

Company Registration No 07007398 (England and Wales)

**ENTERPRISE SOUTH LIVERPOOL ACADEMY**  
(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**



**HBD Accountancy Services LLP**  
**Chartered Accountants**  
**Liverpool**

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## REFERENCE AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	K Sexton	(appointed 1 May 2013)
	J Corbett	(appointed 1 June 2013)
	D Francis	(resigned 31 October 2012)
	Father M O'Dowd	
	P Redmond	(appointed 1 September 2012)
	J Richardson	
	C Strickland	(resigned 1 June 2013)
	M Sunderland	(resigned 29 April 2013)
	T Warren	(appointed 1 March 2013)
<b>Board of Governors</b>	K Sexton	Chair of Board and Enterprise Managed Services Limited representative (appointed 1 May 2013)
	E Boyes	University of Liverpool
	Father E Cain	Catholic Archdiocese of Liverpool
	C Chapman	Catholic Archdiocese of Liverpool
	R Dillon	Parent representative (resigned 8 November 2012)
	D Francis	Enterprise Managed Services Limited (resigned 31 October 2012)
	B Gough	Enterprise Managed Services Limited
	W Leece	Parent representative (appointed 27 November 2012)
	B Marsh	Church of England Diocese of Liverpool
	W Meredith	Employee representative
	T Moore	Liverpool City Council (resigned 24 October 2013)
	B Murray	Liverpool City Council
	M O'Shaunessey	Enterprise Managed Services Limited (appointed 1 September 2012)
	J Pendlebury	Principal
	M Rimmer	Enterprise Managed Services Limited (appointed 1 September 2012)
	Rev P Saltmarsh	Church of England Diocese of Liverpool
	M Sunderland	Enterprise Managed Services Limited (resigned 29 April 2013)
	S Thomas	Enterprise Managed Services Limited (appointed 1 September 2012 and resigned 3 July 2013)
<b>Clerk</b>	T Brown	
<b>Senior Managers</b>	J Pendlebury	Principal
	K Unsworth	Vice Principal
	J Woods	Business Director
<b>Company number</b>	07007398	
<b>Principal and Registered Office</b>	51 Horrocks Avenue Garston Liverpool L19 5NY	

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# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## REFERENCE AND ADMINISTRATIVE INFORMATION

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### **Auditors**

HBD Accountancy Services LLP  
Statutory Auditors and Chartered Accountants  
Gladstone House  
2 Church Road  
Liverpool  
L15 9EG

### **Bankers**

The Co-operative Bank  
11th Floor  
The Plaza  
100 Old Hall Street  
Liverpool  
L3 9QJ

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# ENTERPRISE SOUTH LIVERPOOL ACADEMY

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# **ENTERPRISE SOUTH LIVERPOOL ACADEMY**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2012 to 31 August 2013. The report is prepared in accordance with Part 8 of the Charities Act 2011 and the Charities SORP 2005.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

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

#### **Constitution**

Enterprise South Liverpool Academy is a company limited by guarantee and an exempt charity and was incorporated on 2 September 2009. The company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as Enterprise South Liverpool Academy.

Details of the trustees and governors who served during the year are noted on Reference and Administrative Information.

None of the trustees and governors received any remuneration in respect of their services as a trustee or governor during the year. Only where a trustee or governor was also a member of staff was remuneration received for that role. This is outlined in note 12 to the accounts.

#### **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 he/she is a member, or within one year after he/she ceases to be a member, such amounts as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

#### **Trustees' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors, trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

#### **Principal Activities**

The principal activity of the company is the operation of the Enterprise South Liverpool Academy to provide education for students of all faiths and those with none, with an emphasis on enterprise and business. Also to provide facilities for recreational and other leisure time occupation for the community at large, in the interests of social welfare and with the objective of improving the conditions of life, of the said community.

#### **Method of Recruitment and Appointment or Election of trustees**

Members of the Academy are nominated by either the Secretary of State for Education or the sponsors of the Academy, Enterprise Managed Services Ltd who are the lead sponsors, the Catholic Archdiocese of Liverpool, the Church of England Diocese of Liverpool, the University of Liverpool and Liverpool City Council. The Articles of Association require the members of the Academy to appoint at least three trustees/governors to be responsible for the statutory and constitutional affairs of the company and the management of the company.

#### **Policies and Procedures Adopted for the Induction and Training of trustees**

Training is available to trustees and governors through the services provided by the local authority.

# **ENTERPRISE SOUTH LIVERPOOL ACADEMY**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Organisational Structure**

The management structure consists of three levels the trustees, the governors and the senior managers of the Academy. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions.

The trustees are there to support the senior management team and the community in the running of the Academy, and have no ambition to run the Academy on a day-to-day basis. Along with this governance role the trustees are there to give support and advice when asked and to be roving ambassadors for both the Academy and what it is trying to achieve.

### **Risk Management including Principal Risks and Uncertainties**

The trustees consider that the key risk currently faced by the Academy is the lower than anticipated pupil numbers due to the changing demographics in the area. This reduction in expected student numbers has had a material effect on the associated income and has resulted in an adverse impact of the funding deficit position.

