

Registered number: 07775671 (England & Wales)

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Mr T Smith (Chair)
Canon J Turnbull
Mrs S Cronin

Governors

Mrs G Astle (resigned 24 September 2015)
Mr A Brimage, Responsible Officer
Mrs S Broderick
Mr M Brown
Mr S Burke
Mrs S Cronin
Mr D Cumberland
Dr M Gilbertson
Mrs V Jones
Mrs J Merry
Ms R Phillips, Accounting Officer and Head Teacher
Canon E Renshaw MBE
Mr A Smith
Mr T Smith
Mrs A Whorton
Dr T Baxter (appointed 27 November 2015)
Miss L Edwards

Company registered number

07775671

Company name

Woodchurch High School

Principal and registered office

Carr Bridge Road
Woodchurch
Wirral
Merseyside
CH49 7NG

Company secretary

S Rogers (School Business Manager)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditor

Crowe Clark Whitehill LLP
Statutory Auditor
3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Bankers

Barclays Bank plc
2 Liscard Village
Wallasey
CH45 4JS

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GOVERNORS REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Woodchurch High School (the academy and the group) for the year ended 31 August 2016. The Governors confirm that the Annual report and financial statements of the academy and the group comply with the current statutory requirements, the requirements of the academy and the group's governing document. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Wirral. It has a pupil capacity of 1405 and had a roll of 1405 in the school census in Summer 2016.

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

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

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

The main objectives of the Academy during the period ended 31st August 2016 are summarised below:

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

Whole School Priorities for 2015-2016

Pupil Premium

To continue to improve outcomes for pupils eligible for the pupil premium through raising attainment and improving attendance to match that of other pupils within the school and nationally.

Teaching & Learning

To embed an ethos of growth and excellence through quality first teaching and collective endeavour, with a particular focus on developing speaking and listening skills and pupil response.

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FOR THE YEAR ENDED 31 AUGUST 2016

Data

To develop a whole school assessment policy which shows pupils' mastery of the new national curriculum. To further develop the tracking of pupil attainment which focuses on progress from Key Stage 2. To refine the current assessment procedures through the use of fine grading to enhance the identification of underperformance and ensure the better targeting of intervention.

Behaviour for Learning

To embed the current Successful Learning Criteria raising their awareness and understanding with pupils and staff to ensure that pupils develop their ability to learn successfully inside and outside lessons.

Christian Ethos

To continue to develop the Christian Ethos of the school in every Curriculum Area through linking the Ethos with Character Education and our Successful Learning programme. To ensure the school is prepared for a Section 48 (SIAMS) Inspection, under the Education Act of 2005.

Sixth Form

To explore the development of a future sixth form, taking into consideration the required buildings, operations, curriculum provision and financial viability.

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GOVERNORS REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

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

Key activities which support the main strategic purpose of the organisation are:

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

Equal Opportunities Policy

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are valued.

Achievements and Performance

Examination results for 2015 -16 were as follows:

69.3% of pupils achieved the equivalent of 5 GCSE's A* to C grade (2014.15=73%, 2013.14=68.4%) and 54.3 of pupils achieved 5 A* to C including English and Maths (2014.15=59%,2013.14=50.2%).

To ensure that standards are continually raised, the Academy, Governing Body and the Senior Leadership team:

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

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**GOVERNORS REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

c. PUBLIC BENEFIT

Inextricably linked to the main objectives of the Academy is the aim of contributing to the public good. Through the provision of a wide range of educational and other activities, the Academy aims to contribute considerable benefit to the local community and to the community of the Chester Diocese. Over the last year, a sample of such events has included the following:

- Wirral Music Service hosts its weekly tuition at the Academy during the weekend.
- A wide range of support, both curriculum and operational, for Church of England Primary Schools within the Chester Diocese.
- The school's farm welcomes the local community, specialist and primary schools to participate in horticultural and animal activities.
- The Academy manages the provision of a local community ICT project enabling members of the local community access to computers and the internet.
- Numerous community events are held including a Summer and Easter camp, Summer and Christmas fairs, affiliation with the Rotary Club.
- Local Primary and Special Schools are invited to participate in a variety of events being run by different faculties such as Art, Science, and Drama. Some local schools used the sports fields to host their sports days.
- The Sports Complex provides a high quality sports facility for community groups and larger clubs to provide a range of activities for local community participation.
- Our students have been involved with the community focused Archbishop of York Award.

The Academy has given a high priority to providing public benefit to a cross section of the community, but perhaps the greatest benefit that the Academy can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and become confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Governors have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission. The academy provides educational services to all children in the local area. The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charities Commission.

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GOVERNORS REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

a. KEY FINANCIAL PERFORMANCE INDICATORS

Academy

| | | |
|-------------------------------------|------------------|------------------|
| Incoming Resources | 2016: £8.8m | 2015: £8.9m |
| Net income/expenditure for the year | 2016: (£945,000) | 2015: (£625,000) |
| Funds as at 31 August | 2016: £22.7m | 2015: £25.5m |
| Net current assets | 2016: £2.1m | 2015: £2.6m |

The academy's balance sheet remains in a strong position. The net assets of the academy as at 31 August 2016 (as represented by the funds) amounts to £22.7m as opposed £25.5m in the previous year. There has been an excess of expenditure over income in the year to 31 August 2016 which was expected due to increased expenditure on academy resources as well as increased depreciation charges in the year.

