

Company Limited by Guarantee: Registration number 07472190 (England & Wales)

**UNIVERSITY ACADEMY OF BIRKENHEAD
PARK ROAD SOUTH, BIRKENHEAD, WIRRAL CH43 4UY**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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UNIVERSITY ACADEMY OF BIRKENHEAD
REFERENCE AND ADMINISTRATIVE DETAILS

Board of Governors (also Directors of the company)

The Board of Governors comprises the following individuals:-

		Appointed Date:	Resignation Date:
Professor David Cracknell	Chair (Sponsor Governor)	Appointed to role of chair 11.10.12	03.04.2014
Ms L Moore	Vice Chair (Sponsor Governor)	Appointed to role of Vice- Chair from 11.10.12	31.01.2014
Mr G Fairlie	Chair (Sponsor Governor)	Appointed to role of chair 03.04.2014 & reappointed 18.09.2014	
Cllr W Smith	Sponsor Governor	24.03.2011	
Mr M Hayhoe	Sponsor Governor	22.03.2012	29.11.2013
Ms C Fleming	Sponsor Governor	03.04.2014	
Ms R Shaw	Sponsor Governor	03.01.2014	
Mr M Kilbride	Co-sponsor Governor	18.02.2011	31.01.2014
Dr H Aspinall	Co-sponsor Governor	Appointed to Vice-Chair 06.02.2014 reappointed 18.09.2014	
Mrs E Crowther	Co-sponsor Governor	13.12.2012	
Ms E Russell	Co-sponsor Governor	01.02.2014	
Mr A Brighouse	Co-opted Governor	18.02.2011	
Ms J Bacon	Co-opted Governor	05.10.2012	10.07.2014
Ms T Sterling	Co-opted Governor	05.10.2012	12.12.2013
Mr G Parry	Principal		
Mr I Simons	Parent Governor	12.03.2012	
Mrs G Sandland	Parent Governor	28.03.2012	
Mr M Coffin	Staff Governor (Teaching)	15.03.2012	
Mrs P Patrick	Staff Governor (Support)	15.03.2012	

Corporate Secretary St Paul's Secretaries Limited

The Principal is an ex-officio Governor.

UNIVERSITY ACADEMY OF BIRKENHEAD
REFERENCE AND ADMINISTRATIVE DETAILS

Senior Management Team

Principal	Mr G Parry
Deputy Principal	Mrs H Johnson
Assistant Principal	Mr P Mee
Assistant Principal	Mr N Foley
Assistant Principal	Mr P Silcock

Company Registration Number: 7472190 (England & Wales)

Registered Office University Academy of Birkenhead
UCAT Academies
Gateway House
Northgate Street
Chester
CH1 2HT

Principal Office: University Academy of Birkenhead
Park Road South
Birkenhead
Wirral
CH43 4UY

Independent Auditors: Baker Tilly UK Audit LLP
Steam Mill
Chester
Cheshire
CH3 5AN

Bankers: Barclays Bank
30 St Werburgh Street
Chester
Cheshire
CH1 2DY

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

UNIVERSITY ACADEMY OF BIRKENHEAD
TRUSTEES' REPORT INCORPORATING STRATEGIC REPORT
YEAR ENDED 31 AUGUST 2014

The Trustees of the University Academy Birkenhead ("the Academy"), who are also directors of the Academy for the purposes of the Companies Act, present their statutory report and the audited financial statements for the year ended 31 August 2014. The school operates for pupils aged 11 to 16 serving a catchment area in The Wirral.

Structure, Governance and Management

Constitution and principle activities

The Academy is a company limited by guarantee (Company registration number 07472190) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy and were set up on 16 December 2010. All of the Trustees are also directors of the limited company. The Academy was established on 1 January 2011 to replace Park High School and Rock Ferry High School, both of which ceased to exist in December 2010.

Members of the Academy Trust Company are the Principal Sponsor (the University of Chester) as well as the University of Liverpool, Wirral Metropolitan College and Birkenhead 6th Form College. In addition, the Secretary of State has the power to appoint a member and the remainder of the members have the power to appoint up to two individuals as members. Neither has chosen to exercise their power.

The 'funding agreement' was executed and delivered as a deed in December 2010 and signed by the Academy and the Secretary of State for Education. The funding agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn and that the curriculum should comply with the substance of the national curriculum with emphasis on mathematics and sport and performance and its principal applications.

The principle activity of the charitable company was to provide education for 11-16 year olds within the Birkenhead community with an emphasis on Applied Learning, Sport and Performance.

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.

Governance

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

Details of the Trustees and Directors who served throughout the year and were in office at 31 August 2014 (except as noted) are included in the Reference and Administration Details on pages 2 and 3.

Governance (Cont'd)

Trustees/Directors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each annual general meeting of the charitable company one third of the Trustees retire by rotation. The Trustees to retire are those who have been longest in office since their last election or appointment.

During the year under review, the Board of Trustees/Directors held an Annual General Meeting, nine meetings, including three extraordinary meetings. In addition, there were numerous training opportunities including bespoke exclusion training and local training events. The training and induction provided for any new Trustees/Directors will depend on their existing experience. Each newly elected Trustee/Director will receive an induction tailored specifically to the individual and delivered in an informal manner. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees/Directors will be given a tour of the Academy and the chance to meet with staff and students. All Trustees/Directors are provided with policies, procedures, minutes, accounts, budgets, plans and other documents needed in order for them to undertake their roles as Trustees/Directors.

In accordance with normal commercial practice and as permitted by its Articles of Association the Academy has purchased insurance to protect trustees, Directors 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.

Organisational Structure

The Board and Leadership Team were established prior to opening. All other staff were transferred under TUPE regulations from predecessor schools. The structure now consists of three levels: the Board, the Leadership Team and the extended Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Leadership Team comprise the Principal, Deputy Principal and three Assistant Principals. These managers control the Academy at an executive level implementing the policies laid down by the Board and reporting back to them. As a group the Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Team always contain a Board member. Some spending control is devolved to members of the extended Leadership Team, with limits above which the Principal must countersign.

