

WIRRAL ACADEMY TRUST

(formerly University Academy of Birkenhead)

(A Company Limited by Guarantee)

Company Registration Number 07472190 (England & Wales)

Annual Report and Financial Statements

Year ended 31st August 2015

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Wirral Academy Trust

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

**Report and Financial Statements
For the year ended 31st August 2015**

Contents	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 9
Governance Statement	10 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15 - 16
Independent Reporting Accountant's Assurance Report on Regularity	17 - 18
Statement of Financial Activities incorporating Income & Expenditure Account	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	22 - 25
Other Notes to the Financial Statements	25 - 37

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Reference and Administrative Details

Directors:

Trustee	Date of Appointment	Date of Resignation	Sponsor
Helen Aspinall	18 th February 2011	17 th March 2015	UCAT
Alan Brighthouse	18 th February 2011	17 th March 2015	UCAT
Michael Coffin	15 th March 2012	17 th March 2015	UCAT
Elaine Crowther	13 th December 2012	17 th March 2015	UCAT
Graham Fairlie	6 th February 2012	17 th March 2015	UCAT
Geraint Parry	11 th June 2012	17 th March 2015	UCAT
Petrice Patrick	11 th June 2012	17 th March 2015	UCAT
Gillian Sandland	28 th March 2012	17 th March 2015	UCAT
Iain Simons	12 th March 2012	17 th March 2015	UCAT
Walter Smith	24 th March 2011	17 th March 2015	UCAT
Emma Waller	1 st February 2014	17 th March 2015	UCAT
Carl Beer	17 th March 2015		
John Cook	17 th March 2015		
Lyn Eaton	17 th March 2015		
Catherine Jones	17 th March 2015		
Michael Kilbride	17 th March 2015		
Michael Morris	17 th March 2015		
Kathryn Podmore	17 th March 2015		

Corporate Secretary: St Pauls Secretaries Limited (resigned 17th March 2015)

Senior Management Team:

Under UCAT Sponsorship (01/09/14 to 17/03/15)

Principal	Geraint Parry
Deputy Principal	Helen Johnson
Assistant Principal	Peter Mee
Assistant Principal	Neil Foley
Assistant Principal	Peter Silcock

Under WAT Sponsorship (17/03/15 to 31/08/15)

Chief Executive	Kathryn Podmore
Director of Projects	Michael Kilbride
Chief Financial Officer	Karen Wiggins

Company Name: Wirral Academy Trust

Company Registration Number: 07472190 (England & Wales)

Registered Office: Wirral Academy Trust
Park Road West
Birkenhead
Wirral
CH43 8SQ

Principal Office: Birkenhead Park School
Park Road South
Birkenhead
Wirral
CH43 4UY

Independent Auditors: Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Reference and Administrative Details (continued)

Bankers:

Barclays Bank
39 Hoole Road
Hoole
Chester
CH2 3NH

Solicitors:

Hill Dickinson
No 1 St Paul's Square
Liverpool
L3 9SJ

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

SAS Daniels LLP
30 Greek Street
Stockport
SK3 8AD

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2014 to 31st August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in the Wirral. It has a pupil capacity of 1,250 and had a roll of 582 in the school census on 19th January 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Wirral Academy Trust (WAT) are also the directors of the charitable company for the purposes of company law. Since 17th March 2015 the charitable company is known as Wirral Academy Trust. Previously it was known as University Academy of Birkenhead.

The Academy was established on 1st January 2011 to replace Park High School and Rock Ferry High School, both of which ceased to exist in December 2010. On 17th March 2015 Birkenhead Sixth Form College became the sole sponsor of the academy, replacing the principle sponsor, University of Chester Academies Trust (UCAT). At this date the company was renamed Wirral Academy Trust and the amalgamated school, known as University Academy Birkenhead, was renamed Birkenhead Park School.

The principle activity of the charitable company was to provide education for 11-16 year olds within the Birkenhead community.

Details of the trustees and directors who served during the year are included in the Reference and Administration Details on page 1.

Trustees are directors of the charitable company for the purposes of the company law and trustees for the purposes of charity legislation.

Members' Liability

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

Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions.

Method of Recruitment and Appointment or Election of Trustees

The sponsor body of the Trust appoints up to 6 trustees. Up to two academy trustees can be appointed by the trustees. Future trustees will be appointed following a process that will be stipulated by the sponsor body. The total number of trustees including the Chief Executive shall not exceed one third of the total complement of the Board.

A local Governing Body sits within the member school. This body acts as an advisory body to the trustees. This body comprises of representatives from the community including two parent governors.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees receive an introduction to their role and the Wirral Academy Trust along with appropriate training sessions which are arranged during the academic year. Information is provided for trustees on the role of the trustee and all trustees have been issued with the code of conduct for trustees.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report (continued)

Organisational Structure

The organisational structure with roles and responsibilities is set out in the Scheme of Delegation which is approved by the trustees annually. The key responsibilities are as follows:

Key Responsibilities of Wirral Academy Trust Directors

- To establish and review the vision and direction of Wirral Academy Trust.
- To have overall responsibility for formulating policy and taking decisions in relation to the establishment of the Trust and the future work of the Trust.
- To have overall responsibility for ensuring high quality provision within the Trust's academies.
- To approve improvement plans and targets for each academy.
- To have overall responsibility for the Trust's budget and financial accounting.
- To give final approval of academy budgets.
- To give final approval for all capital projects to be undertaken within academies.
- To appoint and remove Members of Local Governing Bodies.
- To approve and review all policies and procedures required by law.
- To fulfil the requirements of external agencies e.g. DfE/EFA.
- To approve the appointment of the Headteachers for sponsored academies and to oversee the HR strategy and policy.
- To review the scheme of delegation on an annual basis and to make appropriate changes, as required.
- To monitor the role of the Chief Executive.