The Academy have put together a long term plan to manage the deficit and are working in conjunction with the Education Funding Agency (EFA), to ensure that the Academy remains financially viable. An organisational restructure took place during 2012/13 which addressed the issue in terms of having a fit for purpose staffing structure more closely aligned to pupil numbers and which supported our aspirations of academic excellence. Senior management are consistently seeking to improve the visibility of the Academy and try to ensure that the proportion of Academy first choices is high as a percentage of the overall population.

The new build, the organisational restructure and new income generation strategies should help generate more income and reduce costs over the coming years.

The delayed completion and hand over of Phase 2 of the new building has also been identified as a near term risk. There has been a slight delay in the handover of Phase 2, which includes the remainder of the car park and Multi-use Games Area (MUGA) pitches, due to issues related to the demolition of the former Horrocks Avenue campus. The final completion of Phase 2 is being closely monitored by the Academy Business Director and it is anticipated there will be full handover before the end of the Autumn Term 2013.

### **Connected Organisations including Related Party Transactions**

The Academy has connected organisations or related party transactions as disclosed in note 27.

### **Objectives and Activities**

#### **Objects and Aims**

The principal activity of the company is the operation of the Enterprise South Liverpool Academy to provide education for pupils of different abilities between the ages of 11 and 19.

#### **Objectives, Strategies and Activities**

The main objectives of the Academy are summarised below.

- to raise the standards of educational achievement of all pupils,
- to ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care,
- 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 comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct business in accordance with the highest standards of integrity, probity and openness.

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Public Benefit

Our mission is that Enterprise South Liverpool Academy will be the heartbeat of the local community. The Academy has capacity for up to 1,100 students, with the aim of achieving the highest possible standards.

Our high expectations are supported by our determination to instil a sense of respect, tolerance and care for others. As a joint Catholic/Church of England Academy, Christian values underpin everything that we do. We are privileged to have the Diocese and the Archdiocese of Liverpool sponsoring us, ensuring our students are confident, well rounded people who will be valued in both the work place and in the community.

We open our doors to parents and carers by offering courses to help develop the area's entrepreneurial spirit. We are also committed to providing local residents with the facilities to start clubs and community groups and engage students outside classroom hours. The commitment of our sponsors allows us to offer a range of diverse and exciting opportunities. With the expertise of Enterprise Managed Services Ltd and Liverpool City Council behind us, we have the platform to help prepare students for the world of work.

It is our intention that Enterprise South Liverpool Academy will become one of the leading academies in the country. Working in partnership with our sponsors and other educational organisations will ensure that we remain at the cutting edge of learning and bring maximum benefits to all of our current and future students, their families and members of the community.

Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of incidental educational activities and other activities, the Academy aims to contribute considerably to benefit the local community. To set partnership priorities we have worked with a number of stakeholders in order to address local issues. This has been achieved through events such as the following:

- Principal's Surgery which affords parents, local residents, community groups and businesses the opportunity to meet with the Principal to share ideas and discuss matters that are important to them
- Engagement with local primary schools, who are invited to the Academy at various times of the year to learn together, and to take part in our extensive Transition Programme
- Positive holiday programmes are delivered out of term time for students and local young people, such as the Summer School programme
- Facilitation of numerous liturgical events including weekly service for the local community, and chaplaincy network meetings
- Business networking and support events, with a particularly strong link to the South Liverpool Business Network
- Our students work with local and national employers to develop a range of skills and qualities e.g. art exhibition at a local retail park, participation in Young Enterprise events
- European Neighbourhood Day for students, parents and local residents
- Collaborative work with community groups and charities to address local needs
- Sporting events for many of the primary schools and local residents, including local Family Fun Days, Sport Relief Mile events
- Provision of indoor and outdoor facilities which are used regularly by local sports clubs, primary schools and local residents
- Facilitation of multi-agency meetings for local agencies who support children and families in the area
- The Academy is also involved in a wide range of programmes to support parents and students in a number of projects including aspects of healthy living, counselling and positive parenting

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and we are committed to continuing our work for the benefit of the community we serve.

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Achievements and Performance**

The past academic year of the Academy has once again seen significant progress made within Enterprise South Liverpool Academy and as chairman of the trustees I would like to thank everyone who works in or attends the Academy

Despite the challenges of moving from the two former sites to our new build at Horrocks Avenue, this year has been very successful, with minimal disruption, thanks to the dedication of the staff and students. The new building has capacity for 1,100 students aged between 11 and 19, and is the site from which the Academy will operate

As in previous years, the Academy has been able to offer its facilities to the local community, and trustees and governors hope to be able to extend this provision further now that we are occupying our new premises

The academic results for the year 31 August 2013 have demonstrated outstanding performance of our A-level students. Satisfyingly 100% of our students achieved an A-level grade A\*-E and 84% achieved three or more A\*-E grades. This fantastic achievement was made possible by the continuing excellence of our vocational subjects, but most pleasingly, the significant improvements in the results of students studying academic A-levels. 71% of our students achieved A\*-C grades who followed this academic pathway

At GCSE level, 88% of our students achieved five A\*-C and 45% of students achieved five A\*-C including English and maths. Whilst this was a small drop from the previous year, the results easily exceeded government floor targets and we did see an improvement in the very important measure of three levels of progress in both English and maths. English increased from 54% of students making three levels of progress in 2012 to 60% in 2013. While maths saw an increase from 49% of students making three levels of progress in the prior year to 51% in 2013.

