

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

Report and Financial Statements

Year Ended

31 August 2016

Company Number: 08075363

Hilbre High School Humanities College

**Report and financial statements
for the year ended 31 August 2016**

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Hilbre High School Humanities College

Reference and Administrative Details
for the year ended 31 August 2016

Governors Members

G Kemp (Chair)

M Bellamy (Head Teacher and Accounting Officer) (Appointed 1st September 2015)

C Robinson

Governors (Trustees)

S Reynolds

J Jubb

A Downie (Joined March 2016)

L Thierry

S Hazlehurst (resigned 31.8.16)

P Freeman

S Jenkinson

J Money

E Myers (staff governor) (end of term 31.8.16)

C Joyce (staff governor) (end of term 31.8.16)

Senior Leadership Team

M Bellamy – Head Teacher

S McNamara – Assistant Vice Principal (left 30.6.16)

P Lloyd – Deputy Head Teacher

J Whisker – Deputy Head Teacher

E Wallace(Harrison) – Assistant Head Teacher

V Devonport – Assistant Head Teacher

A Evans – Assistant Head Teacher

Company Secretary

K Rainsford

Hilbre High School Humanities College

Reference and Administrative Details *(continued)*
for the year ended 31 August 2016

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 2016

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 2015 to 31 August 2016.

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 960 in the school census on 26th February 2015. Post16 students for the same census on roll were 195.

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 2016 (*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 Head Teacher and Deputy Head Teachers, Assistant Vice Principal and Chair of Governors, for those 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:

- Audit, Academy, Business & Finance 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 Head Teacher, 2 x Deputy Head Teachers, 3 x Assistant Head and 1 Assistant Vice Principal up to 30/6/2016. The Senior Leadership Team manages the school at an executive level, implementing the policies and procedures agreed and approved by the Governing Body.

Arrangements for setting pay and remuneration of key management personnel

In making the arrangements for setting the pay and remuneration for key management personnel; the Governors consider:

- National staffing levels for key personnel in line with Teacher Pay and Conditions guidelines and the approved Whole School Pay Policy approved by Governors at the start of each academic year.
- The results of the robust and agreed procedures for Performance Management Reviews undertaken annually and approved by Governors.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (*continued*)

- The position of the Academy's Financial Year accounts and the ability for the Academy funds to be able to meet current and future staff re-numeration levels as per discussion with the Academy Business & Finance Team and the Accounting Officer

Related Parties and other Connected Charities and Organisations

The Governing Body works closely with Wirral Borough Council, the DfE, the EFA, neighbouring Secondary schools in relation to Teaching & Learning Practices in the classroom, sharing Best Practice, Curriculum Development and Behaviour and Student Wellbeing Policies and Procedures.

This year our English Department attended a meeting at Mosslands School with colleagues from other schools to work with AQA on the new GCSE Specifications and to share ideas and the most appropriate texts for different cohort groups for engagement activities.

Staff from the Maths Department visited Upton Hall School to experience different teaching practices in the classroom; some of which have been brought back into Hilbre and have proved most successful in developing the engagement of students in the classroom.

The Drama Department have worked with the Head of Drama at Pensby High School on the new AQA Drama Specification and the new A-level Pearson Specification; sharing ideas and resources.

The Project leader for History has visited Wirral Grammar for Boys to research into how to stretch and challenge their most able learners and discussed with their Head of History different strategies and ideas.

The Resource Base Manager has given CYPD sessions at Upton Hall Girls School, Woodchurch High School and Claremount Special School to offer advice and support for staff dealing with pupils with special needs.

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

The school has an Academy partner which is Liverpool John Moore's University and through 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 Bronze, Silver and Gold Duke of Edinburgh Award Scheme and students participate in a wide range of activities including fund raising initiatives for local charities and other worthy organisations. In 2016 the Gold award travelled to a township called Gugulethu in South Africa and assisted the locals with creating gardens to enable them to grow their own crops to produce food and create an income.

The school also has links with a school in South Africa 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; raising funds in 2016 to contribute towards the purchase of new Outdoor Fitness Equipment for the benefit of all our students and to promote health and well-being outside the classroom.

The school has a full time 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).