Key non-financial performance indicators

Attendance target = 2016 target 95%, actual 94.8% (2015 target 94%, actual 93.3%) Exclusion target = 2016 target 4.95%, actual 3.94% (2015 target 6.51 %, actual = 4.87%)

Pupil numbers = 2016 target 1395, actual 1429 (2015 target 1395)

b. PENSION DEFICIT

The pension fund was in deficit as at 31 August 2016 in the amount of £5,309,000 (2015: £3,262,000). This is due to the Local Government Pension Fund deficit increasing during the year to 31 August 2016. The academy inherited a deficit on this pension fund on conversion to academy status and the value of the deficit according to the actuarial valuation at the year-end 31 August 2016 amounts to £5,309,000. The liability is not expected to crystallise immediately and more information relating to the pension fund is explained in Note 27 to the financial statements.

c. GOING CONCERN

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

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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e. PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

RESERVES POLICY

Capital reserves policy:

The purpose of the policy is to consider that academies are expected to create reserves from their annual GAG funding. The EFA provide some Devolved Capital Funding to academies, albeit at a reduced level during their first three years of occupation. The EFA provides no other annual capital funding - current annual amount is approximately £27,000. As assets of new-build academies are usually purchased simultaneously, they reach the need for replenishment simultaneously.

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

Revenue reserves policy:

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

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

The actual level of reserves held as at 31 August 2016 is £25,092,145 (including £949,615 of free reserves) compared to the Reserves Policy value of £50,000.

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PRINCIPAL FUNDING

Most of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year to 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Funds are classified as unrestricted when there are no restrictions attached to the respective income and when the funds can be utilised at the discretion of the governors. Such funds are shown as unrestricted funds in the Statement of Financial Activities.

INVESTMENTS POLICY

The academy's investment policy is as follows:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

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

The Academy is registered as a company limited by guarantee with no share capital (Company Registration No. 07775671). The Academy was incorporated on 15th September 2011 and commenced trading on the 1st October 2012. The company's memorandum and articles of association are the primary governing documents of the Academy.

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

b. MEMBERS' LIABILITY

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

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c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The management of the academy and the group is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

Induction and training of new governors

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

The members and governors who were in office at 31 August 2016 and served throughout the period are listed on pages 1 and 2. All governors are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governor. Governors attend training courses as appropriate.

d. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Senior Leadership Team are set strategic objectives and targets for the academic year, overseen by the School Improvement Partner, Head Teacher and key Personnel Governors. Reviews take place throughout the year and outcomes are shared with key Personnel Governors. Outcomes and impact inform the decisions regarding pay and remuneration for the Senior Leadership Team.

e. ORGANISATIONAL STRUCTURE

The management structure consists of four levels: the Members, the Governors, the Senior Leadership Team and the various faculty teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction, vision of the Academy, capital expenditure and senior staff appointments. The Senior Leadership team is comprised of the Head Teacher, Deputy Head Teacher, Assistant Head Teachers and Business Manager. The Leadership Team control the Academy at a day to day level, implementing the policies laid down by the Governors and the agreed Vision and School Development Plan.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy owns 100% of the ordinary share capital of Woodchurch High School Sports Complex Limited, a company registered in England and Wales under company number 08110622.

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g. GOVERNORS' INDEMNITIES

The academy through its articles has indemnified its governors to the fullest extent permissible by law. During the year the academy also purchased and maintained liability insurance for its governors.

PLANS FOR FUTURE PERIODS

a. FUTURE DEVELOPMENTS

The main objectives of the Academy for the academic year 2016/17 are summarised below:

1) Curriculum

To plan collaboratively and effectively for a five year GCSE, implementing the whole school agreed curriculum planning structures to include Curriculum Maps, Learning Programmes and Personalised Learning Checklists to support a mastery curriculum.

2) Teaching & Learning

To make learning a more engaging and pupil-centred experience, focussing on thinking skills, oracy, independence, resilience, confidence and resourcefulness.

3) Data

To continue to develop the tracking of pupil attainment focussing on progress from Key Stage 2 and implement an effective and consistent assessment model which tracks pupil progress throughout Key Stage 3.

4) Behaviour for Learning & Christian Ethos

To further enhance pupil and staff awareness of the current Successful Learning Criteria through its cohesion with our Christian Values and the development of Character Education.

5) Pupil Premium

To continue to improve outcomes for pupils eligible for the pupil premium through evidence-based, enhanced intervention strategies and a thorough evaluation of these, with a particular focus on attendance.

6) Sixth form

To explore the development of a future sixth form, taking into consideration the required buildings, operations, curriculum provision and financial viability.

7) Multi Academy Trust

To continue to explore the growth of a Multi Academy Trust in collaboration with our local feeder primary schools.

8) In-House Catering Service

To migrate from an outsourced to an in-house provision for our pupil catering service from April 2017.

FUNDS HELD AS CUSTODIAN

Woodchurch High School hold as custodian trustees, funds that belong to the community of £42,563. The funds are earmarked to provide ICT and resources within the community.

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GOVERNORS REPORT
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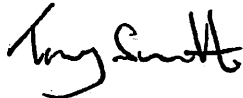
DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors ' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Governors has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

This report, incorporating the Group strategic report, was approved by order of the board of governors, as the company directors, on 1 December 2016 and signed on the board's behalf by:

Mr T Smith
Chair of Governors



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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Woodchurch High School and the Secretary of State for Education. They are also responsible for reporting to the board of governors 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 board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs G Astle (resigned 24 September 2015) | 1 | 1 |
| Mr A Brimage, Responsible Officer | 3 | 4 |
| Mrs S Broderick | 2 | 4 |
| Mr M Brown | 4 | 4 |
| Mr S Burke | 3 | 4 |
| Mrs S Cronin | 2 | 4 |
| Mr D Cumberland | 2 | 4 |
| Dr M Gilbertson | 2 | 4 |
| Mrs V Jones | 4 | 4 |
| Mrs J Merry | 2 | 4 |
| Ms R Phillips, Accounting Officer and Head Teacher | 4 | 4 |
| Canon E Renshaw MBE | 3 | 4 |
| Mr A Smith | 4 | 4 |
| Mr T Smith | 2 | 4 |
| Mrs A Whorton | 4 | 4 |
| Dr T Baxter (appointed 27 November 2015) | 3 | 3 |
| Miss L Edwards | 4 | 4 |

The Finance and Personnel Committee is a sub-committee of the main board of governors. Its purpose is to monitor financial control of the Academy and report to the Governors.