Key Responsibilities of Chief Executive

- To act as the Chief Accounting Officer and have appropriate oversight of the Trust's financial affairs.
- To be accountable to the Board of Directors for the work of the Trust.
- To work with the Board of Directors to ensure that the vision and key objectives are fulfilled.
- To implement and monitor policies and procedures required by the Board.
- To implement and monitor reporting procedures on each sponsored academy and any other issues that are pertinent to the Board.
- To appoint the Headteachers for sponsored academies.
- To manage the performance of the Headteachers for the sponsored academies.
- To have oversight of the quality improvement and financial monitoring processes.
- To represent the Trust with outside bodies.

Key Responsibilities of Chief Financial Officer

- To act as the Trust's Finance Director.
- To keep full and accurate accounting records.
- To ensure that the Trust has robust financial governance arrangements and complies with all funding agreements.
- To ensure that risk management procedures are implemented.
- To prepare and monitor budgets and ensure that annual accounts are presented and all financial returns made in a timely manner.
- To ensure that the Board is fully apprised of all financial arrangements and has accurate information on the financial position of the Trust at all times.
- To presents accurate and timely reports to the Board.

Key Responsibilities of Director of Projects

- To work with the Headteacher in each school within the Trust to establish a vision for the school.
- To agree in conjunction with the Headteacher a strategic plan and improvement for the school for presentation to WAT Trust Board.
- To monitor the work of the school against agreed targets.
- To report to the Directors on the work of the school and to make recommendations.
- To be the day to day contact point for the Headteacher.
- To consult with the Headteacher of the school/Chief Executive of the Trust on appointment of the senior staff.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report (continued)

Key Responsibilities of Member School Headteacher

- To implement the vision and policies of Wirral Academy Trust effectively.
- To share the vision of the academy and to implement strategies to ensure that the vision is fulfilled.
- To develop a Strategic Plan / Improvement Plan to ensure that strategic objectives are met.
- To work with staff in the school to develop a culture of challenge, high expectations and standards.
- To implement a dynamic and flexible curriculum that meets the needs of the learners.
- To review, evaluate and monitor teaching, learning and assessment and to ensure that improvement strategies are implemented, as required.
- To implement strategies that secures high attendance, excellent punctuality and high standards of behaviour at all times.
- To develop an excellent learning environment and promote the use of technology to support learning.
- To implement robust quality procedures.
- To plan the allocation of all financial and human resources to ensure value for money and to maximise the use of resources to support teaching and learning.
- To manage the school efficiently and effectively.
- To oversee the admissions of pupils, maintain discipline, maintain high levels of attendance and oversee suspension and exclusions in line with policy.
- To analyse data/information relating to the progress of the school and to provide detailed and accurate reports, as required.
- To work with Wirral Academy Trust to identify levels of support and potential for joint services.
- To develop an annual budget and present to Wirral Academy Trust Board.
- To comply with all policies and legal requirements related to safeguarding and health and safety.
- To have overall responsibility for the day to day management of the school.

Key Responsibilities of Local Governing Body

The Local Governing Board will act as an advisory board to Wirral Academy Trust Board. The meetings of the Local Governing Boards will take place two weeks in advance of Wirral Academy Trust Board meeting. The Local Governing Board will make available minutes of their meetings. Papers will be issued one week in advance of meetings.

The Board of Directors will delegate to the Local Governing Body the following responsibilities for supporting the school and its leadership and management team in improving the:

- Achievement of pupils
- Quality of teaching
- Behaviour and safety of pupils

The Local Governing Body will specifically be expected:

- To promote and support the vision and direction of Wirral Academy Trust.
- To agree the strategic objectives for the academy and its direction within the framework of the vision of Wirral Academy Trust.
- To develop and monitor the School Improvement Plan.
- To monitor teaching, learning and assessment within the school to ensure that timely improvements are being made.
- To ensure that an appropriate curriculum is being offered that meets local needs and fits within Wirral Academy Trust guidelines.
- To operate within the budget that is devolved.
- To ensure implementation and closely monitor safeguarding and health and safety requirements.
- To hold the Headteacher to account for standards at the school.
- To approve policies and procedures that are specific to the school.
- To review, monitor, provide advice and constructively challenge, as appropriate.
- To ensure that Local Governing Body arrangements are conducted effectively.
- To be responsible to the Directors of Wirral Academy Trust and to comply and act within the Terms of Reference.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report (continued)

Related Parties and Other Connected Charities and Organisations

The sponsors of the University Academy Birkenhead were the University of Chester, University of Liverpool, Birkenhead Sixth Form College, Wirral Metropolitan College, and Wirral Metropolitan Borough Council up until March 2015. The lead sponsor being the University of Chester. The Trust was then passed to Wirral Academy Trust. Details of related party transactions are given in Note 27.

Objectives and Activities

The principle activity of Wirral Academy Trust is to support member schools to provide high quality education for its pupils.