Hilbre High School Humanities College

Governors Report
for the year ended 31 August 2016 *(continued)*

Objectives and Activities

Objects and Aims

Hilbre is a hardworking, dedicated, motivated and 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 under 1100 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;
- 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.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 *(continued)*

Objectives, Strategies and Activities

Following the most recent Ofsted inspection 20th-21st June 2016, the school came out with an Overall Effectiveness grading of "GOOD" and the Chief Inspector produced the following summary for Hilbre High School:

- The aspirational new Head teacher has made significant, wide ranging changes that have already improved many areas of the school.
- Governors are passionate about the school and support the whole community well on the improvement journey.
- The senior and middle leaders work together well so that standards at the school are rising quickly. They ensure that pupils who are underperforming are well supported to catch up.
- Teaching has improved since the last inspection as teachers use good questioning to deepen pupils knowledge and understanding. All staff have increasingly high expectations of pupils and pupils are responding to them. The school is improving against key indicators. Pupils are making better progress because of the consistent approach of all staff to raising standards.
- Disadvantaged pupils are now making faster progress when compared to other pupils.
- The house system for behaviour is making a positive difference to pupil's attitudes around the school. Pupils conduct themselves well and are proud of the school.
- Bullying, derogatory language and intolerance of those who are different from themselves are rare.
- Attendance and punctuality are improving.
- The sixth form leaders have high expectations of learners, which lead to excellent attitudes. The broad, engaging sixth form curriculum and the support they receive means learners do well and their attendance is high. Careers education and guidance are excellent and learners are very well prepared for their next steps. All move on to further and higher education, employment or training.

The Five different areas of inspection came out with the following grades:

- **Effectiveness of leadership and Management- Good**
- **Quality of Teaching, Learning and Assessment- Good**
- **Personal Development, Behaviour and Welfare – Good**
- **Outcomes for Pupils – Good**
- **16-19 Study Programme- Good**

The school was deemed to be "Not yet an Outstanding school" because:

- Throughout the school the most able pupils are not always making the progress they should.
- Pupil's literacy and presentation skills are not secure enough.
- The school does not measure how well it is moving towards its improvement targets.
- The persistent absence of some pupils continues to be high.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

The immediate response of the Head Teacher and SLT was to produce an action plan to address these issues and to put plans into practice with immediate effect. The summary of the action plan is as follows:

The Key Priorities are:

Outcomes for Students

- Focus on Improving Literacy Skills (Ofsted)
- Outcomes for all but particularly Year 11 and Year 13
- Improving outcomes in subjects that have under-performed this summer.

Teaching, Learning and Assessment

- Setting more challenging work for the most able pupils / students (Ofsted)
- Insistence on neat and well-presented written work (Ofsted)

Personal Development, Behaviour & Welfare

- Reduce the persistent absence of pupils who have special educational needs or disabilities and current Year 11 pupils (Ofsted)
- Better comparison of focus groups with national data (Ofsted)

Effective Leadership

- Improve the school's strategic planning by setting clear targets in improvement plans which measure progress in priority areas (Ofsted) with clear milestone indicators.
- Improve the school's strategic planning and triangulation processes by making more effective use of a range of information available to check progress towards the school's key targets (Ofsted).

Achievement

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

Student Outcomes

	Minimum score expected				
	2015/16	2016/17	2017/18	2018/19	2019/20
All students					
Estimated Attainment 8	4.84	4.52	4.69	4.52	4.62
Estimated Attainment 8 grade	C	C-	C-	C-	C-
Higher Ability (KS2 > L4)					
Estimated Attainment 8	6.12	6.12	6.29	6.08	6.28
Estimated Attainment 8 Grade	B	B	B+	B	B+
Middle Ability (KS2 = L4)					
Estimated Attainment 8	4.73	4.78	4.65	4.65	4.71
Estimated Attainment 8 Grade	C-	C-	C-	C-	C-
Lower Ability (KS2 < L4)					
Estimated Attainment 8	2.75	2.91	3.07	2.85	2.80
Estimated Attainment 8 Grade	E-	E	E	E	E-

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (*continued*)

Priorities:

- To ensure outstanding and ambitious progress for all our students that compare favourably with national and local averages and ensure no group falls behind our highest of expectations.
- To develop highly literate and numerate students who are fully confident when articulating themselves ensuring they become successful learners and achieve their full potential.
- Ensure that all staff and students embrace the significance of the 2016 progress and attainment performance indicators, resulting in high P8 and A8 scores.
- Focus on ensuring high progress / value added for all Pupil Premium students as indicated by both historical data and current data and ensuring catch up from KS2.
- Address stubborn barriers to learning for certain students in English /Maths and ensure effective interventions are in place to ensure good matching of achievement for students in both subjects.
- To use progress 8 data effectively to identify under achievement, intervene where necessary and evaluate impact of interventions; this to include the setting up of Year 11 Aspire group.
- Quality assure moderation of coursework and internal exams more rigorously to ensure relevant subjects are better able to withstand national boundary movements and /or syllabus changes.
- To meet or exceed ALPs targets for KS5 students.
- To meet or exceed our school attendance target of 96%.

TEACHING, LEARNING AND ASSESSMENT

- The highest quality teaching, never less than typically good, frequently outstanding and underpinned by high quality targeted professional development and training, thus creating aspirational, creative, independent and resilient learners who embrace risk, learn from mistakes and make outstanding progress.
- A First class, robust assessment system which supports and enables real progression.
- An embedded and inclusive "professional learning community" enjoyed by students and staff with continuous and professional growth for staff, underpinned by our Growth Mind-set Philosophy".