The Extended Management Team (EMT) includes the Heads of Faculty and Heads of Year. The EMT are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Risk Management

The Governing Body has in place a process for the assessment of risk. A risk register has been completed and the risks are reviewed annually and approved by the Governing Body. Systems and processes are in place to mitigate any significant risks identified.

Connected Organisations

The sponsors of the Academy are the University of Chester, University of Liverpool, Birkenhead Sixth Form College, Wirral Metropolitan College, and Wirral Metropolitan Borough Council. Details of related party transactions are given in note 22.

Objectives and Activities

The principle object and activity of the charitable company is the operation of the University Academy Birkenhead and to provide education for students of different abilities between the ages of 11 and 16.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The main objectives of the Academy during the period ended 31 August 2014 are summarised below:

- Develop positive relationships based on mutual respect and tolerance, ensuring social inclusion;
- Strive to ensure the academy is an outstanding place for learning;
- Provide a fun and stimulating learning environment, enabling individual potential to be realised;
- Celebrate and value success;
- Provide opportunities for lifelong learning that challenge, motivate and inspire;
- Ensure UAB is at the heart of its community, maximising community links;
- Provide diverse learning pathways;
- Continue our commitment to high achievement for all.

Strategies and Activities

The Academy's main strategy is encompassed by the following beliefs:

To provide:

- learning opportunities for all students so that they progress to attain outstanding qualifications;
- appropriate and professional learning development for all staff;
- a programme of enrichment activities that develops students' passions and interests
- an innovative curriculum offer; at key stage three it focuses on basic skills and deep learning skills, whilst at Key Stage 4 it enables students to follow individual pathways to meet their needs and aspirations;
- an atmosphere where we develop positive relationships based on mutual respect and tolerance, ensuring social inclusion;
- opportunities to maximise links in our community.

Equal opportunities and employment of disabled persons

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

Accessible toilets are installed and door widths are adequate to enable wheelchair access to the building along with two lifts. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment where possible, by making support resources available and through training and career development.

Public Benefit

The governors 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.

Strategic Report

Review of Achievements and Performance for the Year 2013-2014

Attainment – UAB Headlines

	2012	2013	2014	Difference 2014 v 2013	2014 National	Difference UAB v National
% 5 A*-C inc Eng/Mat (+3, inc early entry)	34%	43%	46%	+3%	60%	14%
% 5 A*-C inc Eng/Mat (+2+1, exc early entry)		33%	41%	+8%	Not Available	
% 5 A*-C	71%	81%	88%	+7%		
% 5 A*-G	94%	92%	93%	+1%	95%	-2%
EBac	1%	10%	11%	+1%	22%	-11%

The Academy achieved an increase of 3% based on the previous year's key measure of 5A*-CEM + any 3 to a headline figure of 46%. Although this is a modest improvement, it is achieved in the context of a national decline and many externally imposed changes introduced mid-year, the most significant of these being:

- First attempt counting (announced Autumn 2013)
- A number of in-train qualifications becoming ineligible for inclusion in performance measures.
- Changes to GCSE equivalence of several vocational qualifications
- The removal of an internally assessed component of GCSE English (Autumn 2013) which resulted in the examined elements rising from 40% to 60%.

UNIVERSITY ACADEMY OF BIRKENHEAD
TRUSTEES' REPORT INCORPORATING STRATEGIC REPORT
YEAR ENDED 31 AUGUST 2014

English & Maths – Headlines

	2013	2014	Difference 2014 v 2013	2014 National	Difference UAB v National
% A*-C English	52%	62.7%	+10.7%	61.7%	+1%
% A*-C English (first attempt counts)		57.5%		61.7%	-4.2%
% 3 Levels of progress English	63%	80%	+17%	69%*	+11%
% 3 Levels of progress English (first attempt counts)		75%		69%*	+6%
% A*-C Maths	51%	56%	+5%	62.4%	-6.4%
% 3 Levels of progress Maths	46%	53%	+7%	70%*	-17%

English:

- The highlight of this year's results is the significant improvement in English, increasing from 52% to 62.7%, which has been achieved despite the loss of the speaking & listening element and bucks the national downward trend. Our 2014 result exceeds the national figure for the first time.
- The results in English have been achieved in spite of the mid-year departure of the previous HoF.
- 80% of students are now making expected progress from KS2 to KS4. This has risen significantly from 2013 and now exceeds the national average. As a large number of students enter the academy below national expectations for prior attainment, particularly in terms of literacy skills, they have to make even greater than expected progress to achieve this.

Maths:

- The proportion of students achieving a pass in GCSE Maths has improved by 5% to 56%, although this remains below the national average.
- The proportion of students making expected progress in Maths has also improved by 7% but is still significantly below the national average. The Academy recognises that performance in Maths needs to be accelerated and this is a key priority for 2014-15.

Performance of Key Groups

	2013				2013 % gap	2014				2014 % gap
	Boys		Girls			Boys		Girls		
	117		88			87		66		
5 A*-C	89	76%	77	88%	12%	56	64%	46	70%	6%↓
5A*-C inc EM	45	38%	44	50%	12%	38	44%	32	48%	4%↓
5A*-G	106	91%	83	94%	3%	84	97%	58	88%	9%↑
1A*-G	115	98%	85	97%	1%	87	100%	66	100%	0%↓
En A*-C	53	45%	55	63%	18%	52	60%	44	67%	7%↓
En 3 Lvl Progress	64	55%	60	68%	13%	67/84	80%	52/64	81%	1%↓
Ma A*-C	58	50%	47	53%	3%	50	57%	36	55%	2%↓
Ma 3 Lvl Progress	53	45%	40	45%	0%	44/83	53%	35/65	54%	1%↑

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The overall achievement gap between girls and boys has narrowed from 2013.