Mission Statement for Wirral Academy Trust

'Raising aspirations and transforming lives'

Objects and Aims

Overall Aims

- To enable students to experience an ambitious and creative learning environment and provide opportunities for every individual to reach their academic potential.
- To offer a broad, balanced and rich curriculum that enables core skills to be attained and provides the opportunity for students to take advantage of a range of opportunities and pathways.
- To support, challenge and nurture a lasting passion and curiosity for learning in each student.
- To be able to be an innovative educational organisation which seeks to use the best established practice to attain high standards of teaching and learning.
- To provide a secure and caring environment that will foster the development of socially responsible young people.
- To prepare students to proactively participate and compete at local, national and international levels.
- To encourage engagement with families and the local community to enhance opportunities and learning outcomes for students.
- To provide leadership and foster continuous improvement in all the work of the Wirral Academy Trust and the individual member schools.

Objectives, Strategies and Activities

Key Objectives for Wirral Academy Trust

- To ensure that all our schools are high performing within a set timescale.
- To engage with learners to enable them to develop, progress to appropriate pathways and achieve their ambitions.
- To offer a dynamic and shared curriculum across the schools within the Trust that will meet the needs of the learners.
- To provide standards for excellent pastoral provision, advice and guidance to support the learners in their academic studies in each school.
- To develop excellent quality systems that will facilitate continuous improvement in all aspects of the work of the individual schools.
- To disseminate good practice, encourage professional development and provide career opportunities for all staff working within the Trust.
- To provide a range of services to the schools within the family to enable value for money to be attained and thus allowing money within the schools to be channelled to improving teaching and learning.

The key objectives are reviewed annually by the Board of Directors of the Trust.

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report (continued)

Strategic Report

Achievements and Performance for the Year 2014-2015

Key Performance Indicators

Reports were presented to the Governors at the University Academy Birkenhead and more recently to The Local Governing Body and The Wirral Academy Trust Board to show the progress that renamed school - The Birkenhead Park School has made during the year. Some of the key outcomes of actions implemented are shown below:

- In summer 2015 Birkenhead Park School achieved an increase of 1%, based on the performance measure of 5A*CEM.
- Fisher Family Trust estimates headline performance measure puts Birkenhead Park School within the top 10% of similar schools nationally.
- Successes also included GCSE English where the marked improvements secured in 2014 were maintained, with expected levels of progress being broadly in line with national averages (for all schools).
- There was an improved performance in Science compared with 2014, with many courses exceeding national figures, with Core and Additional Sciences exceeding national figures by 31% and 15% respectively.
- Attendance rates have continued to improve, reaching 94% in 2015 compared with 93% in 2014.
- Persistent Absence Rates are a key performance measure for the school and in 2015 this fell again, reaching 6.7% compared with 8.4% in 2014 and 15.4% in 2013.
- Behaviour has also seen marked and continued improvement with fixed term exclusions reducing by 40% compared with 2014.
- Student numbers recruited to year 7 have increased.

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

The Birkenhead Park School received a full Ofsted inspection in June 2015 with the following judgements:

Overall effectiveness	Requires improvement	3
Leadership and management	Good	2
Behaviour and safety of pupils	Good	2
Quality of teaching	Requires improvement	3
Achievement of pupils	Requires improvement	3

The Trust is also monitored through the completion and submission to the EFA of:

- the Annual Accounts Return
- the Annual Budget Forecast
- the Pupil Numbers Census Return

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies in Note 1.

Financial Review

Most of the Trust'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 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report (continued)

the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31st August 2015 the net book value of fixed assets was £510,000. The movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Income totalling £5,451,000 in the year ended 31st August 2015 is below expenditure of £5,914,000 by £463,000 before the Mersey Pension Fund actuarial loss in the year of £118,000.

It should be noted that, as required by Financial Reporting Standard (FRS) 17, the provision has been made in the financial statements for the deficit identified in the recent actuarial valuation of the Local Government Defined Benefit Pension Scheme, to which a number of support staff are members. Details of the provision are given in Note 26 to the financial statements.

The trustees have reviewed the fund balances carried forward at 31st August 2015, together with the projected results for the next two years, and confirm that it is appropriate for the financial statements to be drawn up on the going concern basis.

Reserves policy

The trustees have decided that all unrestricted reserves can be utilised in helping the Trust achieve its objectives.

Investment Policy

The Trust has a risk averse appetite to investment; any surplus reserves are invested for maximum return within that risk appetite.

Principal Risks and Uncertainties

A risk register is maintained by the Trust which is reviewed at least annually by the trustees and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

1. Government Funding

The Trust has considerable reliance on continued government funding through the DfE / EFA and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Trust is rigorous in delivering high quality education and training
- By careful management of the budget and identification of where costs can be reduced.
- Considerable focus and investment is placed on maintaining and managing key relationships with the DfE.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Trustees' Report (continued)

2. Maintenance of High Quality Provision

Maintain a focus on ensuring that improvement in achievement in all aspects of provision is on an upward trajectory.

The risk is mitigated in a number of ways:

- Rigorous improvement plan
- Improvement of core skills
- Effective quality assurance processes

Plans for Future Periods

Wirral Academy Trust will continue striving to improve achievement and progress of its students at all levels. It will also ensure that the impact across the community is positive and that the Trust becomes the school of choice for students in Birkenhead.

Although there has been some improvement in GCSE performance at the member school we anticipate a further improvement to the educational reputation of the school. The school has an improvement plan and the Trust will continue to provide support for the leadership, educational develop and business strands of the school.