Expected Outcomes

2015/16- 80% Good or Better by triangulated evidence. Records kept of lesson observations, marking scrutiny and exam outcome data for each member of staff.

2016/17-85% Good or better by triangulated evidence. Records kept of lesson observations, marking scrutiny and exam outcome data for each member of staff.

2017/18- 90% Good or Better by Triangulated evidence. Records kept of lesson observations, marking scrutiny and exam outcome data for each member of staff.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 *(continued)*

2015/16

- To introduce a model of supportive and developmental lesson observations increase the number of teacher coaches, embed and extend the work of the TLC (Teacher Learning Community) introduce a SLC (Student Learning Community) and continue to share best practice via the TLC newsletter.
- To further embed the school's marking policy to ensure consistent of approach and sharing best practice by teachers when assessing student work in the Learner Journals.
- Introduce an Induction Programme for new staff on Teaching and Learning practices, SWOT analysis of teachers' CPD needs, sharing best practice via "bring and brag", bespoke CPD programme based on career stage, coaching INSET, video analysis for self-reflection, NPQML, Teaching Leaders programme, collaboration with local schools.
- To implement new whole school target setting and assessment systems, including a move to formal examinations for all year groups. To include a common monitoring system for all year groups.

Leadership and 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, SLT Walk About, 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, SLT Walk About and the improved appearance of 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 'SLT Walk About Progress / Achievement data and outcomes for students)**

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, 2015-16, we were supporting:

- (local) Wirral Mind =£822
- (National) Guide Dogs for The Blind = £1500 & Joseph Windsor Trust= £675
- (International) Fair Trade

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

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.
- Tutor Group Fundraising Initiatives such as Cake Sales.
- Bag packing at major local supermarkets
- Sponsored Events
- Total monies raised for these events was £1033

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:

- We achieved 100% pass rate.
- We achieved a record number of A and B grades in our academic subjects right across the different subject areas.
- Average grade on A-Level course C- (up from a D in 2015).
- Average grade on Academic courses (A-Level + EPQ) D+ (up from a D- in 2015).
- Average grade on Vocational courses Distinction * (up from Distinction in 2015).

Figures clearly show that we are improving the quality of outcomes across the board for students in the Sixth Form.

Destinations of our students are good and this year we achieved nine placements at Russell Group Universities.

Excellent results achieved by all of the BTEC subjects in terms of APS: Health & Social Care (15D*), Business Studies (8D*), Public Sector Service (4D*), Engineering (2D*), Science (2D*), Music (1D*), Sport (2D*) and Information Technology (2D*).

The best A-Level subjects in terms of APS were: English Language, Maths (1A), Chemistry (2A), Geology (2A), Spanish, Religious Studies (1A), Art, Theatre Studies (1A), Graphic Design, Creative Writing, English Literature, Biology (1A), History, Food Technology, Geography, Physics (1A) and Film Studies.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

Observations from Post 16 Results

1. Our action to ensure students complete appropriate courses, maintaining the quality of grades achieved and improving destinations is working.
2. Vocational qualifications are critical for overall judgement of Post 16 results.
3. Academic qualifications are critical for maintaining the size of our 6th form provision and are helping us to compete with other local schools.
4. The Extended Project Qualification has helped secure university places with additional UCAS points being achieved.
5. The quality of the re-sit group's Post 16; particularly English, have shown a marked improvement.
6. For many students the mixed academic / vocational curriculum diet continues to reap rewards.
7. When we have quality intake- we can get some impressive results.

GCSE Results

Headline Figures:

• Attainment 8	4.58 (C-) up from 4.21 (D+) 2015
• Progress 8	-0.28 (down from -0.25 in 2015)
• % of students with A* -C in English & Maths.	53% (up from 49% in 2015)
• % of students achieving Ebac.	9.1% (down from 9.6% in 2015)
• 5A*-C including English & Maths	52% (up from 48% in 2015)
• 5A*-C	65% (up from 68% in 2015)
• 3 LoP in English	51% (down from 61% in 2015)
• 3 LoP in Maths	71% (up from 63% in 2015)

Group Analysis

Progress 8

• All pupils	-0.28
• Pupil Premium	-0.81
• No Pupil Premium	-0.08
• Girls	-0.16
• Boys	-0.40
• High Ability	-0.46
• Middle Ability	-0.16
• Low Ability	-0.63
• SEN Support	+0.18
• SEN Statement	-0.78
• Non SEN	-0.27

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (*continued*)

Subject Performance:

- Most successful subjects in terms of APS: Chemistry, Physics, BTEC Business, Music, Drama, Dance, Textiles, Biology, Spanish, Business Studies, RE, French, Food, Art, Maths, History and Additional Science.
- 26 A's (27 in 2015)
- 137 A's or Distinctions (115 in 2015)
- 318 B's or Merit
- 566 C's or Pass