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GOVERNANCE STATEMENT

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------|-------------------|-------------------|
| Mr T Smith | 1 | 3 |
| Ms R Phillips | 3 | 3 |
| Mrs S Broderick | 2 | 3 |
| Mr M Brown | 3 | 3 |
| Mrs S Cronin | 1 | 3 |
| Mrs J Merry | 0 | 3 |
| Canon E Renshaw MBE | 3 | 3 |
| Mr A Smith | 2 | 3 |

REVIEW OF VALUE FOR MONEY

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

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

- Improving educational results and outcomes
- Reviewed staffing structures and re-assigned TLR's, as appropriate
- Challenged recruitment/replacement of staff
- Led a robust and accountable appraisal system/policy

Improving outcomes for our pupils is our top priority. A measure of success is the increased proportion of Year 11 pupils achieving 5 or more GCSEs grades A*-C, including English, Maths and Science. The use of our Pupil Premium Funding is tracked to ensure pupils receive appropriate interventions.

Financial governance and oversight

The Academy is governed by a body of Governors drawn from staff, parents, the Local Authority and those appointed by our partner, the Church of England. The Governing Body meets at least four times a year. It approves the budget and reviews it throughout the year. It considers the Annual Report and Accounts, and monitors audit points raised by the independent auditors. The Governing Body takes an active interest in teaching and learning within the Academy, receiving updates on tracking data and holding the Senior Leadership Team accountable for performance. More detailed financial oversight is supplied by the Finance & Personnel Committee, which meets three times per year. This Committee reviews internal management accounts, and receives termly internal audit reports prepared by the appointed Responsible Officer and Internal Auditor. The Finance & Personnel Committee is also responsible for maintenance of the Academy's Risk Register, which it reviews at least annually, taking into account changes in the wider political and economic climate. This helps direct the Academy's strategic planning to avoid the waste of time, money and resources. The Governing Body is also supported by this committee in helping to ensure that proper consideration has been given to recruiting, retaining, and rewarding staff in order to offer the best possible opportunities to our pupils, while recognising the importance of staffing costs as a proportion of the overall budget. The Committees operate in accordance with their Terms of Reference.

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GOVERNANCE STATEMENT

Better purchasing - ensuring value for money

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Academy takes advantage of consortia when appropriate, to obtain economies of scale. Individual budget holders are held accountable for the use of their budgets, and are helped by an experienced Finance Officer in sourcing best value. Tight monitoring of budgets is carried out and where applicable, spend is challenged, eg, reprographics charges. The following examples within the year demonstrate value for money:

- 1) Researched and considered an in-house catering provision. To be launched 1st April 2017.
- 2) Introduction of Trips/Catering Payments on line for parents, pupils and staff providing reduction of labour hours. Charges picked up by Catering provider.

Maximising income generation

Academy explores every opportunity to generate income through hire of the Academy facilities. Managing cash, the Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Investment institutions are selected carefully to provide the most acceptable balance of return and risk.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Woodchurch High School for the year 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 board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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 board of governors.

THE RISK AND CONTROL FRAMEWORK

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

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GOVERNANCE STATEMENT

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

The board of governors has considered the need for a specific internal audit function and have appointed Mr Alan Brimage, a Governor, as Responsible Officer (RO).

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliation

On a termly basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

In addition, the Academy has appointed an Internal Auditor, Mr Dominic Ion. The Internal Auditor provides the Governing Body with an independent oversight of the academy's financial affairs, in addition to that of the Responsible Officer. This includes an independent assurance that:

- The financial responsibilities of the Governing Body are being properly discharged
- Resources are managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions

The Internal Auditor will present his findings to the Audit Committee in the Spring and Summer Terms (the Autumn Term being concerned with the annual external audit).

The Audit Committee will consider the Internal Auditors findings, together with those of the Responsible Officer, as part of its review of the academy's internal control system. The work carried out by the Internal Auditor will be designed to mitigate risks and provide assurance to the external auditors.

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer and internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

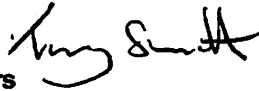
WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

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

Approved by order of the members of the board of governors on 1 December 2016 and signed on their behalf,
by:

Mr T Smith
Chair of Governors



Ms R Phillips
Accounting Officer



WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Woodchurch High School 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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.


Ms Rebekah Phillips
Accounting Officer

1 December 2016

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who are also directors of the charitable company for the purposes of company law and governors for the purpose of the education activities, except Canon Turnbull) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounting Requirements issued by the Education Funding Agency, applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company and the group 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 Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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 governors on 1st December 2016 and signed on its behalf by:

Mr T Smith
Chair of Governors



WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WOODCHURCH HIGH SCHOOL**

We have audited the financial statements of Woodchurch High School for the year ended 31 August 2016 which comprise the group Statement of Financial Activities, the group and academy Balance sheets, the group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable academy's affairs as at 31 August 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WOODCHURCH HIGH SCHOOL**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the parent charitable academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable academy financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



V Szulist (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: *19th December 2016*

WOODCHURCH HIGH SCHOOL

(A company limited by guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO WOODCHURCH HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woodchurch High School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Woodchurch High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Woodchurch High School 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 Woodchurch High School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF WOODCHURCH HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of Woodchurch High School's funding agreement with the Secretary of State for Education dated 8 August 2014, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 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 engagement in accordance with the Academies Accounts Direction 2015 to 2016 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 a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO WOODCHURCH
HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



V Szulist (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: *19th December 2016*