Wirral Academy Trust will continue to seek to build capacity to enable it to support additional schools within the locality, as appropriate.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The financial statement auditors, Wylie & Bisset LLP have been appointed for a period of three years commencing with the 2014/15 academic year.

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



Carl Beer
Chair of Trust Board
8th December 2015

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Governance Statement

Scope of Responsibility

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

The trustees have delegated the day-to-day responsibility to the chief executive, 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 the Trust and the Secretary of State for Education. She is also responsible for reporting to the trustees 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 board of trustees has formally met 6 times during the year (5 board meetings and 1 extraordinary board meeting). Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of Possible	Sponsor
Helen Aspinall	4	4	UCAT
Alan Brighthouse	4	4	UCAT
Michael Coffin	3	4	UCAT
Elaine Crowther	2	4	UCAT
Graham Fairlie	4	4	UCAT
Geraint Parry	4	4	UCAT
Petrice Patrick	3	4	UCAT
Gill Sandland	2	4	UCAT
Iain Simons	4	4	UCAT
Walter Smith	3	4	UCAT
Emma Waller	3	4	UCAT
Carl Beer	1	2	
John Cook	1	2	
Lyn Eaton	2	2	
Catherine Jones	2	2	
Michael Kilbride	2	2	
Michael Morris	1	2	
Kathryn Podmore	2	2	

As previously stated there was a change of sponsorship during the year resulting in two sets of trustees being in place. Under the sponsorship of UCAT the board met 4 times between 1st September 2014 and 17th March 2015 and under the sponsorship of WAT the board met 2 times between 17th March 2015 and 31st August 2015.

Review of Value for Money

As accounting officer the chief executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Governance Statement (continued)

- Review of contracts in place to identify opportunities to negotiate better terms and/or reduced the utilisation of goods and services.
- Tighter control of the budget setting process and focus on the financial position over the longer term.
- Identification of improvements to financial controls to reduce the risk of improper use of public money.
- The change of sponsor in the year has brought an increased focus on central services and benefits have already arisen from sharing of resource and best practice.
- Appointment of new external and internal auditors will bring a fresh approach. The number of internal audit days has been increased to ensure adequate focus on governance and internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget which is reviewed and agreed by the board of trustees
- periodic financial reports including updates on 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 guidelines
- delegation of authority and segregation of duties
- identification and management of risks

Prior to the change of sponsor, UCAT appointed McLintocks Accountants who conducted one audit of the school which focussed on reconciliation of income. The WAT Board has considered the need for a specific internal audit function and has appointed Wylie & Bisset as internal auditor. Wylie & Bisset conducted a high level review of key internal financial controls in May 2015.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The objectives of the high level review of key internal financial controls were to ensure:

- Bank payments are authorised appropriately.
- Regular bank reconciliations are completed and authorised in a timely manner.
- All cash received is banked in a timely manner.
- The current banking and petty cash arrangements are robust and fit for purpose.
- Petty cash is only used for bona fide expenses of the Trust.
- All staff are accurately paid in accordance with approved records.
- Payroll reports are received and reviewed and confirmed as accurate prior to payments being made.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Governance Statement (continued)

- All invoices are authorised prior to payment.
- Orders are matched with goods received notes (where applicable) and invoices prior to being passed for payment.
- All orders are approved by an appropriate manager prior to be placed.
- Payment runs are reviewed, approved and authorised prior to actual payments being made.

Reports are submitted by the internal auditors to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

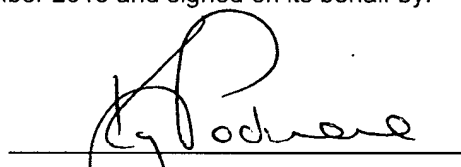
Review of Effectiveness

As accounting officer, the Chief Executive 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 headteacher and their senior management team
- the work of the executive managers within the Trust 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 8th December 2015 and signed on its behalf by:


Carl Beer
Chair of Trust Board:
Kathryn Podmore
Chief Executive

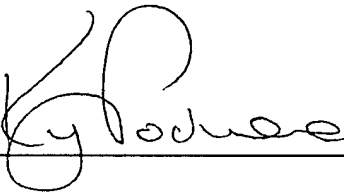
WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Statement of Regularity, Propriety and Compliance

As accounting officer of Wirral Academy Trust I have considered my responsibility to notify the Trust Board 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 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 Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

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

A handwritten signature in black ink, appearing to read 'K Podmore', is written over a horizontal line.

Kathryn Podmore
Accounting Officer
8th December 2015

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

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



Carl Beer
Chair of Trust Board
8th December 2015

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Independent Auditor's Report on the Financial Statements to the Members of Wirral Academy Trust

We have audited the accounts of Wirral Academy Trust for the year ended 31st August 2015 set out on pages 19 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustees and Auditors

As explained more fully in the Governors' Responsibilities Statement set out on pages 10 to 12, the trustees, who are also the directors of Wirral Academy Trust 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 charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

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

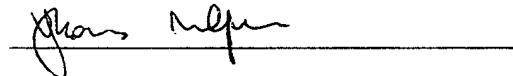
WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Independent Auditor's Report on the Financial Statements to the Members of Wirral Academy Trust

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Thomas McGuire BA CA (Senior Statutory Auditor)

Date: 8 December 2015

Wylie & Bisset LLP
Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Independent Reporting Accountant's Assurance Report on Regularity to Wirral Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 8th September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wirral Academy Trust during the period 1st September 2014 to 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Wirral Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wirral Academy Trust funding agreement with the Secretary of State for Education dated 27th July 2015 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 1st September 2014 to 31st August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