Strategies have already been put into place for 2013/14 to ensure that student achievements continue to meet, or exceed both Academy and national targets

### **Going Concern**

After making appropriate enquiries, the board of trustees 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 Statement of Accounting Policies

### **Financial Review and Key Financial Performance Indicators**

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

The Academy also receives grants for capital expenditure from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income

During the year ended 31 August 2013, total expenditure of £8,670,000 was covered by grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding actuarial losses on the defined benefit pension scheme) was £22,843,000. Income included the addition of the building and fixtures and fittings of £22,200,000 (note 3). The closing net reserves for 2012/13 (excluding actuarial losses on the defined benefit pension scheme) was £23,111,000

At 31 August 2013 the net book value of fixed assets was £23,298,000 and movements in tangible fixed assets are shown in note 14 to the accounts. The assets were used primarily for providing education and the associated support services to the students of the Academy. The restricted fixed asset fund balance is reduced by annual depreciation charged over the expected useful life of the assets concerned



# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Financial Review and Key Financial Performance Indicators continued**

The Academy's pupil teacher ratio for the end of the year was 13.0 : 1. However, as some staff are due to leave in the early part of 2013/14, this will increase the ratio to 14.0 : 1, bringing the Academy more in line with national average of 15.5 : 1.

### **Financial and Risk Management Objectives and Policies**

In line with all academies the financial and credit risks associated with the Academy is low, as there is limited access to credit, and minimal debtors outside of the Funding Agreement.

### **Reserves policy**

The Academy currently has £79,000 of unrestricted reserves. The trustees have decided that all unrestricted reserves will be utilised in helping the Academy achieve its objectives.

The trustees will endeavour, over time, to keep 12% of GAG in restricted reserves of which 2% will be available to support operations and 10% for any capital projects that are required.

The Academy has inherited a large pension fund deficit which will result in increased employer contributions, but the trustees are confident that the Academy will be able to meet all of the pension fund contributions as set out by the actuaries as they fall due.

The proposed level of reserve set is considered to be appropriate for the Academy. The reserves policy is reviewed annually.

### **Investment policy**

The Academy's investment policy is consistent with its Charitable Status. Investments must always be made in accordance with written procedures adopted by the Governing Body and must always ensure the maximum integrity of such investments.

### **Plans for Future Periods**

Now that the Academy occupies new premises, the next accounting period will see a continuation of the intensive work to improve standards within government guidelines and increase the pupil cohort. In addition the Principal will continue working with the sponsors, the governing body and the staff and students of the Academy to deliver the sponsors vision of creating a transformational curriculum that engenders a love of learning and places importance on the acquisition of core skills.

Further to this, the Academy has seen a significant restructuring to align the organisation with the vision for the future and establish an appropriate structure for a single building operation. This will be reviewed where appropriate, to ensure that the Academy has the relevant resources to meet its objectives.

### **Auditor**

In so far as the trustees are aware:

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

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



**K Sexton**  
**Chair of Trustees**

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to J Pendlebury, 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 Enterprise South Liverpool Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The governing body has formally met 7 times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Sunderland	5	5
K Sexton	2	2
E Boyes	5	7
Fr E Cain	6	7
C Chapman	6	7
R Dillon	1	1
D Francis	0	1
B Gough	6	7
W Leece	5	6
B Marsh	5	7
W Meredith	5	7
T Moore	1	7
B Murray	4	7
M O'Shaunessey	6	7
J Pendlebury	7	7
M Rimmer	2	7
Rev P Saltmarsh	3	7
S Thomas	4	7

### The following were appointed during the financial year:

W Leece	27 November 2012
M O'Shaunessey	1 September 2012
M Rimmer	1 September 2012
K Sexton	1 May 2013
S Thomas	1 September 2012

### The following resigned during the financial year:

R Dillon	8 November 2012
D Francis	31 October 2012
M Sunderland	29 April 2013
S Thomas	3 July 2013

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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There are three sub-committees of the governing body

The Business Management Committee is a sub-committee of the main governing body. Its purpose is to monitor all aspects of the business of running the Academy. In particular, the committee ensures that the Academy meets its legal and moral obligations in relation to finance, purchasing, human resources, marketing, premises management, risk management and health and safety, including any formal reporting requirements. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T Moore	0	2
M O'Shaughnessy	1	2
J Pendlebury	2	2
M Rimmer	1	2
S Thomas	2	2