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016**

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total Funds 2016 £ | Total Funds 2015 £ |
|--|------------------------------------|----------------------------------|---|--------------------------|--------------------------|
| INCOME FROM: | | | | | |
| Donations and capital grants | 2 | 4,035 | - | 27,338 | 31,373 |
| Charitable activities | 3 | - | 8,650,706 | - | 8,650,706 |
| Other trading activities | 4,5 | 202,053 | 2,610 | - | 204,663 |
| Investments | 6 | 13,279 | - | - | 13,279 |
| TOTAL INCOME | 219,367 | 8,653,316 | 27,338 | 8,900,021 | 9,031,637 |
| EXPENDITURE ON: | | | | | |
| Charitable activities | 291,704 | 8,836,178 | 785,929 | 9,913,811 | 9,703,308 |
| TOTAL EXPENDITURE | 9 | 291,704 | 8,836,178 | 785,929 | 9,913,811 |
| NET INCOME / (EXPENDITURE) | | (72,337) | (182,862) | (758,591) | (1,013,790) |
| Transfers | | - | (477,281) | 477,281 | - |
| Actuarial losses on defined benefit pension schemes | 27 | - | (1,908,000) | - | (1,908,000) |
| NET MOVEMENT IN FUNDS | | (72,337) | (2,568,143) | (281,310) | (2,921,790) |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 3,370,722 | (1,555,926) | 26,199,139 | 28,013,935 |
| TOTAL FUNDS CARRIED FORWARD | | 3,298,385 | (4,124,069) | 25,917,829 | 25,092,145 |

WOODCHURCH HIGH SCHOOL

(A company limited by guarantee)
REGISTERED NUMBER: 07775671

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2016**

| | Note | £ | 2016 £ | £ | 2015 £ |
|--|------|--------------------|--------------------|--------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | | 28,266,599 | | 28,635,873 |
| CURRENT ASSETS | | | | | |
| Stocks | 18 | 1,379 | | 1,191 | |
| Debtors | 19 | 347,459 | | 304,276 | |
| Cash at bank and in hand | | <u>2,462,489</u> | | <u>2,957,254</u> | |
| | | | 2,811,327 | | 3,262,721 |
| CREDITORS: amounts falling due within one year | 20 | <u>(523,423)</u> | | <u>(500,834)</u> | |
| NET CURRENT ASSETS | | | <u>2,287,904</u> | | <u>2,761,887</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 30,554,503 | | 31,397,760 |
| CREDITORS: amounts falling due after more than one year | 21 | | <u>(153,358)</u> | | <u>(121,825)</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | 30,401,145 | | 31,275,935 |
| Defined benefit pension scheme liability | 27 | | <u>(5,309,000)</u> | | <u>(3,262,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>25,092,145</u> | | <u>28,013,935</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 23 | 1,184,931 | | 1,706,074 | |
| Restricted fixed asset funds | 23 | <u>25,917,829</u> | | <u>26,199,139</u> | |
| Restricted funds excluding pension liability | | 27,102,760 | | 27,905,213 | |
| Pension reserve | | <u>(5,309,000)</u> | | <u>(3,262,000)</u> | |
| Total restricted funds | | | 21,793,760 | | 24,643,213 |
| Unrestricted funds | 23 | | <u>3,298,385</u> | | <u>3,370,722</u> |
| TOTAL FUNDS | | | <u>25,092,145</u> | | <u>28,013,935</u> |

The financial statements were approved by the Governors, and authorised for issue, on 1/12/16 and are signed on their behalf, by:

Mr T Smith
Chair of Governors



The notes on pages 28 to 52 form part of these financial statements.

WOODCHURCH HIGH SCHOOL

(A company limited by guarantee)
REGISTERED NUMBER: 07775671

**ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2016**

| | Note | £ | 2016 £ | £ | 2015 £ |
|--|------|--------------------|--------------------|--------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | | 25,863,355 | | 26,172,003 |
| Investments | 17 | | <u>1</u> | | <u>1</u> |
| | | | 25,863,356 | | 26,172,004 |
| CURRENT ASSETS | | | | | |
| Stocks | 18 | 1,379 | | 1,191 | |
| Debtors | 19 | 347,272 | | 354,861 | |
| Cash at bank and in hand | | <u>2,333,124</u> | | <u>2,825,997</u> | |
| | | 2,681,775 | | 3,182,049 | |
| CREDITORS: amounts falling due within one year | 20 | <u>(536,843)</u> | | <u>(540,249)</u> | |
| NET CURRENT ASSETS | | | <u>2,144,932</u> | | <u>2,641,800</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 28,008,288 | | 28,813,804 |
| Defined benefit pension scheme liability | 27 | | <u>(5,309,000)</u> | | <u>(3,262,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>22,699,288</u> | | <u>25,551,804</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 23 | 1,140,476 | | 1,706,073 | |
| Restricted fixed asset funds | 23 | <u>25,917,829</u> | | <u>26,199,139</u> | |
| Restricted funds excluding pension asset | | 27,058,305 | | 27,905,212 | |
| Pension reserve | | <u>(5,309,000)</u> | | <u>(3,262,000)</u> | |
| Total restricted funds | | | 21,749,305 | | 24,643,212 |
| Unrestricted funds | 23 | | <u>949,983</u> | | <u>908,592</u> |
| TOTAL FUNDS | | | <u>22,699,288</u> | | <u>25,551,804</u> |

The financial statements were approved by the Governors, and authorised for issue, on 1/12/16 and are signed on their behalf, by:

Mr T Smith
Chair of Governors



The notes on pages 28 to 52 form part of these financial statements.

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 25 | <u>(47,955)</u> | <u>164,660</u> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 13,279 | 15,223 |
| Purchase of tangible fixed assets | | (487,427) | (172,980) |
| Capital grants from DfE/EFA | | <u>27,338</u> | <u>-</u> |
| Net cash used in investing activities | | <u>(446,810)</u> | <u>(157,757)</u> |
| Change in cash and cash equivalents in the year | | (494,765) | 6,903 |
| Cash and cash equivalents brought forward | | <u>2,957,254</u> | <u>2,950,351</u> |
| Cash and cash equivalents carried forward | 26 | <u><u>2,462,489</u></u> | <u><u>2,957,254</u></u> |

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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.

