	2,871
	<hr/>	<hr/>
Movements in the fair value of academy's share assets:	2015 £'000	2014 £'000
At 1 September	1,269	674
Expected return on assets	75	47
Actuarial (gain)/loss	38	303
Employer contributions	184	184
Employee contributions	57	61
	<hr/>	<hr/>
At 31 August	1,623	1,269
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2016 is £186,000.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2015 (*continued*)

22 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

The three-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000
Presented value of defined benefit obligations	(3,243)	(2,871)	(2,313)
Fair value of share of scheme assets	1,623	1,269	674
Deficit in the scheme	(1,620)	(1,602)	(1,639)
Experience adjustments on share of scheme assets			
Amount £'000	(38)	303	49
Experience adjustments on scheme liabilities			
Amount £'000	-	232	-

23 Related party transactions

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

24 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £37,900 and disbursed £37,900 from the fund.