The work undertaken to draw to our conclusion includes:

- direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control represents a breach of authorities;

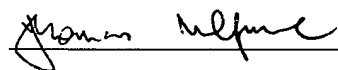
WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Independent Reporting Accountant's Assurance Report on Regularity to Wirral Academy Trust and the Education Funding Agency

- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

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 1st September 2014 to 31st August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Thomas McGuire BA CA
Reporting Accountant
Wylie & Bisset LLP

Date: 8 December 2015

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Statement of Financial Activities

For the year ended 31st August 2015

(including Income and Expenditure Accounts and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
	Note					
Incoming resources						
Incoming resources from generated funds:						
- Activities for generating funds	3	7	-	-	7	8
- Investment income	4	13	-	-	13	23
Incoming resources from charitable activities:						
- Funding for the trust's educational operations	5	-	5,379	15	5,394	6,222
Other incoming resources	6	-	37	-	37	44
Total incoming resources		20	5,416	15	5,451	6,297
Resources expended						
Charitable activities:						
- Academy trust educational operations	7, 8	20	5,463	260	5,743	5,959
- Exceptional costs	7, 10	-	147	-	147	97
Governance costs	9	-	24	-	24	17
Total resources expended		20	5,634	260	5,914	6,073
Net incoming / (outgoing) resources before transfers		-	(218)	(245)	(463)	224
Gross transfers between funds		-	1	(1)	-	-
Net income/(expenditure) for the year		-	(217)	(246)	(463)	224
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	16, 26	-	(118)	-	(118)	(358)
Net movement in funds		-	(335)	(246)	(581)	(134)
Reconciliation of funds						
Total funds brought forward at 1st September 2014		-	(1,034)	756	(278)	(144)
Total funds carried forward at 31 August 2015		-	(1,369)	510	(859)	(278)

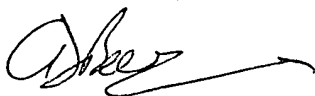
All of the trust's activities derive from continuing operations during the above two financial periods.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

**Balance Sheet
As at 31st August 2015**

		2015	2015	2014	2014
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	13		510		753
Current assets					
Debtors	14	381		269	
Cash at bank and in hand		1,721		2,065	
		<u>2,102</u>		<u>2,334</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(824)		(863)	
Net current assets			1,278		1,471
Net assets excluding pension liability			<u>1,788</u>		<u>2,224</u>
Defined benefit pension scheme liability	26		(2,647)		(2,502)
Net assets including pension liability			<u>(859)</u>		<u>(278)</u>
Funds of the Trust:					
Restricted funds					
- Fixed asset fund	16	510		756	
- General fund	16	1,278		1,468	
- Pension reserve	16	(2,647)		(2,502)	
Total restricted funds			(859)		(278)
Unrestricted income funds	16		-		-
Total funds			<u>(859)</u>		<u>(278)</u>

The financial statements on pages 19 to 37 were approved by the Board of Trustees, and authorised for issue on 8th December 2015 and are signed on their behalf by:



Carl Beer
Chair of Trust Board

Company Number: 07472190

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

**Cash Flow Statement
For the year ended 31st August 2015**

	Note	2015 £000	2014 £000
Net cash (outflow) / inflow from operating activities	20	(355)	880
Return on investments and servicing of finance	21	13	23
Capital Expenditure	22	(2)	(269)
(Decrease) / increase in cash in the year	23	(344)	634
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		2,065	1,431
(Decrease) / increase in cash in the year		(344)	634
Net funds at 31 August 2015		1,721	2,065

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

1. Statement of 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 2014 to 2015 issued by 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 the going concern basis is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment on a regular basis and at each year end.

The trustees have reviewed the fund balances at 31st August 2015 and have approved budget and cash flow forecasts for 2015/16 and future years, and consider it appropriate for the financial statements to be drawn up on a going concern basis.

At 31st August 2015 the Trust had net liabilities of £859,000 after providing for a defined benefit pension scheme deficit under FRS17 of £2,647,000. The Board have considered a period of at least 12 months from the date of approval of these financial statements and are satisfied that the Trust can continue to operate and meet its liabilities as they fall due. The pension scheme deficit is not expected to crystallise for the foreseeable future. Accordingly the Board consider that it is appropriate to prepare the accounts on a going concern basis.

1.3. Incoming Resources

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

▪ Grants Receivable

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

The general annual grant (GAG) from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

▪ Sponsorship income

Sponsorship income provided to the Trust 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.

▪ Donations

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

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

▪ Other Income

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

▪ Donated Services, Facilities and Services

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Trust's accounting policies.

▪ Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, inclusive of related tax credits.

1.4. Resources expended

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

▪ Cost of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

▪ Charitable Activities

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

▪ Governance Costs

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

All resources expended are stated inclusive of any irrecoverable VAT.

1.5. Tangible Fixed Assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

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

- Furniture and equipment 25%
- Computer equipment 25%
- Leasehold improvements are depreciated over the remaining term of the lease

Depreciation on all assets commences the month after acquisition.

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

1.6. Leased Assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7. Taxation

The Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

1.8. Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

No enhanced pensions to former members of staff have been incurred by the Trust in this financial period.