Woodchurch High School constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Woodchurch High School 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 Woodchurch High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP').

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors 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 30.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

WOODCHURCH HIGH SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 Basis of consolidation

The financial statements consolidate the accounts of Woodchurch High School and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £(944,516) (2015 - £(778,386)).

1.7 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|------------------------------|---|------------------------|
| Freehold property | - | 2% straight line |
| Long-term leasehold property | - | 40 years straight line |
| Motor vehicles | - | 25% reducing balance |
| Fixtures and fittings | - | 25% straight line |
| Computer equipment | - | 33.3% straight line |

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

WOODCHURCH HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for the Local Government Pension Scheme (LGPS) deficit, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Stock, prepayments and deferred income do not constitute basic financial instruments.

The LGPS pension deficit is recognised at its new present value at each balance sheet date and is based on an actuarial valuation. The key judgements in performing this valuation can be found in note 27.

1.16 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.17 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, 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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.18 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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary 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.

In the view of the governors there are no further assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|------------------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 4,035 | - | - | 4,035 | 2,570 |
| Capital Grants | - | - | 27,338 | 27,338 | 27,136 |
| Total donations and capital grants | <u>4,035</u> | <u>-</u> | <u>27,338</u> | <u>31,373</u> | <u>29,706</u> |

In 2015, of the total income from donations and capital grants, £2,570 was to unrestricted funds and £27,136 was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA grants | | | | |
| GAG | - | 7,608,631 | 7,608,631 | 7,520,252 |
| Other DFE/EFA grants | - | 629,521 | 629,521 | 622,373 |
| | <u>-</u> | <u>8,238,152</u> | <u>8,238,152</u> | <u>8,142,625</u> |
| Other government grants | | | | |
| Local Authority Grants | - | 412,554 | 412,554 | 599,367 |
| | <u>-</u> | <u>412,554</u> | <u>412,554</u> | <u>599,367</u> |
| | <u>-</u> | <u>8,650,706</u> | <u>8,650,706</u> | <u>8,741,992</u> |

In 2015, of the total income from charitable activities, £NIL was to unrestricted funds and £8,741,992 was to restricted funds.

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|---------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Letting of premises | 3,068 | - | 3,068 | 378 |
| Other activities for generating funds | 65,326 | 2,610 | 67,936 | 116,968 |
| | <u>68,394</u> | <u>2,610</u> | <u>71,004</u> | <u>117,346</u> |

In 2015, of the total income from other trading activities, £109,798 was to unrestricted funds and £7,548 was to restricted funds.

5. TRADING ACTIVITIES

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Charity trading income | 133,659 | - | 133,659 | 127,370 |
| Net income from trading activities | <u>133,659</u> | <u>-</u> | <u>133,659</u> | <u>127,370</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. INVESTMENT INCOME

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | <u>13,279</u> | - | <u>13,279</u> | <u>15,223</u> |

In 2015, of the total investment income, £15,223 was to unrestricted funds and £NIL was to restricted funds.

7. DIRECT COSTS - FUNDING FOR EDUCATIONAL OPERATIONS

| | Total 2015 £ | Total 2015 £ |
|----------------------|--------------------|--------------------|
| Technology costs | 81,590 | 65,335 |
| Educational supplies | 309,241 | 276,325 |
| Examination fees | 104,355 | 120,542 |
| Staff development | 39,697 | 29,204 |
| Other direct costs | 70,632 | 131,826 |
| Wages and salaries | 5,206,647 | 5,228,896 |
| National insurance | 420,209 | 383,834 |
| Pension cost | 866,474 | 774,748 |
| Depreciation | 856,701 | 805,088 |
| | <u>7,955,546</u> | <u>7,815,798</u> |

In 2015, the academy incurred the following Direct costs:

£NIL in respect of Activities for generating funds
 £7,815,798 in respect of Funding for educational operations
 £NIL in respect of Other incoming resources

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. SUPPORT COSTS - FUNDING FOR EDUCATIONAL OPERATIONS

| | Total 2016 £ | Total 2015 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Maintenance of premises and equipment | 212,822 | 229,106 |
| Cleaning | 40,490 | 37,470 |
| Rent and rates | 38,936 | 42,778 |
| Energy costs | 210,063 | 161,177 |
| Insurance | 7,164 | 70,285 |
| Security and transport | 6,376 | 5,066 |
| Catering | 80,162 | 80,573 |
| Other support costs | 318,884 | 273,503 |
| Advertising | 52,717 | 70,139 |
| Governance costs | 34,471 | 23,698 |
| Wages and salaries | 750,421 | 726,549 |
| National insurance | 44,950 | 36,648 |
| Pension cost | 160,809 | 130,518 |
| | <u>1,958,265</u> | <u>1,887,510</u> |

During the year ended 31 August 2016, the academy incurred the following Governance costs:

£NIL (2015 - £NIL) included within the table above in respect of Activities for generating funds.
£34,471 (2015 - £23,698) included within the table above in respect of Funding for educational operations.
£NIL (2015 - £NIL) included within the table above in respect of Other incoming resources.

