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# The County High School, Leftwich

**The County High School, Leftwich  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2017**

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COMPANIES HOUSE

**Company Registration Number:  
8126953 (England and Wales)**

# The County High School, Leftwich

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# The County High School, Leftwich

## Reference and Administrative Details

### Trustee Governors

Mr C Penter  
Mr G W Scott  
Mrs A A Dunabin  
Mrs I A El-Hoss  
Mrs G J Sinar

### Senior leadership team

Miss J Brandreth- Principal + Accounting Officer  
Mr M Hill- Vice Principal  
Mr M Keenan- Vice Principal  
Mrs S Du-Plessis- Assistant Principal  
Mr R Warburton- Assistant Principal  
Mr M Snelson- Assistant Principal  
Mrs D Balmer -Assistant Principal  
Mr A Carter – Assistant Principal (appointed Jan 2017)  
Mr J Simms- Head of Finance and Premises

### Registered Office

Granville Road  
Leftwich  
Northwich  
CW9 8EZ

### Company Registration Number

8126953

### Auditors

WatkinsonBlack  
1<sup>st</sup> Floor, 264 Manchester Road  
Warrington  
WA1 3RB

### Bankers

Royal Bank of Scotland  
15 Foregate Street  
Chester  
CH1 1HD

### Solicitors

SAS Daniels  
30 Greek Street  
Stockport, Cheshire  
SK3 8AD

# The County High School, Leftwich

## Trustees' Report

The Trustees present their annual report together with the audited financial statements and auditor's report of the charitable company for the period ended 31 August 2017. 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 Leftwich and the surrounding area. It has a pupil capacity of 975 and had a roll of 993 in the school census on 1<sup>st</sup> October 2016.

## 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 The County High School, Leftwich are also the directors of the charitable company for the purposes of company law. The charitable company is known as The County High School, Leftwich.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

### Members' Liability

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

### Trustees' Indemnities

Under the Companies Act 2006 s236, the Members confirm that there are no third party indemnity provisions in operation.

### Method of Recruitment and Appointment or Election of Governors

In addition to the Trustees, the following were also Governors, 2016-2017

Miss J Brandreth	Principal
Mrs A Pimlatt	Staff Governor
Mrs J Curry	Staff Governor
Mrs J Flower	Parent Governor
Mrs S Rocke	Parent Governor
Mrs A Massey	Co-opted Governor
Mr M J Wren	Co-opted Governor
Mrs R Le	Parent Governor
Mrs V Davies	Parent Governor
Mrs W Batey-Gray	Parent Governor

In recognition of the pace, scope and scale of change in schools in response to Government initiatives and the expectations of society, the Governing Body of the Converter Academy in its third year decided to undertake a re-evaluation of its impact upon the Academy's Improvement Plan and how it may best support the Academy in the future.

# The County High School, Leftwich

## Trustees' Report (cont.)

In the ensuing Governance Development Plan (2014-16), one of the first actions was to review the Governance model, which was restructured and streamlined in order to avoid duplication of agenda items, maintain high attendance, promote increased engagement, active team-working, thorough discussion and sound decision-making by matching skills, expertise and experience to the Committees' updated remits so that tasks and responsibilities were delegated to those Governors best suited to discharge them, thus promoting sharper judgements. Accordingly, Curriculum and Student Welfare Committees merged to become the Student Progress and Achievement (SPA) Committee, whilst Finance/Premises and Personnel became Resources' Committee from January 2015.

A member of the Senior Leadership Team (one of two Vice Principals or the Head of Finance) works closely with the Chair of each Committee and the Principal attends some Members' and all Committee meetings, thereby ensuring that strategy can become effectively operational. Members' proposals are discussed fully in the relevant Committees and decisions ratified by the full Governing Body, which convenes at the end of the Committee meeting cycle. It is understood that should a Chair of a committee resign, a Governor invited or elected to that position would become a Member.