	2013				2013 % gap	2014				2014 % gap
	Pupil Premium		Non Pupil-Premium			Pupil Premium		Non Pupil-Premium		
	157		45			104		49		
5A*-C inc EM	58	37%	29	64%	-27%	36	35%	34	69%	-34%
5A*-G	138	88%	44	98%	-10%	96	92%	46	94%	-2%
1A*-G	152	97%	44	98%	-1%	104	100%	49	100%	0%
En A*-C	71	45%	33	74%	-29%	57	55%	39	80%	-25%
En 3 Lvs Progress	89	57%	38	84%	-27%	77/103	75%	42/45	93%	-18%
Ma A*-C	72	46%	31	70%	-24%	48	46%	38	78%	-32%
Ma 3 Lvs Progress	63	40%	28	63%	-23%	46/101	46%	33/47	70%	-24%

- The achievement of Pupil Premium (PP) students is below Non-Pupil Premium students (NPP) in the headline measure of 5A*-CEM and the gap has widened from 2013. Although this reflects the national picture, this gap remains a key area to address.
- Despite the headline gap when comparing PP and NPP students, the proportion of PP students leaving the Academy with GCSE English and Maths and making expected progress in both subjects has either improved or remained stable when compared with 2013. This gives a better indication of the success of the Academy's improvement strategies over time.

	SEN		NON SEN		LAC		EAL	
	16		137		5		8	
5 A*-C	4	25%	98	72%	3	60%	4	50%
5A*-C inc EM	0	0%	70	51%	2	40%	3	37.5%
5A*-G	11	69%	131	96%	4	80%	7	87.5%
1A*-G	16	100%	137	100%	5	100%	8	100%
En A*-C	3	19%	93	68%	2	40%	3	37.5%
En 3 Lvs Progress	10/16	63%	109/132	83%	4	80%	1	100
Ma A*-C	0	0%	86	63%	2	40%	5	62.5%
Ma 3 Lvs Progress	1/15	7%	78/133	59%	2	40%	3	75%

- From 2013-14 the Academy reduced the number of students on the SEN register, in line with recommended policy, and this means that only students with more complex additional needs are included. Year-on-year comparison is therefore not a valid measure.
- Although the performance of SEN students is difficult to benchmark against national indicators, the percentage of SEN students making 3 levels of progress is below non-SEN students. These figures also reflect the national picture, whereby the conversion rates for lower ability students are not as high as for more able students. Despite this, progress for SEN students in English is significantly more positive than in Maths.

UNIVERSITY ACADEMY OF BIRKENHEAD
TRUSTEES' REPORT INCORPORATING STRATEGIC REPORT
YEAR ENDED 31 AUGUST 2014

Other Subjects – GCSE Headlines

Subject	No of Students	2013 Actual	2014 Actual	Difference 2014 v 2013	2014 National	Difference UAB v National
Business Studies	23	N/A	61%		65%	-4%
Dance	28	92%	100%	+8%		
English Literature	28	100%	100%	0%	76%	+24%
Film Studies	17		6%		64%	-58%
French	18	49%	72%	+23%	70%	+2%
Geography	39	6%	37%*	+31%	69%	-32%
German	18		72%		74%	-2%
History	36	30%	67%*	+37%	68%	-1%
Humanities	29		48%		46%	+2%
Science (Chemistry)	23		65%		91%	-26%
Science (Biology)	23		57%		90%	-33%
Science (Physics)	23		52%		91%	-39%
Science Core	32	72%	78%	+6%	60%	+18%
Science Additional	52	98%	48%*	-50%	64%	-16%
Science Further Add	5		100%			
Spanish	68	100%	65%	-35%	72%	-7%

* See notes below regarding Additional Science, Geography and History results

- Results in English Literature remain strong.
- Results in Additional Science, Geography and History, amongst others, have been significantly affected by the legacy of a 3-year KS4 curriculum. For example, Geography results banked in Y10 were 15%, which had the effect of depressing the actual 2014 Y11 Geography result of 46% down to 37%. Similarly, History results in Y10 were 50%. This depressed the 2014 Y11 result of 73% down to 67%.
- MFL results remain broadly in line with national averages. Spanish results cannot be compared year-on-year as the profile and number in the cohort were significantly different.

Other Subjects – Vocational Headlines

Subject	No. of students	2013 Actual	2014 Actual	Difference 2014 v 2013	Current status
Art	58	87.1%	100%	+2.9%	
ASDAN	8	69%	75%	+6%	
Business Studies	9	94%	100%	+6%	
Design	16	-	75%		Course now closed
Drama BTEC	56	90%	98%	+8%	
Health & Social Care	16	6%	19%	+13%	Course now closed
Hosp & Catering	44	89%	91%	+2%	
Media BTEC	39	94%	100%	+6%	
Music BTEC	35	89%	100%	+11%	
ICT OCR	38	97%	100%	+3%	
ICT TLM	28	-	100%		
PE BTEC Cert	66	97%	100%	+3%	
PE BTEC Ext Cert	75	90%	99%	+9%	
Science BTEC	76	90.3%	100%	+9.7%	
Science BTEC(Principles)	21	-	100%		
Textiles	15	-	73%		Course now closed

- Vocational subjects have generally performed well and are broadly in line with national results.
- Where results are less positive, courses have been closed and/or are a result of the legacy 3 year KS4 curriculum.

Next Steps

Having secured further improvements in outcomes, the main priorities for 2014-15 are as follows:

- Implement ½ termly Learning Programmes for all subjects in all year groups that explicitly identify the Essential Skills, Knowledge & Understanding (SKU) that students require to achieve success
- Implement a 6 X ½ termly Assessment Schedule for all subjects in all year groups that explicitly identifies:
 - The performance of every student in terms of their acquisition of the essential Skills, Knowledge & Understanding (SKUs) as measured by a Current Cumulative Grade (CCG)
 - Student progress as measured against their prior attainment on entry as well as in preceding years/terms (CCG).
 - Patterns of underperformance amongst groups/classes/teachers.
 - Appropriate and timely intervention opportunities.
- Set targets for all students based upon 4 Levels of Progress.
- Student exercise books will provide the vehicle, focus and evidence base, for the effective operational delivery of the above by:
 - Sharing LPs with all students for all subjects including homework, and assessment milestones.
 - Communicating aspirational Target Grades.
 - Exemplifying high expectations for Spelling Punctuation and Grammar.
 - Exemplifying high expectations regarding presentation standards.
 - Clearly identifying homework and key assessments.
- Accelerate rates of progress in Maths for students of all ability with a particular focus on improving the progress of L3 and L5 students.
- Maintain rates of improvement in English, with a particular focus on improving students' writing skills.
- Close the performance gap between PP and NPP students.
- Improve rates of progress in Geography and Triple Science.