In 2015, the academy incurred the following Support costs:

£NIL in respect of Activities for generating funds
£1,887,510 in respect of Funding for educational operations
£NIL in respect of Other incoming resources

9. EXPENDITURE

| | Staff costs 2016 £ | Premises 2016 £ | Other costs 2016 £ | Total 2016 £ | Total 2015 £ |
|------------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Funding for education: | | | | | |
| Direct costs | 6,493,329 | - | 1,462,217 | 7,955,546 | 7,815,798 |
| Support costs | <u>956,180</u> | <u>209,847</u> | <u>792,238</u> | <u>1,958,265</u> | <u>1,887,510</u> |
| | <u>7,449,509</u> | <u>209,847</u> | <u>2,254,455</u> | <u>9,913,811</u> | <u>9,703,308</u> |

In 2016, of the total expenditure, £291,704 (2015 - £302,061) was to unrestricted funds and £9,622,107 (2015 - £9,401,247) was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. STAFF COSTS

Staff costs were as follows:

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Wages and salaries | 5,824,630 | 5,886,842 |
| Social security costs | 465,159 | 420,482 |
| Operating costs of defined benefit pension schemes | 1,027,282 | 905,265 |
| | 7,317,071 | 7,212,589 |
| Supply teacher costs | 48,732 | 52,348 |
| Staff restructuring costs | 83,706 | 7,092 |
| | 7,449,509 | 7,272,029 |

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

| | 2016 No. | 2015 No. |
|----------------------------|-------------|-------------|
| Leadership | 11 | 10 |
| Teachers | 105 | 108 |
| Administration and support | 129 | 142 |
| | 245 | 260 |

Average headcount expressed as a full time equivalent:

| | 2016 No. | 2015 No. |
|----------------------------|-------------|-------------|
| Leadership | 11 | 10 |
| Teachers | 96 | 100 |
| Administration and support | 92 | 101 |
| | 199 | 211 |

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

| | 2016 No. | 2015 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 5 | 6 |
| In the band £70,001 - £80,000 | 1 | 1 |
| In the band £110,001 - £120,000 | 0 | 1 |
| In the band £120,001 - £130,001 | 1 | 0 |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS

| Group | Freehold property £ | Long-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ |
|-----------------------|---------------------------|---|------------------------|-------------------------------|----------------------------|
| Cost | | | | | |
| At 1 September 2015 | 27,100,000 | 2,650,000 | 15,252 | 117,400 | 637,243 |
| Additions | - | - | - | 39,091 | 448,336 |
| At 31 August 2016 | <u>27,100,000</u> | <u>2,650,000</u> | <u>15,252</u> | <u>156,491</u> | <u>1,085,579</u> |
| Depreciation | | | | | |
| At 1 September 2015 | 1,118,000 | 189,583 | 8,681 | 99,299 | 468,459 |
| Charge for the year | 516,000 | 66,250 | 1,643 | 19,196 | 253,812 |
| At 31 August 2016 | <u>1,634,000</u> | <u>255,833</u> | <u>10,324</u> | <u>118,495</u> | <u>722,071</u> |
| Net book value | | | | | |
| At 31 August 2016 | <u>25,466,000</u> | <u>2,394,167</u> | <u>4,928</u> | <u>37,996</u> | <u>363,508</u> |
| At 31 August 2015 | <u>25,982,000</u> | <u>2,460,417</u> | <u>6,571</u> | <u>18,101</u> | <u>168,784</u> |
| Group | | | | | Total £ |
| Cost | | | | | |
| At 1 September 2015 | | | | | 30,519,895 |
| Additions | | | | | <u>487,427</u> |
| At 31 August 2016 | | | | | <u>31,007,322</u> |
| Depreciation | | | | | |
| At 1 September 2015 | | | | | 1,884,022 |
| Charge for the year | | | | | <u>856,701</u> |
| At 31 August 2016 | | | | | <u>2,740,723</u> |
| Net book value | | | | | |
| At 31 August 2016 | | | | | <u>28,266,599</u> |
| At 31 August 2015 | | | | | <u>28,635,873</u> |

Included in land and buildings is freehold land at valuation cost of £1,300,000 (2015 - £1,300,000) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
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| Academy | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------|------------------------|-------------------------------|----------------------------|-------------------|
| Cost | | | | | |
| At 1 September 2015 | 27,100,000 | 15,252 | 109,460 | 637,243 | 27,861,955 |
| Additions | - | - | 28,945 | 448,336 | 477,281 |
| At 31 August 2016 | <u>27,100,000</u> | <u>15,252</u> | <u>138,405</u> | <u>1,085,579</u> | <u>28,339,236</u> |
| Depreciation | | | | | |
| At 1 September 2015 | 1,118,000 | 8,681 | 94,812 | 468,459 | 1,689,952 |
| Charge for the year | 516,000 | 1,643 | 14,674 | 253,612 | 785,929 |
| At 31 August 2016 | <u>1,634,000</u> | <u>10,324</u> | <u>109,486</u> | <u>722,071</u> | <u>2,475,881</u> |
| Net book value | | | | | |
| At 31 August 2016 | <u>25,466,000</u> | <u>4,928</u> | <u>28,919</u> | <u>363,508</u> | <u>25,863,355</u> |
| At 31 August 2015 | <u>25,982,000</u> | <u>6,571</u> | <u>14,648</u> | <u>168,784</u> | <u>26,172,003</u> |

17. FIXED ASSET INVESTMENTS

| Academy | Shares in group undertaking £ |
|--|--|
| Market value | |
| At 1 September 2015 and 31 August 2016 | <u>1</u> |

18. STOCKS

| | <u>Group</u> | | <u>Academy</u> | |
|-------------------------------------|--------------|--------------|----------------|--------------|
| | 2016 £ | 2015 £ | 2016 £ | 2015 £ |
| Finished goods and goods for resale | <u>1,379</u> | <u>1,191</u> | <u>1,379</u> | <u>1,191</u> |

Unrestricted expenditure includes the amount of inventories recognised as expense of £935 (2015 - 935).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. DEBTORS

| | <u>Group</u> | | <u>Academy</u> | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Trade debtors | 10,416 | 1,875 | 10,418 | 1,575 |
| Amounts owed by group undertakings | - | - | 5,145 | 53,468 |
| VAT repayable | 98,359 | 40,069 | 98,359 | 40,069 |
| Prepayments and accrued income | 238,684 | 262,332 | 233,350 | 259,749 |
| | <u>347,459</u> | <u>304,276</u> | <u>347,272</u> | <u>354,861</u> |