1.9. Fund Accounting

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

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

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

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

1.10. Recognition of Liabilities

Liabilities are recognised in the Financial Statements where it is probable that the liability will be settled and the value of the obligation can be measured reliably.

1.11. PFI Agreement

The Trust occupies buildings which are owned by Wirral Borough Council and utilised by Birkenhead Park School under a PFI agreement. The Trust pays revenue contributions in respect of the facilities management. The contract will expire in the year 2031. The Trust does not have any rights or obligations of ownership in respect of these assets and therefore they are not included on the Trust's balance sheet. The revenue payment is recognised in the SOFA.

Where the Trust procures and pays for additional furniture or equipment or changes to the building, the costs are capitalised and depreciated in accordance with the tangible fixed asset policy above.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31st August 2015 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 31st August 2015.

3. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	7	-	7	8
	<u>7</u>	<u>-</u>	<u>7</u>	<u>8</u>

4. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Bank interest received	13	-	13	23
	<u>13</u>	<u>-</u>	<u>13</u>	<u>23</u>

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

5. Funding for the Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE / EFA grants				
- General annual grant (GAG)	-	4,518	4,518	5,420
- Start-up grant	-	5	5	10
- Capital grants	-	15	15	18
- Other DfE / EFA grants	-	702	702	554
	-	5,240	5,240	6,002
Other Government grants				
- Local authority grants	-	34	34	66
- Other grants	-	120	120	154
	-	154	154	220
	-	5,394	5,394	6,222

6. Other Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Other Income	-	37	37	44
	-	37	37	44

7. Resources Expended

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2015 £000	Total 2014 £000
Trust's educational operations:					
- Direct costs	3,122	-	447	3,569	3,830
- Allocated support costs	587	629	958	2,174	2,129
	3,709	629	1,405	5,743	5,959
Governance costs including allocated support costs	-	-	24	24	17
Exceptional severance costs (Note 10b)	147	-	-	147	97
	3,856	629	1,429	5,914	6,073

Net income / (expenditure) for the period includes:

	Total 2015 £000	Total 2014 £000
Operating leases		
- Land and buildings	389	403
- Other leases	4	5
Fees payable to auditor for:		
- Audit	9	17

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

8. Charitable Activities

	Total 2015 £000	Total 2014 £000
Direct costs – educational operations		
Teaching and educational support staff costs	3,122	3,431
Educational supplies	285	270
Examination fees	45	63
Staff development	27	20
Other direct costs	89	46
	3,568	3,830
Support costs – educational operations		
Support staff costs	587	508
Depreciation	260	253
Technology costs	88	-
Recruitment and support	10	-
Maintenance of premises and equipment	18	25
PFI Charge	517	541
Cleaning	2	2
Rent & rates	20	20
Energy costs	72	41
Insurance	20	42
Security and transport	40	78
Catering	117	140
Bank interest and charges	2	2
Professional fees / management charge	244	234
Other support costs	178	243
	2,175	2,129
Total direct and support costs	5,743	5,959

9. Governance Costs

	Total 2015 £000	Total 2014 £000
Legal and professional fees	15	-
Auditor's remuneration		
- Audit of financial statements	9	17
	24	17

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

10. Staff Costs

- a. Staff costs during the period were:

	Total 2015 £000	Total 2014 £000
Staff costs during the period were:		
Wages and salaries	2,874	3,106
Social security costs	216	239
Operating costs of defined benefit pension schemes	495	474
	<u>3,585</u>	<u>3,819</u>
Supply staff costs	124	163
Staff restructuring costs	147	97
	<u>3,856</u>	<u>4,079</u>

- b. Staff severance payments

Included in staff restructuring costs are statutory severance payments totalling £147,446 (2014: £96,626). The £147,446 was made up of 14 payments with the value ranging from £500 to £26,000.

- c. Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Charitable activities		
Teachers	38	44
Administration and support	42	36
Management	5	5
	<u>85</u>	<u>85</u>

- d. Higher paid staff

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

	2015 No.	2014 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' pension scheme	Numbers	3	2
	£000	34	24

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

11. Related Party Transactions - Trustees' and Directors' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Geraint Parry (principal and director)

Remuneration: £100,001 - £110,000 (2014: £100,001 - £110,000)

Employer's pension contributions £15,001 - £20,000 (2014: £10,001 - £15,000)

Michael Coffin (staff member and director)

Remuneration: £40,001 - £45,000 (2014: £40,001 - £45,000)

Employer's pension contributions £5,001 - £10,000 (2014: £5,001 - £10,000)

Petrice Patrick (staff member and director)

Remuneration: £25,001 - £30,000 (2014: £25,001 - £30,000)

Employer's pension contributions nil - £5,000 (2014: nil - £5,000)

During the period ended 31st August 2015 no payments or reimbursed expenses have been made in the year to trustees (2014: £74 paid to one trustee).

Other related party transactions involving the trustees are set out in Note 27.

12. Trustees', Directors' and Officers' Insurance

The Trust has opted into membership of a Risk Protection Arrangement (RPA). The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise from 1st September 2014 will be covered by government funds. Included in the RPA is governor's liability to a maximum aggregate of £10m in any one year. The cost of the RPA is not itemised with the overall costs included in insurance.