Observations from KS4 Results

1. Best-practice in Science, Business, Music, Drama, Dance, Food, Textiles, MFL, RE, Art, Maths and History needs to be better shared with other departments.
2. Our English results are affecting many of our headline performance measures. Whole school Literacy is vital to support the work of the English team.
3. Aspects of Graphics, Geography, Sport, RMT /Engineering and ICT need investigation to establish the cause of the dip in performance and plans forged, to reverse the dips.
4. PP/LAC/ Statemented students need more academic intervention and less pastoral support.
5. Challenge for our most able students continues to require improvement and actions to improve this are in place in the SIP.
6. Clear subject improvement plans need to be drawn up for all subjects but particularly those where results have been disappointing this year. Clear milestones of achievement must be included and better triangulation of evidence.
7. Work needs to be done on recruiting students into the sixth form throughout the school from year 7 upwards.

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 2015-16 based on the Funding Statement from the Education Funding Agency were 1084, compared to 2014-15 which were 1010.

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.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

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: 94.5

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 2015 – 31st August 2016 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 £5,593,548. 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 £1,696,000.

Pupil numbers - we expect the number of pupils in Years 7 to 11 to increase slightly from 865 in September 2015, to approximately 892 in September 2016.

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, Head Teacher (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.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

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.

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 2016 the School held the following reserves:

• Restricted Reserves (excluding pension liabilities)	£352,000
• Unrestricted Reserves	£903,000

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 2016 was £3,397,000.

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 2016 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.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

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.

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, 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. There have already reductions in areas of Academy funding, and no assurances that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. As 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, the impact on schools in terms maintaining standards over the next few years will increase the need for further prudent budgeting and contingency planning.

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

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.

Reputational - the continuing success of the school is dependent on being able 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. For the past 2 years the school has seen ever increasing numbers coming into year 7 and many parental appeals for places having to be declined due to full capacity levels.

Safeguarding and Child Protection - the Governors continue to ensure that the highest standards are maintained in the areas of recruitment, selection and monitoring of staff. There are a number of Child Protection policies and procedures, Safeguarding, Health & Safety and Discipline/ Well-Being procedures in place.

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 are in place with a comprehensive Risk Register being available and Governors are satisfied that the major risks identified 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).

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 *(continued)*

- 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).

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 lesson observations, 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.
- 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).

Hilbre High School Humanities College

Governors Report for the year ended 31 August 2016 (continued)

Following student outcomes, especially in GCSE, the Governing Body have ratified the decision to focus the following main School Improvement Targets for the 2016-17 academic year.

The key targets are:

- Focus on Improving Literacy skills and neat and well- presented written work.
- Focus on outcomes for Year 11 students.
- Setting more challenging work for the most able students.
- Reduce persistent absence of students with Special Educational needs.
- Produce better comparisons of focus groups with national data.
- Improve the school's strategic planning and triangulation processes.
- 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

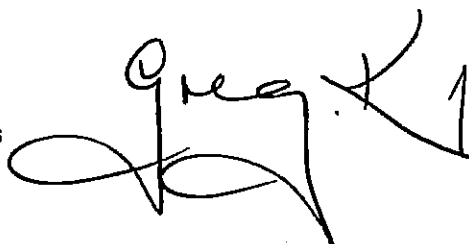
BDO LLP was appointed by the Governing Body for this period.

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 *15/12/2016* 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 2016

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 Head Teacher, 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)	11	11
M Bellamy (Head Teacher and Accounting Officer)	14	14
S Reynolds	8	8
J Money	6	7
S Jenkinson	7	7
C Robinson	7	8
J Jubb	7	7
P Freeman	3	7
A Downie (joined March 2016)	4	5
L Thlerry	0	7
S Hazlehurst (resigned 31/8/2016)	3	7
E Myers (staff governor)	6	7
C Joyce (staff governor)	4	7

For this academic year, this being the fourth Annual Report and Financial Statements, the key changes in the composition of the Governing Body, result from the resignation of one Governor who had only joined the previous year and the re-joining of one governor in March 2016 who had served on the Governing body for years previously and is very experienced in legal matters. Any new appointments are 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.

Particular challenges that have arisen for the Governors include:

- Arrangements for the 2015-16 academic year in terms of an Interim Principal from 1st September 2015 (elected to permanent Head Teacher May 2016).
- Arrangements for the new SLT team based around the new Head Teacher and 2 Deputy Head teachers. And 1 additional Assistant Head Teacher.
- The approval of the proposed new whole school staffing structure as advised by the new head Teacher ready for September 2016.
- Interim proposals to deal with the departure of the Assistant Vice Principal for Academy, Business & Finance in June 2016.
- The Ofsted inspection June 2016 and subsequent action plan.
- Recruitment of Teaching and Support Staff in key areas.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2016

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

Governance reviews:

Governors are a key factor 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 May 2016 in respect of internal controls relating to Pupil Premium and Facilities Hire Income. Also, the Governing Body has also worked with our HR/Legal Advisors with regards to an external review of the restructuring for the Senior Leadership structure and the Whole School Staffing 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 achieved Investment in people Award in 2015.