Going Concern

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

Performance Indicators

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

The Academy received a Section 5 Ofsted inspection in July 2013 with the following judgements:

- Overall effectiveness: Requires improvement 3
- Achievement of pupils: Requires improvement 3
- Quality of teaching: Requires improvement 3
- Behaviour and safety of pupils: Requires improvement 3
- Leadership and management: Requires improvement 3

The Academy 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

Financial Review

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 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 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 31 August 2014 the net book value of fixed assets was £753,000. The movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Income totalling £6,297,000 in the year ended 31 August 2014 exceeded expenditure of £6,073,000 by £224,000 before the Mersey Pension Fund actuarial loss in the year of £358,000.

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 21 to the financial statements

The Trustees have reviewed the fund balances carried forward at 31 August 2014, together with the projected results for 2014/15 and the following four 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 will be utilised in helping the Academy achieve its objectives. The Trustees have not yet determined an appropriate level of reserves.

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 at the Academy level which is reviewed at least annually by the Finance and Resources Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy 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 Academy. Not all the factors are within the Academy's control. Other factors besides those listed may also adversely affect the Academy.

1. Government Funding

The Academy 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 Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the DfE.

2. Maintain adequate Funding of Pension Liabilities

The financial statements report the share of the support staff defined benefit pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17.

Plans for Future Periods

The Academy 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 Academy becomes the school of choice for students in Birkenhead.

Having achieved a significant improvement in GCSE performance and having devoted significant energy in marketing and PR we anticipate a further improvement to our educational reputation and in turn increased recruitment.

However the timescales for such a change are imprecise and the Academy will therefore continue to explore options for the development of alternative income streams that will serve to stabilise the Academy's financial position in the longer term that are consistent with our educational vision and principles.

Statement as to disclosure of information to auditors

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the Academy Trust's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the Academy Trust's auditors are aware of that information.

Auditors

The financial statement auditors, Baker Tilly UK Audit LLP has indicated its willingness to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the Trustees and the Strategic Report (included therein) is approved by the board of Trustees in their capacity as directors on 18th December 2014 and signed on their behalf by:



Mr G Fairlie
Chairman

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that the 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 Trustees have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the University Academy of Birkenhead and the Secretary of State for Education. He 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 governors has formally met 9 times during the year (six board meeting and 3 extraordinary board meetings). Attendance during the year at meetings of the board of governors was as follows:

Trustee	Meetings Attended	Out of Possible
Professor D Cracknell	6	6
Ms L Moore	2	4
Mr G Fairlie	8	9
Cllr W Smith	9	9
Mr M Hayhoe	3	3
Ms C Fleming	3	4
Mr R Shaw	3	4
Mr M Kilbride	3	4
Ms E Russell	4	5
Dr H Aspinall	9	9
Ms E Crowther	8	9
Mr A Brighthouse	8	9
Ms J Bacon	5	9
Ms T Sterling	0	3
Mr G Parry	9	9
Mrs G Sandland	8	9
Mr I Simons	8	9
Mrs P Patrick	8	9
Mr M Coffin	7	9

Within the financial year 1 September 2013 to 31 August 2014 there were several key changes in the composition of the board of Trustees as set out earlier.

UNIVERSITY ACADEMY OF BIRKENHEAD
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2014

The Finance & Resources Committee is a sub-committee of the main board of governors.
Attendance at meetings in the year is as follows:

Trustee	Meetings Attended	Out of Possible
Mr A Brighthouse	3	3
Mr M Coffin	2	3
Professor D Cracknell	2	2
Mr G Fairlie	3	3
Mr M Hayhoe	0	1
Mr M Kilbride	0	1
Ms E Russell	2	2
Ms T Sterling	0	1
Mr G Parry	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 the Academy for the period from the 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees 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 period 1 September 2013 to 31 August 2014 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'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 Trustees;
- regular reviews by the Finance & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board has considered the need for a specific internal audit function and has appointed McClintocks Brighthouse as internal auditor from September 2012. During the year they made 3 visits to the Academy. The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis reports are received by the Academy's finance 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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 Finance and General Purposes Committee 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 18th December 2014 and signed on its behalf by:

Mr G Fairlie
Chairman



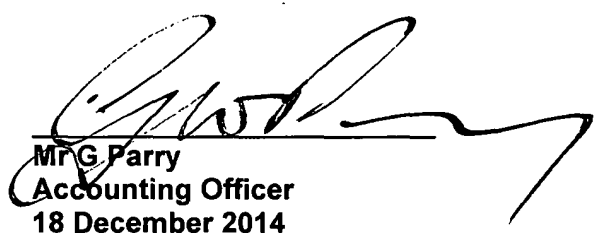
Mr G Parry
Accounting Officer

UNIVERSITY ACADEMY OF BIRKENHEAD
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2014

As Accounting Officer of University Academy Birkenhead I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr G Parry
Accounting Officer
18 December 2014

UNIVERSITY ACADEMY OF BIRKENHEAD
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2014

The Trustees (who are also the directors of University Academy of Birkenhead for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements 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 until 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 judgements and 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 Board of Trustees on 18th December 2014 and signed on its behalf by:

Mr G Fairlie
Chairman



Independent Auditor's Report to the members of University Academy of Birkenhead.