The Raising Achievement Committee is a sub-committee of the main governing body. Its purpose is to ensure that the Academy is meeting its main objective of providing an education for all students, irrespective of their levels of ability, with an emphasis on business and enterprise. The committee ensures that the Academy does all it can to raise the standards of educational achievement and improves outcomes for all of our students. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
E Boyes	3	3
B Gough	2	3
B Murray	2	3
J Pendlebury	3	3

The Ethos Committee is a sub-committee of the main governing body. Its purpose is to ensure that culture, religious status and community beliefs are appropriate for the status of the Academy and that the best possible support is provided for students of all faiths and those with none. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Fr E Cain	1	3
C Chapman	3	3
W Leece	1	2
W Meredith	2	3
J Pendlebury	3	3
Rev P Saltmarsh	3	3

### **The Purpose of the System of Internal Control**

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

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

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### Capacity to Handle Risk

The governing body 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 governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

### The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The governors have appointed HBD Accountancy Services LLP internal auditors for the financial year.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The governors confirm that the internal audit function has been fully delivered in line with the EFA's requirements.

### Review of Effectiveness

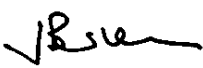
As accounting officer, J Pendlebury has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the internal auditor,
- the work of the external auditor,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 12 December 2013 and signed on its behalf by

  
**K Sexton**  
Trustee

  
**J Pendlebury**  
Accounting officer

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

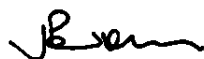
## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Enterprise South Liverpool Academy I have considered my responsibility to notify the Academy's governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy's governing body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.



**J Pendlebury**  
Accounting officer

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to

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

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

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

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

Approved by order of the members of the governing body on 12 December 2013 and signed on its behalf by

  
**K Sexton**  
Trustee

# **ENTERPRISE SOUTH LIVERPOOL ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ENTERPRISE SOUTH LIVERPOOL ACADEMY**

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We have audited the accounts of Enterprise South Liverpool Academy for the year ended 31 August 2013 set out on pages 15 to 36, which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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) and the Accounts Direction 2013 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Enterprise South Liverpool Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

#### **Opinion on accounts**

In our opinion the accounts

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

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

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## INDEPENDENT AUDITOR'S REPORT

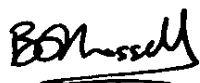
### TO THE MEMBERS OF ENTERPRISE SOUTH LIVERPOOL ACADEMY

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#### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Benjamin Russell BSc ACA (Senior Statutory Auditor)**  
for and on behalf of HBD Accountancy Services LLP

**Chartered Accountants**

**Statutory Auditor**

Gladstone House

2 Church Road

Liverpool

L15 9EG

Dated *16 December 2013*



# **ENTERPRISE SOUTH LIVERPOOL ACADEMY**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ENTERPRISE SOUTH LIVERPOOL ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Enterprise South Liverpool Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Enterprise South Liverpool Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and Enterprise South Liverpool Academy and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Enterprise South Liverpool Academy's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Enterprise South Liverpool Academy's funding agreement with the Secretary of State for Education dated 24 February 2010 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 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

- Review of minutes of committees, management accounts and discussions held with key personnel,
- Evaluation of internal control procedures and reporting lines, and the implementation of such controls as were considered relevant, was checked,
- Review of financial transactions for any unusual transactions which maybe improper,
- Ensure that expenditure does not contravene the funding agreement,
- Ensure that key staff and trustees declared their interest in related parties and followed this up with discussion and testing

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ENTERPRISE SOUTH LIVERPOOL ACADEMY AND THE EDUCATION FUNDING AGENCY

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### Conclusion

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



**Benjamin Russell BSc ACA (Senior Statutory Auditor)**  
for and on behalf of HBD Accountancy Services LLP

**Chartered Accountants**  
**Statutory Auditor**

*16 December 2013*

Gladstone House  
2 Church Road  
Liverpool  
L15 9EG

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted General Funds £'000s	Restricted General Funds £'000s	Restricted Fixed Asset Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
<b>Incoming resources</b>						
Voluntary income	3	-	22,730	-	22,730	-
Activities for generating funds	4	23	-	-	23	27
Investment income	5	-	-	-	-	7
		23	22,730	-	22,753	34
Incoming resources from charitable activities	7	-	6,420	-	6,420	8,041
Other incoming resources	6	17	2,323	-	2,340	602
<b>Total incoming resources</b>		40	31,473	-	31,513	8,677
<b>Resources expended</b>						
<b>Charitable activities</b>						
Academy's educational operations	9	-	7,795	773	8,568	9,095
Governance costs	10	-	102	-	102	97
<b>Total resources expended</b>	8	-	7,897	773	8,670	9,192
<b>Net incoming/(outgoing) resources before transfers</b>		40	23,576	(773)	22,843	(515)
Gross transfers between funds	17	-	(23,878)	23,878	-	-
<b>Net income/(expenditure) for the year</b>		40	(302)	23,105	22,843	(515)
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme		-	96	-	96	(359)
<b>Net movement in funds</b>		40	(206)	23,105	22,939	(874)
Fund balances at 1 September 2012		39	(2,387)	193	(2,155)	(1,281)
<b>Fund balances at 31 August 2013</b>		79	(2,593)	23,298	20,784	(2,155)