November 2015, the Chair (Mrs Alison Massey), after 10 years in that role, was formally replaced by a new Chair (Mr Chris Penter), but retained her seat on the Board. One of Mr Penter's first actions was to evaluate the Governance Development Plan, 2014-16 and then to write a new one, 2016-18, reflecting this change and the key strategies needed to underpin future Governance in order to provide effective leadership which will position the Academy strongly in a transforming educational landscape. This governance model and approach were embedded 2016-17.

### Organisational Structure

To increase leadership and management capacity, to continue to manage initiatives and developments effectively and efficiently, as well as sustaining the trend of academic success, Senior Leadership roles and responsibilities remain structured around 3 groups; Leadership and Management (Principal and two Vice Principals with Head of Finance and Chair of Governors as required); Quality of Teaching (Vice-Principal and Assistant Principals) and Student Achievement (Vice-Principal and Assistant Principals), strengthening 'challenge and support' for each Assistant Principal in those teams, thereby continuing to 'grow leadership'. The Principal and Head of Finance meet at least weekly. This approach is proving effective with one Assistant Principal promoted to Vice Principal from September 2017 and the appointment of a strong Middle Leader to the role of Assistant Principal from January 2017, increasing capacity and securing talent in anticipation of the SAT giving consideration to its development as a Sponsor MAT.

In addition to whole-school strategic and operational responsibilities, Senior Leaders line-manage the Middle Leadership Team, known as Learning Leaders, either Subject or Year, mentoring, coaching, supporting, challenging and thereby reducing the risk of in school variation, whilst promoting an holistic approach to meeting the academic and pastoral needs of students. The Head of Finance also has responsibility for the school premises and line-manages the Maintenance Team to ensure compliance with Health and Safety. The Vice Chair of Governors, who is a Trustee and Chair of the Resources' Committee, is also a member of the Health and Safety Committee, which meets termly.

Senior Leaders work closely with a Chair of Committee (Assistant Principals attend committees by invitation according to the agenda), so Trustees are fully informed and able to support and challenge all key aspects of Academy working.

### Arrangements for setting pay and remuneration of key management personnel

No Trustee is paid for any work which they carry out in their capacity as a Trustee of The County High School, Leftwich. As an Academy, we are free to make our own decisions as to the pay and remuneration of staff, including our key management. We do, however, take cognisance of the recommendations set out in the School Teachers' Review Body publication(s). We operate a Performance Management Policy, including Performance Related Pay, as recently commented on by Ofsted in our March 2016 report "High-performing teachers who achieve and exceed their targets are rewarded financially". The parameters and criteria for setting all of our teachers' pay, including key management personnel, are described within our Pay Policy. Both of the aforementioned Policies are reviewed annually by our Governors.

# The County High School, Leftwich

## Trustees' Report (cont.)

### Related Parties and other Connected Charities and Organisations

Although the Academy is an independent, state-funded school, partnership-working remains central to our on-going improvement agenda.

For instance, 2016-2017, The County High School, Leftwich facilitated successful ITT placements in English, Mathematics, MFL and Art. Such partnership-working freshens perspectives, strengthens teaching skills, encourages an 'open door', confident approach to classroom teaching and 'grows leadership'. Sir John Deane's College offered a "taster day" to Year 10 students, highly motivational, and facilitating post-16 transition.

Another post-16 provider, Mid-Cheshire College, has supported the Academy by improving our vocational offer: the 14-16 placements are on one site, reducing transport costs and only accredited courses are offered, making them more popular with our students and thus increasing uptake. The College ran workshops for Years 7 to 10 on our Media Arts day and provided a "taster day" for Year 10 students in July. Both providers also contribute helpful Information, Advice and Guidance support; alongside local employers and training providers who attend our annual Careers' Fair and provide mock interviews for our Year 10 students. South Cheshire College also designed a "taster day" for Year 10, maximising student engagement with potential post 16 providers before their Year 11 GCSE focus.