Year Ended 31 August 2014

We have audited the financial statements of University Academy of Birkenhead for the year ended 31 August 2014 on pages 22 to 45. 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 Academies: Accounts Direction 2013 issued by the Education Funding Agency.

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 the charitable company's 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 set out on page 19, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at <http://www.frc.org.uk/auditscopeprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

UNIVERSITY ACADEMY OF BIRKENHEAD
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 AUGUST 2014

Year Ended 31 August 2014 (cont'd)

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

Baker Tilly UK Audit WP

ROGER DAVIES BA FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Steam Mill
Chester
CH3 5AN

Date: *19th December 2014*

UNIVERSITY ACADEMY OF BIRKENHEAD

STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account & Statement of total recognised gains and losses)
YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Endowment Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources							
Incoming resources from generated funds:							
- Voluntary income	3	-	-	18	-	18	126
- Activities for generating funds	4	8	-	-	-	8	9
- Investment income	5	23	-	-	-	23	11
Incoming resources from charitable activities:							
- Funding for the Academy's educational operations	6	-	6,204	-	-	6,204	6,923
Other incoming resources	7	-	44	-	-	44	96
Total incoming resources		31	6,248	18	-	6,297	7,165
Resources expended							
Charitable activities:							
- Academy's educational operations	8	31	5,675	253	-	5,959	6,929
- Exceptional costs	11	-	97	-	-	97	337
Governance costs	10	-	17	-	-	17	15
Total resources expended		31	5,789	253	-	6,073	7,281
Net incoming / (outgoing) resources before transfers		-	459	(235)	-	224	(116)
Gross transfers between funds		-	(167)	256	(89)	-	-
Net income / (expenditure) for the year		-	292	21	(89)	224	(116)
Other recognised gains and losses							
Actuarial Gains/ (Loss) on defined benefit pension schemes	21	-	(358)	-	-	(358)	75
Net movement in funds		-	(66)	21	(89)	(134)	(41)
Reconciliation of Funds							
Total funds brought forward at 1 September 2013		-	(968)	735	89	(144)	(103)
Funds carried forward at 31 August 2014		-	(1,034)	756	-	(278)	(144)

All of the Academy's activities derived from continuing operations during the two financial periods.

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

UNIVERSITY ACADEMY OF BIRKENHEAD
BALANCE SHEET Company Registration No: 07472190
YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	14		753		719
Current assets					
Debtors	15	269		527	
Cash at bank and in hand		2,065		1,431	
		2,334		1,958	
Creditors: amounts falling due within one year					
	16	(863)		(720)	
Net current assets			1,471		1,238
Total Assets less current liabilities			2,224		1,957
Pension scheme liability (support staff defined benefit scheme)	21		(2,502)		(2,101)
Net liabilities, including pension liability			(278)		(144)
Funds of the Academy:					
Endowment Funds	17	-		89	
Restricted funds					
Restricted Fixed Asset fund	17	756		735	
Restricted General fund	17	1,468		1,133	
		2,224		1,957	
Restricted Funds excluding Pension reserve					
Pension Reserve	17	(2,502)		(2,101)	
Total restricted funds			(278)		(144)
Unrestricted General funds	17		-		-
			(278)		(144)

The financial statements on pages 22 to 45 were approved by the Board of Trustees, and authorised for issue on 18th December 2014 and are signed on their behalf by:


Mr G Fairlie

Chairman

UNIVERSITY ACADEMY OF BIRKENHEAD
CASHFLOW STATEMENT
YEAR ENDED 31 AUGUST 2014

	2014 £000	2013 £000	
Operating activities			
Net expenditure for period	224	(116)	
Depreciation (note 14)	253	245	
Capital grants from EFA & others	(18)	(19)	
Interest receivable (note 5)	(23)	(11)	
FRS 17 pension cost less contributions payable (note 21)	(37)	67	
FRS 17 pension finance cost (note 21)	80	80	
Decrease/(Increase) in debtors	258	(169)	
Increase/(Decrease) in creditors	143	(798)	
Net cash inflow from operating activities	880	(721)	
Returns on investments and servicing of finance			
Interest received	23	11	
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(287)	(218)	
Capital grants from DfE	18	19	
	(269)	(199)	
(Decrease)/Increase in bank & cash	634	(909)	
a) Reconciliation of Net cash Flow Movements in Net Funds			
	2014 £000	2013 £000	
Balance at 1 September 2013	1,431	2,340	
Net Cash Inflow/(Outflow)	634	(909)	
Balance at 31 August 2014	2,065	1,431	
b) Analysis of changes in funds			
	2013 £000	Cashflows £000	2014 £000
Cash at bank and in Hand	1,431	634	2,065

ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: ("SORP 2005") Accounting and Reporting by Charities, 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 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.

At the balance sheet date the academy had net liabilities of £ (278,000) after providing for long term commitments of £2,502,000 in respect of the non-teaching defined benefit scheme. The academy had net current assets of £1,471,000 at 31 August 2014.

The Trustees have reviewed the fund balances at 31 August 2014 and have approved budget and cash flow forecasts for 2014/15 & future years, and consider it appropriate for the financial statements to be drawn up on the going concern basis.

1.3 Fund Accounting

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees. Restricted fixed asset funds are resources which are applied to specific capital purposes imposed by EFA/DfE and Sponsors where the asset acquired is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from EFA/DfE. Endowment funds: Where funds are permanently endowed, the capital is retained with the income being made available for the purposes directed by the governing document.

1.4 Incoming Resources

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

1.4.1 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 its recognition is deferred and it is included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued for. 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 as voluntary income on a receivable basis to the extent there is entitlement.

1.4.2 Sponsorship income

Sponsorship income provided to the Academy 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.

1.4.3 Donations

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

1.4.4 Donated Services and Gifts in Kind

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

1.4.5 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.

1.4.6 Interest Receivable

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

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and is classified under headings that aggregate all costs relating 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 relevant proportions 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 Academy Trust's educational operations.

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. All resources expended are stated inclusive of any irrecoverable VAT.