**20. CREDITORS:
Amounts falling due within one year**

| | <u>Group</u> | | <u>Academy</u> | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Amounts owed to group undertakings | - | - | 44,456 | 45,528 |
| Other taxation and social security | 138,223 | 131,075 | 138,223 | 131,075 |
| Other creditors | 168,641 | 159,238 | 168,641 | 159,238 |
| Accruals and deferred income | 216,559 | 210,521 | 185,523 | 204,408 |
| | <u>523,423</u> | <u>500,834</u> | <u>536,843</u> | <u>540,249</u> |

| | <u>Group</u> | | <u>Academy</u> | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| Deferred income | | | | |
| Deferred income at 1 September 2015 | 29,621 | 28,960 | 29,621 | 28,960 |
| Resources deferred during the year | 27,695 | 29,621 | 25,595 | 29,621 |
| Amounts released from previous years | <u>(29,621)</u> | <u>(28,960)</u> | <u>(29,621)</u> | <u>(28,960)</u> |
| Deferred income at 31 August 2016 | <u>27,695</u> | <u>29,621</u> | <u>25,595</u> | <u>29,621</u> |

Deferred income at 31 August 2016 includes £25,595 of Business Rates Relief and £2,100 for advance bookings at the Woodchurch High Sports Complex. All amounts received before the year end but relate to the next year end.

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NOTES TO THE FINANCIAL STATEMENTS
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21. CREDITORS:
Amounts falling due after more than one year

| | Group | | Academy | |
|-----------------|----------------|----------------|----------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Other creditors | 153,358 | 121,825 | - | - |

Other creditors relates to a sinking fund to maintain the Sports Complex facilities.

22. FINANCIAL INSTRUMENTS

| | 2016 | 2015 |
|---|------------------|------------------|
| | £ | £ |
| Financial assets measured at amortised cost | 2,569,719 | 3,097,087 |
| Financial liabilities measured at fair value through income and expenditure | 5,309,000 | 3,262,000 |
| Financial liabilities measured at amortised cost | 554,052 | 511,410 |
| | 5,863,052 | 3,773,410 |

Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial liabilities measured at fair value through income and expenditure comprise LGPS pension deficit.

Financial liabilities measured at amortised cost comprise accruals and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. GROUP STATEMENT OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---|-------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | | | | | | |
| Designated funds – Sinking Fund | <u>121,825</u> | - | - | <u>(121,825)</u> | - | - |
| Unrestricted funds | | | | | | |
| General Funds | 788,480 | 219,367 | (225,454) | 121,825 | - | 904,218 |
| Sports Complex Land and Buildings Reserve | 2,460,417 | - | (66,250) | - | - | 2,394,167 |
| | <u>3,248,897</u> | <u>219,367</u> | <u>(291,704)</u> | <u>121,825</u> | - | <u>3,298,385</u> |
| Total unrestricted funds | <u>3,370,722</u> | <u>219,367</u> | <u>(291,704)</u> | - | - | <u>3,298,385</u> |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 699,526 | 7,608,631 | (7,523,178) | (233,806) | - | 551,173 |
| Pupil Premium & LAC | 119,490 | 592,021 | (603,685) | - | - | 107,826 |
| Year 7 catch up | - | 37,500 | (37,500) | - | - | - |
| SEN | - | 402,771 | (402,771) | - | - | - |
| Summer school | 17,754 | 8,000 | (23,776) | - | - | 1,978 |
| Summer camp | 9,546 | 2,610 | (4,952) | - | - | 7,204 |
| Other restricted funds | 150,000 | - | (99,533) | 33,806 | - | 84,273 |
| Capital reserve | 709,758 | - | - | (277,281) | - | 432,477 |
| Farm grants | - | 1,783 | (1,783) | - | - | - |
| Pension reserve | (3,262,000) | - | (139,000) | - | (1,908,000) | (5,309,000) |
| | <u>(1,555,926)</u> | <u>8,653,316</u> | <u>(8,836,178)</u> | <u>(477,281)</u> | <u>(1,908,000)</u> | <u>(4,124,069)</u> |
| Restricted fixed asset funds | | | | | | |
| Assets inherited on conversion | <u>26,199,139</u> | <u>27,338</u> | <u>(785,929)</u> | <u>477,281</u> | - | <u>25,917,829</u> |
| Total restricted funds | <u>24,643,213</u> | <u>8,680,654</u> | <u>(9,622,107)</u> | - | <u>(1,908,000)</u> | <u>21,793,760</u> |
| Total of funds | <u>28,013,935</u> | <u>8,900,021</u> | <u>(9,913,811)</u> | - | <u>(1,908,000)</u> | <u>25,092,145</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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23. GROUP STATEMENT OF FUNDS CONTINUED

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

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy.

Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the fixed assets of the Academy.

Unrestricted Funds are those other resources which may be used to further the objectives of the Academy.

The designated fund relates to a sinking fund to maintain the Sports Complex facilities.

The governors require a capital reserve to be created to fund future capital expenditure. These are met via transfers from GAG funding or funded via unrestricted reserves. The academy holds assets to fund planned capital expenditure over the next three years.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

ACADEMY

Restricted fund and restricted fixed asset funds for the Academy are the same as for the Group disclosed above. Unrestricted funds for the Academy are £949,983 (2015: £908,592). The unrestricted surplus for the year for the Academy was £41,390.

24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | 2,348,770 | - | 25,917,829 | 28,266,599 | 28,635,873 |
| Current assets | 1,626,396 | 1,184,931 | - | 2,811,327 | 3,262,721 |
| Creditors due within one year | (523,423) | - | - | (523,423) | (500,834) |
| Creditors due in more than one year | (153,358) | - | - | (153,358) | (121,825) |
| Provisions for liabilities and charges | - | (5,309,000) | - | (5,309,000) | (3,262,000) |
| | <u>3,298,385</u> | <u>(4,124,069)</u> | <u>25,917,829</u> | <u>25,092,145</u> | <u>28,013,935</u> |

Of the unrestricted current assets of £1,626,396 an amount of £153,358 relates to the sinking fund creditor required to maintain the Sports Complex facilities. These funds are not held in a separate bank account.