All of the Academy's activities derive from continuing operations during the above two financial years

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

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

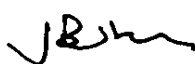
## BALANCE SHEET AS AT 31 AUGUST 2013

		2013	2012
	Notes	£'000s	£'000s
<b>Fixed assets</b>			
Tangible assets	14	23,298	193
<b>Current assets</b>			
Debtors	15	237	348
Cash at bank and in hand		404	176
		641	524
<b>Creditors amounts falling due within one year</b>	16	(828)	(503)
<b>Net current (liabilities)/assets</b>		(187)	21
<b>Total assets less current liabilities</b>		23,111	214
<b>Net assets excluding pension liability</b>		23,111	214
Pension scheme liability	26	(2,327)	(2,369)
<b>Net assets/(liabilities) including pension liability</b>		20,784	(2,155)
<b>Funds of the academy</b>			
<b>Restricted funds</b>			
Restricted general fund	17	(266)	(18)
Pension fund	17	(2,327)	(2,369)
Restricted fixed asset fund	17	23,298	193
<b>Total restricted funds</b>		20,705	(2,194)
<b>Unrestricted funds</b>			
General fund	17	79	39
<b>Total unrestricted reserves</b>		79	39
<b>Total funds</b>		20,784	(2,155)

The financial statements on pages 15 to 36 were approved by the trustees, and authorised for issue on 12 December 2013 and are signed on their behalf by



K Sexton  
Trustee



J Pendlebury  
Accounting officer

Company registration number 07007398

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2013**

	Notes	2013 £'000s	2012 £'000s
Net cash inflow/(outflow) from operating activities	20	430	(689)
Returns on investments and servicing of finance	21	-	7
Capital expenditure	22	(202)	(34)
<b>Increase/(decrease) of net cash flow to movement in net funds</b>		<b>228</b>	<b>(716)</b>
Net funds at 1 September 2012		176	892
Net funds at 31 August 2013	23	404	176

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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### 1 Accounting policies

#### 1.1 Basis of Preparation

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

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In the trustees' opinion the Academy is only carrying a net deficit, excluding the fixed asset fund, as a result of the pension fund deficit and excess start-up costs incurred during the move into new premises. The trustees are confident that the Academy will be able to meet all of the pension fund contributions as set out by the actuaries as they fall due. The trustees have prepared a financial recovery plan including forecasts for future years and anticipate that the Academy will have an excess of income over expenditure by 2015/16. The plan has been submitted to the EFA who have agreed to support the Academy through the funding agreement and various grants. The Academy is reliant on the continued financial support of the EFA and the trustees are confident that provided the Academy continues to receive this support the Academy will be able to continue for a period of at least 12 months. Therefore the trustees feel it appropriate to prepare the accounts on a going concern basis.

#### 1.3 Incoming resources

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

##### Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

##### Donations and gifts in kind

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. In particular the Academy's buildings were donated on their completion in February 2013. The incoming resource recognised reflects the total cost of the build project.

##### Other income

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

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2013

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### 1.4 Resources expended

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

#### Charitable activities

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

#### Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### 1.5 Tangible fixed assets and depreciation

Assets costing £100 or more can be capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are transferred to a restricted fixed asset fund in the Statement of Financial Activities and carried forward on the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold property	2% on cost
Fixtures, fittings & equipment	5 years straight line
Computer equipment	3 years straight line

The Academy held land and buildings on a lease from Liverpool City Council, with a peppercorn rent payable. The accounts do not show a notional rent as a reliable market rate has not been established. The lease was for 3 years from 1 September 2010. The Academy relocated to their new buildings in February 2013 and the lease was subsequently terminated.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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### 1.7 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 quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

### 1.8 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.

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

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

### 1.9 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 the 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.

## 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2013.



# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 3 Voluntary income

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
Donation of school buildings and equipment	-	22,200	22,200	-
Endowment funding	-	530	530	-
	-	22,730	22,730	-

### 4 Activities for generating funds

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
Hire of facilities	23	-	23	27
	23	-	23	27

### 5 Investment Income

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
Bank interest received	-	-	-	7
	-	-	-	7

### 6 Other incoming resources

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
Pupil premium	-	406	406	287
Devolved formula capital grant	-	22	22	25
Contributions towards trips	-	-	-	14
Sundry income/grants	17	55	72	86
Redundancy grant	-	59	59	190
ICT grant	-	1,476	1,476	-
Additional EFA funding	-	305	305	-
	17	2,323	2,340	602

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 7 Funding for the Academy's Educational Operations

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
Department of Education				
- General Annual Grant (GAG) (note 2)	-	6,310	6,310	7,563
- LEA Grants	-	-	-	4
- Start-up Grant A	-	-	-	303
- Start-up Grant B	-	110	110	171
	-	6,420	6,420	8,041