1.6 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 Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset on a straight line 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 is calculated for the full financial year in which the asset is purchased.

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

1.7 Taxation

The Academy 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 Academy Trust is potentially exempt from taxation in respect of income or capital gains received (within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992), to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Leased Assets

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

1.8 PFI Agreement

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

Where the Academy 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.

1.9 Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings Related Pension Scheme ("SERPS"), until 2016 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.10 Enhanced Pensions

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

1.11 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.

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 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 2014.

3 Voluntary Income

	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total 2014	Total 2013
	£000	£000	£000	£000	£000
Endowment Funds					
C K Vallance	-	-	-	-	1
Charles J Proctor	-	-	-	-	1
R J Russell Prize	-	-	-	-	87
Special Trust Funds	-	-	-	-	14
Capital Grants					
DofE/EFA Capital Grants	-	18	-	18	19
Other Donations	-	-	-	-	4
	-	18	-	18	126

4 Activities for Generating Funds

	2014 £000	2013 £000
Unrestricted: Hire of Facilities	8	9

5 Investment Income

	2014 £000	2013 £000
Bank Interest received	23	11

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

6 Funding for Academy's Educational Operations

	2014	2013
	£000	£000
DfE / EFA revenue grants		
General Annual Grant (GAG) - note 2	5,420	5,797
Start Up Grants	10	17
Other DfE / EFA grants	554	569
Grant Income – Restructuring	-	97
	5,984	6,480
Other Government revenue grants		
SEN from LA	66	413
Other grants	154	30
	220	443
Other revenue Donations/Sponsorships	-	-
Total	6,204	6,923

7 Other Incoming Resources

	2014	2013
	£000	£000
Academy Trips	21	42
Sundry Income	23	54
	44	96

8 Resources Expended

	Staff costs	Premises costs	Other costs	Total 2014	Total 2013
	£000	£000	£000	£000	£000
Academy's educational operations					
Direct costs	3,431	-	399	3,830	4,545
Allocated support costs	508	629	992	2,129	2,384
	3,939	629	1,391	5,959	6,929
Governance costs including allocated support costs	-	-	17	17	15
Exceptional severance costs (note 11)	97	-	-	97	337
	4,036	629	1,408	6,073	7,281

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

8	Resources Expended (cont'd)		
	Incoming/outgoing resources for the year include:	2014	2013
		£000	£000
	Operating lease costs:		
	Equipment	5	42
	Land and buildings	403	389
	Fees payable to auditor:		
	Re audit	13	15
		<hr/>	<hr/>

9 Charitable Activities - Academy's Educational Operations

	2014	2013
	£000	£000
Direct costs		
Teaching and educational support staff costs	3,431	4,060
Educational supplies	270	319
Examination fees	63	96
Staff development	20	19
Other direct costs	46	51
	<hr/>	<hr/>
	3,830	4,545
Allocated support costs		
Support staff costs	508	647
Depreciation	253	245
Uniform costs	8	10
Maintenance of premises and equipment	25	138
Cleaning materials	2	1
PFI Unitary Charge	541	434
Rents rate Htg Ltg & Water	61	122
Insurance,	42	40
Security & Transport	78	59
Catering	140	154
Bank charges	2	1
Other support costs	155	82
Prof Fees / Management Charges	234	371
FRS17 Finance Charge	80	80
	<hr/>	<hr/>
	2,129	2,384
	<hr/>	<hr/>
	5,959	6,929
	<hr/>	<hr/>

10	Governance costs		
		2014	2013
		£000	£000
	Audit fees	17	15
		<hr/>	<hr/>

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

11 Governance costs

	2014	2013
	£000	£000
Restructuring costs		
Severance Payments	97	337

The severance payments relate to staff who were made redundant during the year as a result of the academy restructure.

12 Staff costs

Staff costs during the period were:	2014	2013
	£000	£000
Wages and salaries	3,106	3,672
Social security costs	239	292
Pension costs	431	591
	3,776	4,555
Supply staff costs	163	152
	3,939	4,707
Exceptional Item – Redundancy	97	337
	4,036	5,044

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

	2014	2013
	No.	No.
Charitable Activities		
Teachers	44	55
Administration and Support	36	45
Management	5	10
	85	110

The number of employees whose emoluments fell within the following bands was:

£ 60,001 - £ 70,000	1	1
£100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme, a defined benefit scheme.

Trustees' and Directors' Remuneration and Expenses

The Principal and staff Directors only receive remuneration in respect of the services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Mr I Simons received £74 in reimbursed expenses during the year (2013: nil). Other Trustees and directors did not receive any payments, or reimbursed expenses, from the Academy in respect of their roles as Trustees/Directors.

The value of the Principal's remuneration does not include a value element for being an ex officio member of the Board, the total for 2014 was £103,560 (2013: £100,028). The Principal is accruing benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £14,602.

The two staff governors are Mr M Coffin and Mrs P Patrick. Their remuneration falls into the following pay range:

Mr M Coffin	2014: £40,000 - £45,000	2013: £40,000 - £45,000
Mrs P Patrick	2014: £25,001 - £30,000	2013: £25,001 - £30,000

Mr M Coffin is accruing benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £6,217. Mrs P Patrick is accruing benefits under the Local Government Pension Scheme. The contributions paid in the year amounted to £3,614.

Related party transactions involving the Trustees are set out in note 22.

13 Trustees', Directors' and Officers' Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees, directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2m on any one claim and the cost for the year ended 31 August 2014 was £978 plus 6% Insurance Premium Tax. The cost of this insurance is included in the total insurance cost.

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

14 Tangible Fixed Assets

	Leasehold improvements £'000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost				
As at 1 September 2013	-	54	929	983
Additions	256	19	12	287
At 31 August 2014	256	73	941	1,270
Depreciation				
As at 1 September 2013	-	22	242	264
Charged in year	-	18	235	253
At 31 August 2014	-	40	477	517
Net book values				
At 31 August 2014	256	33	464	753
At 31 August 2013	-	32	687	719

15 Debtors

	2014 £000	2013 £000
Trade Debtors	21	126
Prepayments	26	40
Other debtors	44	105
Accrued Income	123	100
VAT Recoverable	55	156
	269	527

Trade Debtors includes a provision for the Contribution from the EFA of £nil towards the Restructuring costs incurred during the year (2013: £97,262).