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**25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

| | 2016 £ | 2015 £ |
|---|-----------------|----------------|
| Net expenditure for the year (as per Statement of financial activities) | (1,013,790) | (671,671) |
| Adjustment for: | | |
| Depreciation charges | 856,701 | 805,088 |
| Dividends, interest and rents from investments | (13,279) | (15,223) |
| Increase in stocks | (188) | (175) |
| Increase in debtors | (43,183) | (49,314) |
| Increase in creditors | 54,122 | 38,091 |
| Capital grants from DfE and other capital income | (27,338) | (27,136) |
| Defined benefit pension scheme finance cost | 131,000 | 94,000 |
| Pension adjustments | 8,000 | (9,000) |
| Net cash (used in)/provided by operating activities | (47,955) | 164,660 |

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2016 £ | 2015 £ |
|--------------|------------------|------------------|
| Cash in hand | 2,462,489 | 2,957,254 |
| Total | 2,462,489 | 2,957,254 |

27. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £127,235 were payable to the schemes at 31 August 2016 (2015 - £119,605) and are included within creditors.

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27. PENSION COMMITMENTS (continued)

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.

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 £638,981 (2015 - £559,030).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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27. PENSION COMMITMENTS (continued)

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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £491,000 (2015 - £463,000), of which employer's contributions totalled £391,000 (2015 - £370,000) and employees' contributions totalled £100,000 (2015 - £93,000). The agreed contribution rates for future years are 16% for employers and between 5.5% and 9.9% 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.

The academy has to pay pension deficit contributions to the Merseyside Pension Fund in 2016/17 of £131,300.

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27. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

| | 2016 | 2015 |
|--|-------|-------|
| Discount rate for scheme liabilities | 2.10% | 4.00% |
| Expected return on scheme assets at 31 August | - % | 5.30% |
| Rate of increase in salaries | 3.30% | 3.80% |
| Rate of increase for pensions in payment / inflation | 1.90% | 2.30% |
| Inflation assumption (CPI) | 1.80% | 2.30% |

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

| | 2016 | 2015 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.5 | 22.4 |
| Females | 25.4 | 25.3 |
| Retiring in 20 years | | |
| Males | 24.9 | 24.8 |
| Females | 28.2 | 28.1 |

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

| | Fair value at 31 August 2016 £ | Fair value at 31 August 2015 £ |
|-------------------------------------|---|---|
| Equities | 1,565,000 | 1,293,000 |
| Debt instruments | 137,000 | 297,000 |
| Property | 245,000 | 185,000 |
| Other bonds | 352,000 | 112,000 |
| Cash/liquidity | 110,000 | 62,000 |
| Other | 573,000 | 202,000 |
| Total market value of assets | <u>2,982,000</u> | <u>2,151,000</u> |

The actual return on scheme assets was £457,000 (2015 - £52,000).

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27. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

| | 2016 £ | 2015 £ |
|----------------------------------|-----------------------|-----------------------|
| Current service charge | 399,000 | 361,000 |
| Expected return on scheme assets | (94,000) | (105,000) |
| Interest on obligation | <u>217,000</u> | <u>199,000</u> |
| Total | <u><u>522,000</u></u> | <u><u>455,000</u></u> |
| Actual return on scheme assets | <u><u>457,000</u></u> | <u><u>52,000</u></u> |

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

| | 2016 £ | 2015 £ |
|---|-------------------------|-------------------------|
| Opening defined benefit obligation | 5,413,000 | 4,833,000 |
| Contributions by employees | 100,000 | 93,000 |
| Actuarial losses | 2,270,000 | 117,000 |
| Benefits paid | (108,000) | (190,000) |
| Current service costs | 399,000 | 361,000 |
| Interest costs | <u>217,000</u> | <u>199,000</u> |
| Closing defined benefit obligation | <u><u>8,291,000</u></u> | <u><u>5,413,000</u></u> |

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

| | 2016 £ | 2015 £ |
|--|-------------------------|-------------------------|
| Opening fair value of scheme assets | 2,151,000 | 1,826,000 |
| Actuarial gains and (losses) | 362,000 | (53,000) |
| Contributions by employees | 100,000 | 93,000 |
| Benefits paid | (108,000) | (190,000) |
| Contributions by employers | 391,000 | 370,000 |
| Expected return on assets | 94,000 | 105,000 |
| Admin expenses | <u>(8,000)</u> | <u>-</u> |
| Closing fair value of scheme assets | <u><u>2,982,000</u></u> | <u><u>2,151,000</u></u> |

28. MEMBERS' LIABILITY

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

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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

In the year 2015/16 there was £10,140 income received from Liverpool Hope University where S Cronin the Head of School from 11 November 2016 (Deputy of School before this date) is also a governor of the Academy. £9,040 was received from Chester University where D Cumberland a governor is the Deputy Dean in Faculty of Education and Children Services. Income received was for the mentoring of associate teachers studying at the universities.

J Merry a staff governor was seconded to Wirral Local Authority as senior officer. Total income from Wirral Local Authority in the year was £91,875, payments totalled £150,926 and at the year end there is a prepayment balance of £4,231 included in prepayments and accrued income (note 19).

30. FIRST TIME ADOPTION OF 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.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

31. PRINCIPAL SUBSIDIARIES

| Company name | Country | Percentage Shareholding |
|--|----------------|--------------------------------|
| Woodchurch High Sports Complex Limited | United Kingdom | 100 |

At 31 August 2016 Woodchurch High Sports Complex Limited had shareholders' funds of £2,392,861 (2015 - £2,462,133) and losses in the year of £69,272 (2015 - £63,285).