### 8 Resources expended

	Staff costs £'000s	Depreciation £'000s	Other costs £'000s	Total 2013 £'000s	Total 2012 £'000s
Academy's educational costs					
Direct costs	4,570	773	749	6,092	6,354
Allocated support costs	1,111	-	1,365	2,476	2,741
	5,681	773	2,114	8,568	9,095
Governance costs	-	-	102	102	97
	5,681	773	2,216	8,670	9,192

Governance costs include payments to the auditors of £6,000 (2012 £5,600) for audit fees and £8,970 (2012 £11,045) for other services

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 9 Academy's educational operations

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,570	4,570	5,188
Depreciation and loss on disposal of fixed assets	-	773	773	316
Examination fees	-	154	154	194
Information and communication technology	-	62	62	145
Books, apparatus and stationery	-	91	91	141
Furniture and room hire	-	16	16	19
Student courses	-	417	417	351
Other direct costs	-	9	9	-
	-	6,092	6,092	6,354
<b>Allocated support costs</b>				
Support staff costs	-	1,111	1,111	1,111
Severance, redundancy and pay claims	-	304	304	510
Staff development	-	33	33	102
Maintenance of premises and equipment	-	196	196	51
Rent and rates	-	73	73	24
Heat and light	-	137	137	129
Insurances	-	56	56	37
Other premises costs	-	-	-	160
Travel and visits	-	72	72	97
Admin supplies	-	123	123	120
Admin support	-	14	14	70
Consultancy	-	25	25	48
Catering	-	194	194	188
Advertising	-	47	47	37
Uniforms	-	43	43	12
Rewards	-	35	35	22
Sundry support costs	-	13	13	23
	-	2,476	2,476	2,741
	-	8,568	8,568	9,095

### 10 Governance costs

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2013 £'000s	Total 2012 £'000s
Audit fees	-	6	6	6
Professional costs	-	96	96	91
	-	102	102	97

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 11 Staff costs

Staff costs during the period were	2013 £'000s	2012 £'000s
Wages and salaries	4,526	5,026
Social security costs	363	424
Other pension costs	615	655
	<u>5,504</u>	<u>6,105</u>
Supply teacher costs	177	194
Severance, redundancy and pay claims	304	510
	<u>5,985</u>	<u>6,809</u>

The average monthly number of employees (including senior management team) employed by the Academy during the year expressed as full time equivalent was as follows

	2013 Number	2012 Number
Teachers	74	91
Administration and support	59	103
	<u>133</u>	<u>194</u>

The number of employees whose emoluments, excluding pension contributions, fell within the following bands was

	2013 Number	2012 Number
£60,001 to £70,000	2	3
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, employer pension contributions for these staff amounted to £25,041 (2012 £42,012). One employee participated in the Local Government Pension Scheme, employer pension contributions amounts to £8,064 (2012 £nil).

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 12 Trustees' and Governors' remuneration and expenses

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the governors' remuneration, including employer pension contributions, was as follows

J Pendlebury (principal and governor) £137,885 (2012 £134,585)  
Other staff governor £19,915 (2012 £23,046)

During the year ended 31 August 2013, no travel and subsistence expenses (2012 £nil) were reimbursed to governors (2012 - 0)

Related party transactions involving the trustees are set out in note 27

### 13 Trustees', Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance, included in total insurance costs, for the year ended 31 August 2013 was £1,437

### 14 Tangible fixed assets

	Leasehold property	Computer equipment	Fixtures, fittings & equipment	Total
	£'000s	£'000s	£'000s	£'000s
<b>Cost</b>				
At 1 September 2012	-	589	65	654
Additions	21,059	1,489	1,330	23,878
Disposals	-	(589)	(65)	(654)
<b>At 31 August 2013</b>	<b>21,059</b>	<b>1,489</b>	<b>1,330</b>	<b>23,878</b>
<b>Depreciation</b>				
At 1 September 2012	-	417	44	461
On disposals	-	(589)	(65)	(654)
Charge for the year	210	422	141	773
<b>At 31 August 2013</b>	<b>210</b>	<b>250</b>	<b>120</b>	<b>580</b>
<b>Net book value</b>				
<b>At 31 August 2013</b>	<b>20,849</b>	<b>1,239</b>	<b>1,210</b>	<b>23,298</b>
At 31 August 2012	-	172	21	193

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

<b>15 Debtors</b>	<b>2013 £'000s</b>	<b>2012 £'000s</b>
Trade debtors	5	3
Other debtors	144	278
Prepayments	88	67
	<u>237</u>	<u>348</u>

<b>16 Creditors, amounts falling due within one year</b>	<b>2013 £'000s</b>	<b>2012 £'000s</b>
Trade creditors	240	51
Taxes and social security costs	99	188
Pension contributions	60	74
Accruals and deferred income	429	190
	<u>828</u>	<u>503</u>