13. Tangible Fixed Assets

	Leasehold Improvements £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
Cost				
At 1 September 2014	256	73	941	1,270
Additions	10	-	7	17
Disposals	-	-	-	-
At 31 August 2015	<u>266</u>	<u>73</u>	<u>948</u>	<u>1,287</u>
Depreciation				
At 1 September 2014	-	40	477	517
Charge in year	15	14	231	260
Disposals	-	-	-	-
At 31 August 2015	<u>15</u>	<u>54</u>	<u>708</u>	<u>777</u>
Net book values				
At 31 August 2015	<u>251</u>	<u>19</u>	<u>240</u>	<u>510</u>
At 31 August 2014	<u>256</u>	<u>33</u>	<u>464</u>	<u>753</u>

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

14. Debtors

	Total	Total
	2015	2014
	£000	£000
Trade debtors	1	21
VAT recoverable	1	55
Other debtors	-	44
Prepayments and accrued income	379	149
	381	269

15. Creditors: amounts falling due within one year

	Total	Total
	2015	2014
	£000	£000
Trade creditors	309	157
Taxation and social security	122	134
Accruals and deferred income	393	572
	824	863
Deferred income		
Deferred income at 1 September 2014	14	
Resources deferred in the year	31	
Amounts released from previous years	-	
Deferred income at 31 August 2015	45	

Deferred income relates to income received for school games funding and rates rebate for the period September 2015 to March 2016 and money received from pupils for trips to China scheduled for October 2015 and March 2016.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

16. Funds

	Balance at 31 August 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General annual grant	936	4,518	(4,710)	430	1,174
Start up grant	429	5	(5)	(429)	-
Other DfE/EFA Grants	-	702	(702)	-	-
Other	103	191	(190)	-	104
Pension reserve	(2,502)	-	(27)	(118)	(2,647)
	(1,034)	5,416	(5,634)	(117)	(1,369)
Restricted fixed asset funds					
DfE/EFA capital grants	756	15	(260)	(1)	510
	756	15	(260)	(1)	510
Total restricted funds	(278)	5,431	(5,894)	(118)	(859)
Unrestricted funds					
Unrestricted funds	-	20	(20)	-	-
Total unrestricted funds	-	20	(20)	-	-
Total funds	(278)	5,451	(5,914)	(118)	(859)

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

The General Annual Grant must be used for the normal running costs within the Trust.

Start-up grants are provided to support transitional costs for a period after a school converts to an academy and to cover diseconomies of scale until the academy reaches its pupil number capacity.

The DfE capital grants are provided by the Government for specific capital projects.

A Devolved Capital Formula grant of £15,154 was received and was expended within the year on the purchase of fixed assets.

Under the funding agreement with the Secretary of State, the Trust was subject to a limit on the amount of GAG that it could carry forward at 31st August 2015. Note 2 discloses whether the limit was exceeded.

Restricted funds include £103,000 held as a trustee on behalf of the University Academy of Birkenhead Education Fund, a registered charity.

17. Analysis of Net Assets between Funds

Fund balances at 31st August 2015 are represented by:

	2015 Unrestricted Funds £000	2015 Restricted General Funds £000	2015 Restricted Fixed Asset Funds £000	2015 Total Funds £000
Tangible fixed assets	-	-	510	510
Current assets	-	2,102	-	2,102
Current liabilities	-	(824)	-	(824)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(2,647)	-	(2,647)
Total net assets	-	(1,369)	510	(859)

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)**Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)****18. Capital Commitments**

The Trust had no capital commitments, either contracted for and not provided or authorised but not contracted, at 31st August 2015 (2014: nil).

19. Financial Commitments

At 31st August 2015 the Trust had annual commitments under non-cancellable operating leases, as follows:

	Total	Total
	2015	2014
	£000	£000
Operating Leases		
Land and Buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring over five years	389	409
	389	409
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	4	3
Expiring over five years	-	-
	4	3

The short term leases are for photocopiers and general office equipment, whilst the long term commitment relates to the PFI agreement between the Trust and Wirral Borough Council. This agreement covers repairs and maintenance of land and buildings as well as equipment and motor vehicles, utility and management charges.

20. Reconciliation of Net Income to Net Cash (Outflow) / Inflow from Operating Activities

	Total	Total
	2015	2014
	£000	£000
Net income	(463)	224
Depreciation (Note 13)	260	253
Capital grants from DfE and other capital income	(15)	(18)
Interest receivable (Note 4)	(13)	(23)
FRS 17 pension cost less contributions payable (Note 26)	(54)	(37)
FRS 17 pension finance income (Note 26)	81	80
(Increase) / decrease in debtors	(112)	258
Increase / (decrease) in creditors	(39)	143
Net cash provided by / (used in) Operating Activities	(355)	880

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

21. Returns on Investments and Servicing of Finance

	Total 2015 £000	Total 2014 £000
Interest received	13	23
Net cash inflow from returns on investment and servicing of finance	<u>13</u>	<u>23</u>

22. Capital Expenditure and Financial Investment

	Total 2015 £000	Total 2014 £000
Purchase of tangible fixed assets	(17)	(287)
Capital grants from DfE/EFA	15	18
Net cash outflow from capital expenditure and financial investment	<u>(2)</u>	<u>(269)</u>

23. Analysis of Change in Net Funds

	At 1 September 2014 £000	Cash flows £000	At 31 August 2015 £000
Cash in hand and at bank	2,065	(344)	1,721
Total cash and cash equivalents	<u>2,065</u>	<u>(344)</u>	<u>1,721</u>

24. Contingent Liabilities

Funding agreement contingency:

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a capital grant was received, the Trust is required either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of 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 Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Trust's premises and other assets held for the purpose of the Trust, and
- the extent to which expenditure incurred in providing those assets was met 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.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

26. Pension and Similar Obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic staff 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 schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31st March 2012 and of the LGPS 31st March 2013.