The successful development of Master Classes for Year 5 pupils in English, Mathematics, Science, Modern Foreign Languages, Media, Design and Technology, and Photography continued in 2016-2017. Applications for Year 7, September 2017, were oversubscribed again.

The Principal, an Assistant Principal, Education Support Workers and Learning Leader: Learning Support continue to visit primary schools which send pupils to the Academy; we host regular liaison meetings and offer any curriculum support we can. Curriculum enrichment for those primaries is a strength: we are part of the Schools' Sports' Partnership; our Learning Leader: Music has continued to develop a weekly music group at a local primary and organises and hosts an annual joint Spring Term Concert. Music also supports summer fairs and carol concerts and makes a significant contribution to community enrichment events.

The Principal was a Governor at a local outstanding post-16 provider (Sir John Deane's College) from 2012-2017, strengthening curriculum links, creating reciprocal teacher development opportunities and enrichment for higher ability students, especially in Mathematics. One Vice Principal is a Governor at Mid-Cheshire College; one Vice Principal was the Chair of the Management Board of the local short stay school (local equivalent of a PRU) and remains a Governor so we are in a strong position to continue to strengthen our learning pathways for all students in a proudly and successfully inclusive academy. Staff also support Governance in the Primary sector, one colleague as a Director of a MAT. We are part of the Vale Royal Secondary Heads' Group which the Principal attends, alongside regular meetings of Cheshire West Association of Secondary Headteachers which retains contact with the Local Authority. We are a member of PiXL (Partners in Excellence) and one Vice Principal is an associate, enabling support to other member schools. 2015-2016 saw us join 'Achievement for All' to further develop the work of our Learning Support Assistants to engage 'hard-to-reach' families, which continued throughout 2016-2017. The Academy participates in and hosts competitions organised by the Rotary Club. Our partnership with Manchester Airport enables us to benefit from an incentive scheme to enrich the Arts via, for example, an annual Dance workshop at the Lowry. The Academy also seeks opportunities for students to connect with business and universities via competitions: for example-

Siemens' Enterprise Challenge, First Lego League Competition, UK Mathematical Challenges and Festival of Literature. As an Academy ambitious for all students, whenever requested, we continue to support other providers in developing, when requested:

- Pupil Premium strategies
- ICT provision
- Maths and English attainment
- Improvement planning
- Behaviour for Learning
- Data tracking processes
- SEND provision

# The County High School, Leftwich

## Trustees' Report (cont.)

### Objectives and Activities

#### Objects and Aims

The principal objective of The County High School, Leftwich is to enable each student to maximise his/her potential academically and socially. The Academy nurtures an appropriately challenging, but caring and supportive atmosphere in which each student is encouraged to make the right choice: to develop self-discipline, self-confidence and self-reliance, crucial attributes in preparation for independent, adult life beyond the safe environment the Academy provides. In effect the Academy is committed to the continuous development of a learning community which encourages each individual to recognise his/her talents and to learn how to learn in order to secure purposeful and satisfying future employment in a rapidly changing, global marketplace.

This core purpose is thus the focus of our strategic planning and distributed leadership- leadership for learning- with its inextricably interrelated, rigorous programmes of Self-Evaluation and Performance Management.

#### Objectives, Strategies and Activities

Leadership for learning is developed via four strategies, detailed in the Academy's three year Improvement Plan: Leadership and Management; Quality of Teaching; Behaviour and Safety; Achievement. Following a Section 5 Ofsted Inspection, March 2016, in which the Academy was judged 'outstanding' in all areas, our priority remains to continue to increase challenge for all students in both Key Stages:

- By strengthening assessment for and of learning (to make progress explicit)
- By developing innovative approaches to teaching and learning
- By refining continuing professional development for all teachers
- By ensuring the curriculum remains relevant, engaging, inclusive and referenced to national developments
- By maintaining an up-to-date Single Equality Scheme in accordance with current legislation
- By ensuring infrastructure facilitates the implementation of improvement priorities
- By improving literacy skills to provide greater access to the curriculum and learning for all
- By increasing participation rates in a range of inclusive enrichment activities
- By improving and broadening high quality learning support provision
- By maintaining the Academy's current high SMSC standards whilst increasing engagement with the national agenda, including 'Prevent'
- By strengthening transition programmes for Key Stages 2 to 3 and Key Stages 4 to 5.