### Deferred income

	<b>2013 £'000s</b>
Deferred income at 1 September 2012	64
Resources deferred in the year	67
Amounts released from previous years	<u>(64)</u>
Deferred income at 31 August 2013	<u>67</u>

Deferred income held at 31 August 2013 relates to amounts received for the devolved formula capital grant, the bursary fund, the radio project including a Big Lottery grant, and a number of smaller funds to 31 August 2013 but which relate to periods after this date

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 17 Funds

The income funds of the charity include restricted general funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 1 September 2012	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2013
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Restricted general fund</b>					
General annual grant (GAG)	(18)	6,310	(6,356)	(202)	(266)
Start up grant	-	110	(110)	-	-
Other DfE/EFA grants	-	801	(801)	-	-
Donation of fixed assets	-	22,200	-	(22,200)	-
Other	-	576	(576)	-	-
Pension scheme	(2,369)	-	(54)	96	(2,327)
ICT Funding	-	1,476	-	(1,476)	-
	<u>(2,387)</u>	<u>31,473</u>	<u>(7,897)</u>	<u>(23,782)</u>	<u>(2,593)</u>
<b>Restricted fixed asset fund</b>					
Property and fixtures (donations)	-	-	(328)	22,200	21,872
Capital expenditure from GAG	193	-	(199)	202	196
ICT grant	-	-	(246)	1,476	1,230
	<u>193</u>	<u>-</u>	<u>(773)</u>	<u>23,878</u>	<u>23,298</u>
<b>Total restricted funds</b>	<u>(2,194)</u>	<u>31,473</u>	<u>(8,670)</u>	<u>96</u>	<u>20,705</u>
<b>Unrestricted funds</b>					
Unrestricted funds	39	40	-	-	79
<b>Total unrestricted funds</b>	<u>39</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>79</u>
<b>Total funds</b>	<u>(2,155)</u>	<u>31,513</u>	<u>(8,670)</u>	<u>96</u>	<u>20,784</u>

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 17 Funds (continued)

The General Annual Grant (GAG) is used to meet the day to day working capital commitments of the Academy. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded. The Academy is carrying a net deficit of £187,000, on restricted general funds (excluding pension reserve) plus the unrestricted reserves, as a result of excess start-up costs incurred during the move into new premises. The Academy is taking the following action to return these funds to surplus.

The trustees have prepared a financial recovery plan including forecasts for future years and anticipate that the Academy will have an excess of income over expenditure by 2015/16. The plan has been submitted to the EFA who have agreed to support the Academy through the funding agreement and various grants.

Whilst pupil numbers have fallen in recent years, this reflects the trend locally, and it is anticipated that pupil numbers will grow in future years, thereby increasing the GAG income.

The Start-up Grant has been used to meet the costs of purchasing basic stock and teaching materials, the transitional costs and the diseconomies of scale arising on the opening of the Academy, as a result of remaining on two sites until the new building was completed.

The other DfE/EFA grants are made up of amounts received for pupil premium, devolved formula capital grant, redundancy funding, together with the additional EFA funding which is used to meet the day to day working capital requirements of the Academy.

The other funds include funds from the Academy sponsors used to meet the day to day working capital requirements of the Academy.

The pension fund relates to the Academy's share of the deficit of the Local Government Pension Scheme (note 26).

The restricted fixed assets are mainly funded by the donation of the Academy buildings and equipment and an ICT grant from Liverpool City Council.

### 18 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted funds	Restricted fixed asset fund	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Tangible fixed assets	-	23,298	-	23,298
Current assets	79	-	562	641
Creditors amounts falling due within one year	-	-	(828)	(828)
Pension scheme liability	-	-	(2,327)	(2,327)
<b>Total net assets</b>	<b>79</b>	<b>23,298</b>	<b>(2,593)</b>	<b>20,784</b>



# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 19 Financial commitments

#### Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

#### Other

	2013 £'000s	2012 £'000s
Expiry date		
Between two and five years	14	-

### 20 Reconciliation of net income to net cash inflow from operating activities

	Total 2013 £'000s	Total 2012 £'000s
Net income	22,843	(515)
Depreciation	773	316
Capital grants from DfE and other capital income	(23,676)	-
FRS 17 pension cost less contributions payable (note 26)	(36)	-
FRS 17 pension finance cost (note 26)	90	-
Decrease/(increase) in debtors	111	(149)
Increase/(decrease) in creditors	325	(334)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>430</b>	<b>(689)</b>

### 21 Returns on investments and servicing of finance

	2013 £'000s	2012 £'000s
Interest received	-	7
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>-</b>	<b>7</b>

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 22 Capital expenditure and financial investment

	2013 £'000s	2012 £'000s
Additions to tangible fixed assets	(23,878)	(34)
Capital funding received from local authority	23,676	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(202)</b>	<b>(34)</b>

### 23 Analysis of change in net funds

	At 1 September 2012 £'000s	Cash flow movement £'000s	At 31 August 2013 £'000s
Cash in hand and at bank	176	228	404

### 24 Contingent liabilities

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

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

(a) the value, at the time, of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

### 25 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

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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### 26 Pension and similar obligations

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

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

Contributions amounting to £59,899 (2012 £73,789) were payable to the schemes at 31 August 2013 and are included within creditors

#### Teachers Pension Scheme (TPS)

##### Introduction

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

##### The Teachers' Pension Budgeting and Valuation Account

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

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

##### Valuation of the Teachers' Pension Scheme

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

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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### 26 Pension and similar obligations (continued)

#### Teachers Pension Scheme (TPS) (continued)

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%.