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 Head Teacher, 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 Head Teacher, 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 2016

- 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.

The particular issues dealt by this committee for this period surrounds changes to Senior Leader, Teacher and Support Staffing costs, rising PFI costs, changes to Curriculum, Outcomes for Students and exam results.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
G Kemp (Chair)	3	3
M Bellamy (Head Teacher and Accounting Officer)	3	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.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2016

- 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.

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 Head Teacher 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 2015/16 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 overall adverse effect on 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 94.5% for pre-16 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.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2016

- Kept our staffing structure under review, ensuring good curriculum provision but being efficient and being conscious of value for money.

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.

Best value is ensured by obtaining 3 verbal quotes for a purchase value over £1000 for 1 item and 3 written quotes for over £3000. Bulk purchase of items will involve a negotiated discount wherever possible. Suppliers are regularly reviewed to ensure best deal is obtained for the school and other suppliers considered if needs be to keep competitive. The school is part of the YPO (Yorkshire Purchasing Organisation) loyalty scheme.

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.

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 2016

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 2015 to 31 August 2016 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 2015 to 31 August 2016 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:

- Reviewing Pupil Premium Funding
- Third Party letting Income

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.

Hilbre High School Humanities College

Governance Statement for the year ended 31 August 2016

Review of Effectiveness

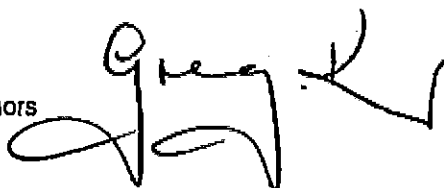
As Accounting Officer the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 (Employment ceased 30th June 2016)

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 *15/12/2016* signed on its behalf by:

G Kemp
Chair of Governors



M Bellamy
Head Teacher/Accounting Officer



Hilbre High School Humanities College

Statement on Regularity, Propriety and Compliance for the year ended 31 August 2016

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and EFA.



M Bellamy
Accounting Officer

Date 15/12/2016

Hilbre High School Humanities College

Statement of Governors' Responsibilities for the year ended 31 August 2016

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 preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustee are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on **15/12/2016** and signed on its behalf by:

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 2016 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 (SORP 2015) 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 2015 to 2016 (SORP 2015). 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 trustees 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 (FRC'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 FRC'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 2016 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 2015 to 2016 (SORP 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 incorporating 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 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 we require for our audit.

BDO LLP

Hamid Ghafoor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool, UK

Date 15/12/2016

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

Hilbre High School Humanities College

Independent Reporting Accountant's 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 11 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hilbre High School Humanities College during the year to 31 August 2016 have been applied to the purposes identified by Parliament and the financial statements conform to the authorities which govern them.

This report is made solely to Hilbre High School Humanities College and to the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to 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 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 accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hilbre High School Humanities College funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016 (SORP 2015). 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 2016 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 work in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 2015) 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's income and expenditure.

The work undertaken to draw 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.

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 suggest that in all material respects the expenditure disbursed and income received during the year to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP
Reporting Accountants
Liverpool
United Kingdom

Date 15/12/2016

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 2016

		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2016 £'000	Total 2015 £'000
Income from:						
Donations and capital grants	2	-	-	23	23	22
Other trading activities	3	27	-	-	27	26
Investments	4	6	-	-	6	7
Charitable activities:						
Funding for the academy trust's educational operations	5	12	6,323	-	6,335	6,062
Total		<u>45</u>	<u>6,323</u>	<u>23</u>	<u>6,391</u>	<u>6,117</u>
Expenditure on:						
Raising funds						
Charitable activities:						
Academy trust educational operations	7	9	6,570	35	6,614	6,231
Total	6	<u>9</u>	<u>6,570</u>	<u>35</u>	<u>6,614</u>	<u>6,231</u>
Net Income/(expenditure)		36	(247)	(12)	(223)	(114)
Transfers between funds	14	-	-	-	-	-
Net Income/(expenditure) for the year		36	(247)	(12)	(223)	(114)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	24	-	(1,617)	-	(1,617)	(14)
Net movement in funds		<u>36</u>	<u>(1,864)</u>	<u>(12)</u>	<u>(1,840)</u>	<u>(128)</u>
Reconciliation of funds						
Total funds brought forward at 1 September 2015	14	867	(1,181)	79	(235)	(107)
Total funds carried forward at 31 August 2016		<u>903</u>	<u>(3,045)</u>	<u>67</u>	<u>(2,075)</u>	<u>(235)</u>