16 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	157	191
Other tax and social security	134	158
Accrued expenditure	558	367
Deferred income	14	4
	863	720

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

16 Creditors: amounts falling due within one year (continued)

	2014 £000
Deferred income brought forward	4
Released in the year	(4)
Deferred in the year	14
	<hr/>
Deferred income carried forward	14
	<hr/>

2014 Accrued Expenditure includes redundancy costs of £64,217 and Summer Works costs of £256,386.

2013 Accrued Expenditure includes redundancy costs of £118,850 and Summer Works costs of £70,202.

2014 Deferred income relates to School Games Organiser grants received in advance, relating to expenditure expected to be incurred in the period to 31 March 2015.

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

17 Funds

	Balance as at 1 September 2013 £000	Incoming resources £000	Resources expended £000	Gains losses & transfers £000	Balance at 31 August 2014 £000
Restricted General Funds					
General Annual Grant (GAG)	700	5,420	(4,928)	(256)	936
Start Up Grants	419	10	-	-	429
Other DfE/ EFA grants	-	554	(554)	-	-
Grant Income Restructuring	-	-	-	-	-
School sports partnership	-	33	(33)	-	-
Other Government grants	-	187	(187)	-	-
Other income	14	44	(44)	(14)	-
Funds Held As Trustee (see note below)	-	-	-	103	103
	1,133	6,248	(5,746)	(167)	1,468
Restricted fixed asset funds					
DfE capital grants	735	18	(253)	256	756
Capital expenditure from GAG	-	-	-	-	-
Donated fixed assets	-	-	-	-	-
	735	18	(253)	256	756
Restricted Pension reserve	(2,101)	-	(43)	(358)	(2,502)
Endowment Funds	89	-	-	(89)	-
Total restricted funds	(144)	6,266	(6,042)	(358)	(278)
Unrestricted General funds	-	31	(31)	-	-
Total funds	(144)	6,297	(6,073)	(358)	(278)

The General Annual Grant must be used for the normal running costs within the Academy. Each Academy is allowed to carry forward up to 12% of the current GAG. Of any carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy but any balance over 2% must be used for capital purposes.

Start Up grants are provided to support transitional costs for a period after an Academy opens and to cover diseconomies of scale until an Academy reaches its pupil number capacity.

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

A Devolved Capital Grant of £17,446 was received and was expended within the year on the depreciation relating to fixed assets purchased and also towards the building improvements carried out over the summer holiday period.

UNIVERSITY ACADEMY OF BIRKENHEAD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

17 Funds (cont'd)

Restricted funds include £103,000 held as a trustee on behalf of The University Academy of Birkenhead Education Fund, a Registered Charity. During the year, restrictions were removed in respect of £89,000 previously held as a permanently endowed fund.

Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Endowment Funds £000	Total £000
Tangible fixed assets	-	-	753	-	753
Long term deposit	-	-	-	-	-
Current assets	-	2,331	3	-	2,334
Current liabilities	-	(863)	-	-	(863)
Pension scheme liabilities	-	(2,502)	-	-	(2,502)
Total Net Assets	-	(1,034)	756	-	(278)

18 Capital commitments

The Academy had no capital commitments, either contracted for and not provided or authorised but not contracted, at 31 August 2014 (2013: nil).

19 Financial commitments - operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases, as follows:

	2014 £000 Land & Buildings PFI	2014 £000 Equipment	2013 £000 Land & Buildings PFI	2013 £000 Equipment
Leases for equipment which expire:				
Within one year	-	-	-	1
Within two to five years	-	3	-	-
Over five years	409	-	389	-
	409	3	389	1

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

20 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 Academy 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 Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's premises and other assets held for the purpose of the Academy, and
- the extent to which expenditure incurred in providing those assets was met by the Secretary of State under the Funding Agreement.

21 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. 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 2013.

Contributions amounting to £61,680 (2013:£ 66,911) were payable to the schemes at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by parliament. Under the unfunded TPS, teachers' contributions on a "pay as you go" basis and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

21 Pension and similar obligations (cont'd)

The Teachers' Pension Budgeting and Valuation Account

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions increases. From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), 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

Not less than every four years the Government Actuary ("GA"), using normal actuarial principals, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, as 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 investigation, 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. Valuations of the TPS are now required under the Public Service Pensions Act 2013 every four years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and Employee Contribution Rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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 an employer contribution rate of 14.1% payable. The cost sharing agreement also introduced – effective for the first time for the 2008 valuation- a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a members Full Time Equivalent salary and for 2014/15 will range between

21 Pension and similar obligations (cont'd)

6.4% and 12.4%. Thereafter, members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £657,939 (2013: £596,823)

Under the definitions set out in Financial Standards (FRS17) Retirement Benefits, the TPS is a multiemployer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined- contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

21 Pension and similar obligations (cont'd)

Local Government Pension Scheme

The Academy is one of several employing bodies within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefits scheme with the assets held in separate Trustee administered funds.

The total contributions made for the year ended 31 August 2014 amounted to £ 213,451 of which employer's contributions totalled £ 171,465 and employees' contributions totalled £41,986. The agreed employer's contribution rate was 13.5%, with employee contributions of 5.5% to 7.5%.

LGPS information is based on an actuarial update valuation based on the position as at 31 August 2014.

The amounts recognised in the Balance Sheet are as follows:

	2014	2013
	£000	£000
Defined benefit obligation at end of year	(3,581)	(3,231)
Present value of funded obligations	1,079	1,130
Deficit	<u>(2,502)</u>	<u>(2,101)</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £199,000.