From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

#### Teachers' Pension Scheme Changes

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

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

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

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

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

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 26 Pension and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £228,585, of which employer's contributions totalled £182,822 and employees' contributions totalled £45,763. The agreed contribution rates for future years are 10% per cent for employers and 5.5% - 7.5% per cent for employees.

Principal Actuarial Assumptions	2013	2012
Rate of increase in salaries	3.90%	3.80%
Rate of increase for pensions in payment/inflation	2.40%	2.30%
Discount rate for scheme liabilities	4.60%	4.50%
Inflation assumption (CPI)	2.40%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

	2013	2012
<b>Retiring today</b>		
Males	21.8	21.8
Females	24.7	24.6
<b>Retiring in 20 years</b>		
Males	23.7	23.6
Females	26.6	26.5

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

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013 £'000s	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012 £'000s
Equities	7.0%	856	7.0%	710
Government Bonds	3.4%	228	2.5%	192
Other Bonds	4.4%	39	3.4%	48
Property	5.7%	126	6.0%	104
Cash/Liquidity	0.5%	30	0.5%	24
Other	7.0%	224	7.0%	123
<b>Total market value of assets</b>		<b>1,503</b>		<b>1,201</b>
Present value of scheme liabilities				
-Funded		(3,830)		(3,570)
<b>Deficit in the scheme</b>		<b>(2,327)</b>		<b>(2,369)</b>

The actual return on scheme assets was £169,000 (2012: £75,000)

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 26 Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

#### Amounts recognised in the statement of financial activities

	2013 £'000s	2012 £'000s
Current service cost (net of employee contributions)	147	143
<b>Total operating charge</b>	<b>147</b>	<b>143</b>
<b>Analysis of pension finance income/(costs)</b>		
	2013 £'000s	2012 £'000s
Expected return on pension scheme assets	72	60
Interest on pension liabilities	(162)	(158)
<b>Pension finance costs</b>	<b>(90)</b>	<b>(98)</b>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £2,327,000 loss (2012 £2,369,000 loss).

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

	2013 £'000s	2012 £'000s
<b>At 1 September</b>	<b>3,570</b>	<b>2,897</b>
Current service cost	147	143
Interest cost	162	158
Member contributions	46	52
Actuarial losses	-	316
Curtailments	-	8
Benefits/transfers paid	(95)	(4)
<b>At 31 August</b>	<b>3,830</b>	<b>3,570</b>

# ENTERPRISE SOUTH LIVERPOOL ACADEMY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

### 26 Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

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

	2013 £'000s	2012 £'000s
<b>At 1 September</b>	<b>1,201</b>	<b>887</b>
Expected return	72	60
Actuarial gains	96	15
Employer contributions	183	191
Member contributions	46	52
Benefits/transfers paid	(95)	(4)
<b>At 31 August</b>	<b>1,503</b>	<b>1,201</b>

The estimated value of employer contributions for the year ended 31 August 2014 is £185,000

#### The five-year history of experience adjustments is as follows

	2013 £'000s	2012 £'000s	2011 £'000s	2009-2010 £'000s
<b>Present value of defined benefit obligation</b>	(3,830)	(3,570)	(2,897)	-
<b>Fair value of share of scheme assets</b>	<u>1,503</u>	<u>1,201</u>	<u>887</u>	<u>-</u>
<b>Deficit in the scheme</b>	<u>(2,327)</u>	<u>(2,369)</u>	<u>(2,010)</u>	<u>-</u>
Experience adjustments on scheme liabilities	-	-	-	-
Experience adjustments on scheme assets	96	15	10	-

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of the Academy closure, outstanding local government pension scheme liabilities would be met by the Department of Education. The guarantee came into force on 18 July 2013.

# **ENTERPRISE SOUTH LIVERPOOL ACADEMY**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013**

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### **27 Related parties**

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

During the year the Academy received consultancy services from the Liverpool Diocesan Board of Finance, an organisation related by virtue of its sponsorship of the Academy, totalling £4,594. The balance outstanding at the year end was £nil. The Academy received consultancy services from the Archdiocese of Liverpool, an organisation related by virtue of its sponsorship of the Academy, totalling £34,387. The balance outstanding at the year end was £nil. The Academy received various services from Liverpool City Council, which is related by virtue of its sponsorship of the Academy. This comprised £38,739 for general rates, £37,142 for legal, professional and consultancy services, £2,297 for staff development and £91,944 for various direct student education related costs. The balance outstanding at the year end was £nil.