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 2016

<i>Company number: 08075363</i>	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible assets	11		60		79
Current assets					
Debtors	12	110		177	
Cash at bank and in hand		1,455		1,490	
		<u>1,565</u>		<u>1,667</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(303)		(285)	
Net current assets			<u>1,262</u>		<u>1,382</u>
Total assets less current liabilities			<u>1,322</u>		<u>1,461</u>
Creditors: amounts falling due after one year			-		-
Net assets excluding pension liability			<u>1,322</u>		<u>1,461</u>
Pension scheme liability	24		(3,397)		(1,696)
Total Net Liabilities	14		<u>(2,075)</u>		<u>(235)</u>
Funds of the academy trust					
Restricted funds					
Fixed asset fund	14	67		79	
General fund	14	352		515	
Pension reserve	14	(3,397)		(1,696)	
Total restricted funds			<u>(2,978)</u>		<u>(1,102)</u>
Unrestricted income funds					
General fund	14	903		867	
Total unrestricted funds			<u>903</u>		<u>867</u>
Total funds			<u>(2,075)</u>		<u>(235)</u>

The financial statements on page 33 to 55 were approved by the trustees, and authorised for issue on 15/12/2016 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 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	(48)	(224)
Cash flows from investing activities	19	13	(22)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(35)	(246)
		<hr/>	<hr/>
Cash and cash equivalents at 1 September 2015		1,490	1,736
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2016	20	1,455	1,490
		<hr/>	<hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016

1 Accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Hilbre High School Humanities College meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Hilbre High School Humanities College prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Hilbre High School Humanities College for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made following the adoption of FRS 102 and SORP 2015.

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. In 2016/17 the budget was set with substantial deficit; which the governors were made fully aware of. The academy accounting team has taken steps to greatly reduce this deficit moving into 2017 using increased income streams and reduced teacher staffing costs through early retirement and non-continuation of fixed term contracts. Regular discussions are held between Governors and key finance personnel to discuss going concern.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016

1 Accounting policies (*continued*)

Income

All income is 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 2016 (*continued*)

1 Accounting policies (*continued*)

Expenditure

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.

- **Expenditure on Raising 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, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

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 2016 (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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pension include the discount rate. Any changes in these assumptions, which are disclosed in Note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest actuarial valuation performed at 31 March 2013 has been used in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The most important factor in determining the amount of GAG the school receives each year is the number of pupils on roll. Regular reports are provided to members of the Finance Committee estimating the size of the School Budget. These are updated as & when changes take place with regards to Intakes.

A significant factor in determining the amounts reflected in the financial statements would be any decision to become a Multi Academy Trust. This decision has not yet been taken by the school although the situation is constantly monitored by the Governing Body of the school.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (*continued*)

2 Donations and capital grants	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	23	23	22
	-	23	23	22
<i>2015 total</i>	-	22		22
3 Other trading activities	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	17	-	17	16
Staff consultancy	10	-	10	10
	27	-	27	26
<i>2015 total</i>	26	-		26
4 Investment income	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	6	-	6	7
	6	-	6	7
<i>2015 total</i>	7	-		7

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (*continued*)

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,616	5,616	5,319
Other DfE/EFA grants	-	277	277	283
	-	5,893	5,893	5,602
Other Government grants				
Local authority grants	-	257	257	315
	-	257	257	315
Other income from the academy trust's educational operations				
Other income	12	8	20	5
School fund	-	165	165	140
	12	173	185	145
	12	6,323	6,335	6,062
<i>2015 total</i>	-	6,062		6,062

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (continued)

6 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2016 £'000	Total 2015 £'000
		Premises £'000	Other £'000		
Academy's educational operations:					
Direct costs	3,517	-	374	3,891	3,706
Allocated support costs	1,304	667	752	2,723	2,525
	4,821	667	1,126	6,614	6,231

The Academy's educational operations expenditure above totalling £6,614,000 (2015: £6,231,000) included £6,570,000 (2015: £6,150,000) used from restricted funds, £9,000 (2015: £10,000) used from unrestricted funds and £35,000 (2015: £47,000) used from restricted fixed asset funds.