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

	2014	2013
	£000	£000
At 1 September 2013	3,231	2,984
Service cost	134	166
Interest cost	150	135
Actuarial (gains) losses	118	-
Member contributions	42	53
Benefits paid	(94)	(179)
Curtailments	-	72
At 31 August 2014	<u>3,581</u>	<u>3,231</u>

Movements in the fair value of scheme assets are as follows:

	2014	2013
	£000	£000
At 1 September 2013	1,130	955
Expected return	70	55
Actuarial gains (losses)	(240)	75
Contributions by employer	171	171
Member contributions	42	53
Benefits/transfers paid	(94)	(179)
At 31 August 2014	<u>1,079</u>	<u>1,130</u>

The estimated value of employer contributions of the year 31 August 2015 is £199,000.

21 Pension and similar obligations (cont'd)

Amounts recognised in the Statement of Financial activities

	2014 £000	2013 £000
Current service cost (net of employer contribution)	37	(67)
Past service costs	-	-
Total operating (charge)/gain	37	(67)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	70	55
Interest on pension liabilities	(150)	(135)
Pension finance income/(cost)	(80)	(80)
Other gains and losses		
Actuarial gains/(losses)	(358)	75
Total (cost)/gain	(401)	(72)

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 is recognised in the Statement of Financial Activities since the adoption of FRS17 is a £283,000 loss (2013: £75,000 gain).

21 Pension and similar obligations (cont'd)

Local Government Pension Scheme (cont'd)

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

	Long Term rate of Return expected at 31 August 2014	Fair Value at 31 August 2014 £000	Long term rate of return expected at 31 August 2013	Fair Value at 31 August 2013 £000
Equities	7.0%	650	7.0%	643
Government bonds	2.9%	148	3.4%	172
Bonds	3.8%	25	4.4%	29
Property	6.2%	84	5.7%	95
Cash	0.5%	47	0.5%	23
Other	7.0%	125	7.0%	168
Total fair value of assets		1,079		1,130
Present value of scheme liabilities		(3,581)		(3,231)
Scheme deficit		(2,502)		(2,101)

The overall expected rate of return is 5.73%.

The actual return on scheme assets was £144,000 (2013: £130,000).

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.7%	3.9%
Rate of increase in pensions	2.2%	2.4%
Discount rate for scheme liabilities	4.0%	4.6%
Inflation Assumption	2.2%	2.4%

Sensitivity Analysis for the Principal Assumptions

	Central £'000	1 % inc in disc. rate £'000	1% inc in inflation £'000	1 Yr inc in life expectan cy £'000
Liabilities	(3,581)	(3,231)	(2,984)	(2,376)
Assets	1,079	1,130	955	686
Deficit	2502	2,424	2,581	2,569
Projected service costs for next year	143	140	147	146
Projected return on assets for next year	(63)	(63)	(63)	(63)
Projected interest cost for next year	145	145	148	148

21 Pension and similar obligations (cont'd)

Local Government Pension Scheme (cont'd)

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

	As at 31 August 2014	As at 31 August 2013
Retiring today		
Male	22.3 years	21.8 years
Female	25.2 years	24.7 years
Retiring in 20 years		
Male	24.7 years	23.7 years
Female	28.0 years	26.6 years

The history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligations at end of year	(3,581)	(3,231)	(2,984)	(2,376)
Fair value of plan assets at end of year	1,079	1,130	955	686
Deficit	(2,052)	(2,101)	(2,029)	(1,690)
Experience adjustment on share of scheme assets	(240)	75	13	(44)
Experience adjustments on share of scheme liabilities	118	-	265	(98)

22 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of Trustees/Directors 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 Trustees/Directors 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.

Wirral Borough Council

The Academy 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.

Payroll and other support services have also been purchased part of the year from the Local authority at arm's length, on normal commercial terms and from Bury Payroll Services with effect from 1 April 2013. Costs incurred totalled £850,189 (2013:£899,528). The amounts outstanding at 31 August 2014 were £86,965 included in accrued expenditure and £81,887 included in trade creditors (2013: £95,116). Included in trade debtors was an amount of £1,900 (2013 £1,900) and in other debtors an amount of £43,691 (2013:£nil).

University of Chester Academies Trust (UCAT)

Management fees totalling £188,730 (2013:£191,773) were payable to University of Chester Academy Trust (UCAT). An amount of £16,043 (2013: nil) was outstanding at the year end as is included in trade creditors. The total costs relate to management fee charges for the year as agreed by the academy. University of Chester Academy Trust (UCAT) is the main sponsor of University Academy Birkenhead. Professor D Cracknell served as Chairman of the Board of Governors until 03 April 2014 when he was replaced by Mr G Fairlie. Professor Cracknell was then appointed Managing Director for UCAT.

23 Members' Liability

Each member of the charitable company (company limited by guarantee) 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/it 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.

UNIVERSITY ACADEMY OF BIRKENHEAD
INDEPENDENT AUDITOR'S REPORT ON REGULARITY
YEAR ENDED 31 AUGUST 2014

Independent Reporting Accountant's Assurance Report on Regularity to UNIVERSITY OF CHESTER ACADEMIES TRUST and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University Academy of Birkenhead during the period 1 September 2013 to 31 August 2014 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 University Academy of Birkenhead and the EFA in accordance with the terms of our engagement letter dated 9 September 2014. Our work has been undertaken so that we might state to the University Academy of Birkenhead 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 University Academy Birkenhead and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of University Academy of Birkenhead's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of University Academy of Birkenhead's funding agreement with the Secretary of State for Education dated 16th December 2010 and the Academies Financial Handbook extant from 1 September 2013, 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 to 2014. 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 2013 to 31 August 2014 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 to 2014 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

UNIVERSITY ACADEMY OF BIRKENHEAD
INDEPENDENT AUDITOR'S REPORT ON REGULARITY
YEAR ENDED 31 AUGUST 2014

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baker Tilly UK Audit W

BAKER TILLY UK AUDIT LLP

Chartered Accountants

Steam Mill

Steam Mill Street

Chester

CH3 5AN

19th December 2014