Our membership of 'Achievement for All' is primarily to remain focussed upon our implementation of strategies to engage 'hard-to-reach' families.

To ensure that standards continue to be met and that our offer remains relevant and engaging, The County High School, Leftwich undertakes an annual curriculum review and the following changes implemented 2015-2016 were embedded 2016-2017:

- Computer Science became a new 'elective' at Key Stage 4;
- GCSE Art and Photography both 'electives' again at Key Stage 4 as no longer 'discounted';
- Continued delivery of Key Stage 4 RS through Education for Life curriculum;
- Continued offer of Separate Sciences at GCSE, but by invitation rather than as an 'elective' choice;
- Extra English and Maths lessons in Year 9;
- Year 9 top sets to continue to study French and Spanish;
- Other Year 8 students to choose to continue either French or Spanish in Year 9. However, in 2016-2017, following the appointment of a new Subject Leader: MFL, it was agreed to enable the majority of students to study both French and Spanish until the end of Year 9 following her review of Key Stage 3 MFL provision.

# **The County High School, Leftwich**

## **Trustees' Report (cont.)**

- It was also agreed:
  - to no longer offer Dance as an Electives' subject with its increased "theory" weighting. (Instead Dance can be used by students as part of their GCSE PE course.);
  - to offer Pearson Edexcel Level 2 Certificate in Digital Applications to meet the demands of the significant number of students who want to study an ICT qualification at Key Stage 4.

In 2016-2017, the curriculum was enriched by at least 49 educational visits, competitions and activities off-site for students across all age and ability ranges. In June 2017, the Academy became Secondary Regional Champion for the North West in the TES Pupil Premium Awards.

### Public Benefit

The Academy Trust has maintained the ethos that the Academy should be at the heart of the community. The Academy benefits directly and indirectly its existing students and potential future students by:-

- allowing the local brownies to use our facilities free of charge
- hosting the annual Minors' Athletics' Competition (Year 7 students across the locality)
- PE GCSE students acting as Sports Leaders to oversee and assist with local Primary Schools' Sports Days
- Our Multi Use Games Area is utilised by the community with 92% of the available time slots taken.
- Both our Dance Studio and Gym are used on a daily basis in the evening.
- Our recording studio and Technicians have been used by local Primary Schools
- "Master Classes" for Year 5 pupils are held weekly and continue to be fully subscribed.
- Annually at Christmas local pensioners are cordially invited to spend an evening at the Academy where they are entertained and enjoy a Christmas meal all free of charge. Transport is provided at no charge to the guests. Funding for this is raised by Year 11 students as part of their enterprise education.

Additionally, County High School students raised over £6000 for local, national and international charities through many fund raising activities.

## **Strategic Report**

### *Achievements and Performance*

The Academy has maintained its very healthy student roll.

Summer 2017, the Academy was again oversubscribed for Year 7 entry September 2017 with parents obliged to participate in the admissions' appeals' process (471 applications for 195 places) with 197 places awarded with 33 remaining on a waiting list following the appeals' process. The Academy had previously acceded to the Local Authority's request to admit above PAN (to 203) but as the roll increased with further pressure exerted by in-year admissions and appeals, Governors took the decision to revert to PAN for September 2017 to address accommodation difficulties. (Published Admission Number 195)

# The County High School, Leftwich

## Trustees' Report (cont.)

Examination results for 2016-2017 evidence on-going and robust academic performance in a proudly inclusive learning environment:-

5+ A\*-C (including English Language and Mathematics)