Incoming/outgoing resources for the year include:

	2016 £'000	2015 £'000
Operating lease rentals	568	575
Depreciation	35	47
Fees payable to auditor:		
- audit	9	9
- other services	9	7

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Compensation payments	45,000	45,000	Severance

7 Charitable activities

	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	3,891	3,706
Support costs - educational operations	2,723	2,525

Analysis of support costs

	Total 2016 £'000	Total 2015 £'000
Support staff costs	1,304	1,198
Depreciation	35	47
Technology costs	78	71
Premises costs	632	680
Other support costs	656	512
Governance costs	18	17
	2,723	2,525

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(continued)*

8 Staff

	Total 2016 £'000	Total 2015 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	3,742	3,601
Social security costs	299	250
Operating costs of defined benefit pension schemes	609	560
	4,650	4,411
Supply staff costs	126	84
Staff restructuring costs	45	4
	4,821	4,499
Staff restructuring costs comprise:		
Redundancy payments	45	4
	45	4

b. Staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £45,000 (2015: £4,057 paid to one staff member) which was paid to one staff member.

c. Staff numbers

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

	2016 No	2015 No
Charitable activities		
Teachers	64	66
Administrations and support	49	56
Management	8	7
	121	129

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(continued)*

8 Staff *(continued)*

d. Higher paid staff

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

	2016 No	2015 No
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
	2	2

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, employer's pension contributions for these staff amounted to £34,951 (2015: £26,346).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £515,126 (2015: £481,933).

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 and other benefits was as follows:

M Bellamy (head teacher and trustee)	
Remuneration	£85,000 - £90,000 (2015: £nil)
Pension	£10,000 - £15,000 (2015: £nil)
C Joyce (staff governor)	
Remuneration	£15,000 - £20,000 (2015: £15,000 - £20,000)
Pension	£0 - £5,000 (2015: £0 - £5,000)
E Myers (staff governor)	
Remuneration	£15,000 - £20,000 (2015: £5,000 - £10,000)
Pension	£0 - £5,000 (2015: £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £nil (2015: £nil) were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 25.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (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 2016 was £2,668 (2015: £2,603). The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Plant and machinery £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 September 2015	77	128	5	210
Additions	7	9	-	16
Disposals	-	(2)	-	(2)
At 31 August 2016	84	135	5	224
Depreciation				
At 1 September 2015	29	99	3	131
Charged in year	11	23	1	35
Disposals	-	(2)	-	(2)
At 31 August 2016	40	120	4	164
Net book values				
At 31 August 2016	44	15	1	60
At 31 August 2015	48	29	2	79

12 Debtors

	2016 £'000	2015 £'000
VAT recoverable	3	15
Prepayments and accrued income	107	161
	110	176

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (*continued*)

13 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Taxation and social security	98	84
Other creditors	85	74
Accruals and deferred income	120	127
	<hr/>	<hr/>
	303	285
	<hr/>	<hr/>
Deferred income	2016 £'000	2015 £'000
Deferred income at 1 September 2015	32	15
Resources deferred in the year	36	32
Amounts released from previous years	(32)	(15)
	<hr/>	<hr/>
Deferred income at 31 August 2016	36	32
	<hr/>	<hr/>

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (continued)

14 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant (GAG)	515	5,616	(5,779)	-	352
Other DfE/EFA grants	-	277	(277)	-	-
Other restricted income	-	430	(430)	-	-
Pension reserve	(1,696)	-	(84)	(1,617)	(3,397)
	<u>(1,181)</u>	<u>6,323</u>	<u>(6,570)</u>	<u>(1,617)</u>	<u>(3,045)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	41	23	(18)	-	46
Capital expenditure from GAG	38	-	(17)	-	21
	<u>79</u>	<u>23</u>	<u>(35)</u>	<u>-</u>	<u>67</u>
Total restricted funds	<u>(1,102)</u>	<u>6,346</u>	<u>(6,605)</u>	<u>(1,617)</u>	<u>(2,978)</u>
Unrestricted funds					
Unrestricted funds	867	45	(9)	-	903
Total unrestricted funds	<u>867</u>	<u>45</u>	<u>(9)</u>	<u>-</u>	<u>903</u>
Total funds	<u>(235)</u>	<u>6,391</u>	<u>(6,614)</u>	<u>(1,617)</u>	<u>(2,075)</u>

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

Restricted general funds

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

Restricted fixed asset funds

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.

Unrestricted funds

Unrestricted 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.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(continued)*

15 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	60	60
Current assets	903	662	-	1,565
Current liabilities	-	(303)	-	(303)
Pension scheme liability	-	(3,397)	-	(3,397)
	903	(3,038)	60	(2,075)
Total net assets	903	(3,038)	60	(2,075)

16 Capital commitments

There were no material capital commitments at the current or preceding year end.

17 Financial commitments

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Other		
Expiring within one year	571	570
Expiring with two and five years inclusive	2,336	2,310
Expiring in over five years	5,601	6,193
	8,508	9,073
	8,508	9,073

Included in operating lease commitments is £8,503,000 (2015: £9,071,000) which relates to revenue contributions for facilities management in respect of the PFI arrangement under which the buildings are occupied by the Academy.