Contributions amounting to £57,851 (2014: £61,680) were payable to the schemes at 31st August 2015 and are included within creditors.

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%
- Trusts should disclose the total pension contributions payable to the Teachers' Pension Scheme during the period.

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

The pension costs paid to TPS in the period amounted to £459,394 (2014: £657,939).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2015 was £243,883, of which employer's contributions totalled £200,857 and employees' contributions totalled £43,026. The agreed contribution rates for future years are 13.5% per cent for employers with employee contributions of 5.5% to 7.5%.

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 18th July 2013.

Principal Actuarial Assumptions

	At 31/08/15	At 31/08/14
Rate of increase in salaries	3.8%	3.7%
Rate of increase for pensions in payment / inflation	2.3%	2.2%
Discount rate for scheme liabilities	4.0%	4.0%
Inflation assumption (CPI)	2.3%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	At 31/08/15 Years	At 31/08/14 Years
<i>Retiring today</i>		
Males	22.4	22.3
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	28.1	28.0

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

	2015 Expected return at 31 August 2015	2015 Fair value at 31 August 2015 £000	2014 Expected return at 31 August 2014	2014 Fair value at 31 August 2014 £000
Equities	6.5%	788	7.0%	650
Government Bonds	2.5%	181	2.9%	148
Other Bonds	3.6%	68	3.8%	25
Property	6.1%	113	6.2%	84
Cash/Liquidity	0.5%	38	0.5%	47
Other Bonds	6.5%	123	7.0%	125
Total market value of assets		1,311		1,079
Present value of scheme liabilities				
- Funded		(3,958)		(3,581)
Surplus / (deficit) in the scheme		(2,647)		(2,502)

The actual return on scheme assets was £32,000 (2014: £144,000)

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

Amounts recognised in the statement of financial activities

	Total	Total
	2015	2014
	£000	£000
Current service cost	(147)	(134)
Past service cost	-	-
Total operating charge	(147)	(134)

Analysis of pension finance income / (costs)

	Total	Total
	2015	2014
	£000	£000
Expected return on pension scheme assets	64	70
Interest on pension liabilities	(145)	(150)
Pension finance costs	(81)	(80)

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 £401,000 loss (2014: £283,000 loss).

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

	Total	Total
	2015	2014
	£000	£000
At 1 September	3,581	3,231
Current service cost	147	134
Interest cost	145	150
Employee contributions	43	42
Actuarial (gain) / loss	86	118
Benefits paid	(44)	(94)
At 31 August	3,958	3,581

Movements in the fair value of trust's share of scheme assets

	Total	Total
	2015	2014
	£000	£000
At 1 September	1,079	1,130
Expected return on assets	64	70
Actuarial gain / (loss)	(32)	(240)
Employer contributions	201	171
Employee contributions	43	42
Benefits paid	(44)	(94)
At 31 August	1,311	1,079

The estimated value of employer contributions for the year ended 31st August 2016 is £221,000.

WIRRAL ACADEMY TRUST (formerly University Academy of Birkenhead)

Notes to the Financial Statements for the Period Ended 31st August 2015 (continued)

The five year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of defined benefit obligations	(3,958)	(3,581)	(3,231)	(2,984)	(2,376)
Fair value of share of scheme assets	1,311	1,079	1,130	955	686
Deficit in the scheme	(2,647)	(2,502)	(2,101)	(2,029)	(1,690)
Experience adjustments on share of scheme assets	(32)	(240)	75	13	(44)
Experience adjustments on share of scheme liabilities	86	118	-	265	(98)

27. Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the Board 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 may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Wirral Borough Council

The Trust currently operates under a PFI agreement with Wirral Borough Council. This is a long term agreement and covers services for repairs and maintenance to the building, utility charges, cleaning, security and hire of mini buses for pupil transportation at Birkenhead Park School.

Other support services have also been purchased from the Local Authority at arm's length, on normal commercial terms. Costs incurred totalled £850,079 (2014: £850,189). The amounts outstanding at 31st August 2015 were £71,116 (2014: £86,965) included in accrued expenditure and £234,424 included in trade creditors (2014: £81,887). Included in prepayments was a value of £5,944 (2014: nil) and in trade debtors was an amount of nil (2014 £1,900) and in other debtors an amount of nil (2014: £43,691).

University of Chester Academies Trust (UCAT)

Management fees totalling £86,391 (2014: £188,730) were payable to University of Chester Academy Trust (UCAT). There were no payments outstanding (2014: £16,043) at the year end. The total costs relate to management fee charges for the period 1st September 2014 to 17th March 2015 when UCAT ceased to be the main sponsor, as agreed by the school.

Birkenhead Sixth Form College

Management fees totalling £72,651 (2014: nil) were payable to Birkenhead Sixth Form College. An amount of £72,651 (2014: £nil) was outstanding at the year end and is included in trade creditors. The total costs relate to management fee charges for the period 18th March 2015 to 31st August 2015 as agreed by the school.

SAS Daniels LLP

John Cook, a trustee, is also a partner for SAS Daniels LLP. During the year the Trust entered into a contract with SAS Daniels for the provision of HR Legal Services with a total value of £3,444 (2014: nil). The contract was entered into following normal purchasing regulations and signed off by the Chief Executive.