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (*continued*)

18 Reconciliation of net income to net cash flow from operating activities	2016 £'000	2015 £'000
Net income/(expenditure) for the reporting period (as per Statement of Financial Activities)	(223)	(114)
Adjusted for:		
Depreciation (note 11)	35	47
Capital grants from DIE and other capital income (note 2)	(23)	(22)
Interest receivable (note 4)	(6)	(7)
Defined benefit pension scheme cost less contribution payable (note 24)	17	15
Defined benefit pension scheme finance income (note 24)	67	65
(Increase)/decrease in debtors	67	(50)
Increase/(decrease) in creditors	18	(158)
	(48)	(224)
Net cash provided by/(used in) operating activities	(48)	(224)
19 Cash flows from investing activities	At 31 August 2016 £'000	At 31 August 2015 £'000
Dividends, interest and rents from investments	6	7
Purchase of tangible fixed assets	(16)	(51)
Capital grants from DIE/EFA	23	22
	13	(22)
Net cash provided by/(used from) investing activities	13	(22)
20 Analysis of cash and cash equivalents	At 31 August 2016 £'000	At 31 August 2015 £'000
Cash in hand and at bank	1,455	1,490
	1,455	1,490

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(continued)*

21 Guarantees, Letters and comfort and Indemnities

There were guarantees, letters of comfort and indemnities provided by the trust during the year.

22 Contingent liabilities

There were no contingent liabilities in the year.

23 Member's liability

Each trustee 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 trustee.

24 Pension and similar obligations

The academy trust'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 Hymans Robertson LLP. Both are multi-employer 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 2012 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 2016 (*continued*)

24 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £458,279 (2015: £636,352).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £255,000 (2015: £181,221) of which employer's contributions totalled £194,000 (2015: £184,000) and employees' contributions totalled £61,120 (2015: £57,215). The agreed contribution rates for future years are 13.3 per cent for employers and 5.5 to 6.5 per cent for employees.

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

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(continued)*

24 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	3.70%
Rate of increase for pensions in payment/deferment	2.00%	2.20%
Discount rate for scheme liabilities	2.00%	4.00%
Commutation of pensions to lump sums	50.00%	50.00%
Inflation assumption (CPI)	1.90%	2.20%

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.5	22.4
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	24.9	24.8
Females	28.2	28.1

The academy trust's share of the asset in the scheme were:

	Expected return at 31 August 2016 %	Fair value at 31 August 2016 £'000	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £'000
Equities	52.50%	1,101	60.10%	931
Government Bonds	4.6%	96	13.8%	213
Other bonds	11.8%	247	5.2%	80
Property	8.20%	172	8.60%	133
Cash	3.7%	78	2.9%	45
Other	19.2%	403	9.4%	145
Total market value of assets		2,097		1,547
Present value of scheme liabilities				
- Funded		(5,494)		(3,243)
		(3,397)		(1,696)

The actual return on scheme assets was £324,000 (2015: £42,000).

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 *(continued)*

24 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

Amount recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	(211)	(199)
Net interest cost	(62)	(60)
Administration expenses	(5)	(5)
	(278)	(264)

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

	2016 £'000	2015 £'000
At 1 September	3,243	2,871
Current service cost	211	199
Interest cost	129	116
Employee contributions	61	57
Actuarial (gain)/loss	1,873	-
Benefits paid	(23)	-
	5,494	3,243

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

	2016 £'000	2015 £'000
At 1 September	1,547	1,269
Interest on plan assets	67	56
Actuarial gain/(loss)	256	(14)
Administration expenses	(5)	(5)
Employer contributions	194	184
Employee contributions	61	57
Benefits paid	(23)	-
	2,097	1,547

25 Related party transactions

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

Hilbre High School Humanities College

Notes forming part of the financial statements
for the year ended 31 August 2016 (continued)

26 First time adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

	Note	1 September 2014 £'000	31 August 2015 £'000
Reconciliation of total funds			
Total funds under previous UK GAAP		107	(235)
Employee benefits accrual	B	-	-
		<u>107</u>	<u>(235)</u>
Total funds reported under FRS 102		107	(235)
		<u>107</u>	<u>(235)</u>
Reconciliation of net income/(expenditure)			
	Note		31 August 2015 £'000
Net income/(expenditure) previously			(90)
Change in recognition of LGPS interest cost	A		(24)
Employee benefits accrual	B		-
			<u>(114)</u>
Net movement in funds reported under FRS 102			(114)

A – Change in recognition of LGPS Interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in the SoFA. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £24,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

B – Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Employees are not entitled to carry forward any unused holiday entitlement at the reporting date. Therefore there are no costs of any unused entitlement to recognise as at 31 August 2015 and 31 August 2016.

C – Cash and cash equivalents.

Under previous UK GAAP, the Academy's investments in deposit bank accounts were held as current asset investments. Under FRS102, an investment normally qualifies as a cash equivalent when it has a short period of maturity (less than 3 months from date of acquisition). As such, current asset investments of £300,000 (2015:£300,000) have been reclassified as cash.