2016			
2006 51%	2012 79%	Attainment 8:	5.82
2007 53%	2013 80%	English and Mathematics:	89%
2008 59%	2014 78%	EBacc:	48%
2009 60%	2015 81%	Progress 8:	+0.57
2010 64%	2016 86%		
2011 75%			
2017			
		Attainment 8:	5.31
English and Mathematics: Strong Pass: 58% Standard Pass: 80%			
EBacc: Strong Pass: 44%; Standard Pass: 46%			
Progress 8: 0.46			

### Key Performance Indicators

The Governors' Resources' Committee receives reports on financial performance at each Committee meeting. Key Financial information reported 2016-2017 included:-

- Balanced budget approved by the Committee at its 14<sup>th</sup> February 2017 meeting
- Expenditure against Budgetary figures
- All major potential Expenditure was approved by the Committee, including Premises and ICT purchases
- All Bank Balances

### Going Concern

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

## Financial Review

The vast majority of income is received from the ESFA in the form of General Annual Grant (GAG). This income makes up over 98% of the total income received and is shown as Restricted General Funds in the Statement of Financial Activities.

Expenditure from this funding was used to support the Academy Trust in its key objectives- the provision of education for students and the development of the school as an educational establishment.

### Reserves Policy

The Academy Trust currently has no Reserves Policy given that liquid funds are required for future premises improvements.

### Investment Policy

The Academy Trust currently has no Investment Policy given that liquid funds are required for future premises improvements.

# The County High School, Leftwich

## Trustees' Report (cont.)

### Principal Risks and Uncertainties

Given the plans for forthcoming capital expenditure that the Academy needs to pursue over the next two years, the policy of retaining excess funds in a liquid state is deemed prudent and longer term investment inappropriate.

Interest on surplus funds is maximised by transferring any cleared balance above £10,000 into a Special Interest Bearing Account on a daily basis. These transfers are undertaken automatically by the computer to eliminate any potential human error.

The Academy is aware that its bankers – RBS Commercial- will be subject to segregation/takeover at some point in the future. This on-going situation will continue to be monitored closely and any uncertainty, any risk to the Academy's funds or any material changes to the terms and conditions applicable at present will result in the Academy's banking arrangements being transferred to another financial institution.

### Plans for Future Periods

The Plans for Future Periods are detailed within the Academy Improvement Plan. Future Premises projects include:-

- A) A new Car Park to enhance Safeguarding
- B) The re-siting of a Tennis Court to facilitate the new Car Park
- C) New roofs
- D) Commencement of the internal re-fenestration programme.

In April 2017, confirmation was received that the Academy had been awarded over £1.7m (including VAT) from the Condition Improvement Fund (CIF) 2017-2018 funds. This funding will be utilised on partial re-roofing, partial internal refenestration, bringing the Emergency Lighting up-to-date and the updating of our Fire Escapes. Further bids will be made into the CIF 2018-2019 for financial assistance towards the completion of the re-roofing, of the internal refenestration and the renewal of the Academy's boilers. Hopefully bids may also be allowed to be made into the 'Sugar Tax' fund, when funding for a Sports Hall will be sought, which will help to alleviate the accommodation issues previously highlighted

As any bids into the CIF or 'Sugar Tax' fund will require an element of cash input from the Academy, the Academy continues to accumulate funds to ensure that we are in a position to pledge this cash and our indicative cashflow forecast and budget for 31<sup>st</sup> August 2018 would point to an accumulated fund of circa £600,000 to be ring fenced for this purpose.

### Funds held as Custodian Trustee on behalf of others


There are no funds held as Custodian Trustee on behalf of others.

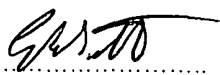
### Auditor

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.

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 7<sup>th</sup> November 2017 and signed on the board's behalf by:

  
Mr C Penter  
Chair

  
Mr G W Scott  
Vice Chair

# The County High School, Leftwich

## Governance Statement

### Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to 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 County High School, Leftwich and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met three times during the year. Attendance during the meetings of the Governing Body was as follows:-

Governor		Meetings Attended	Out of a possible
Miss J Brandreth	Principal/Accounting Officer	3	3
Mr C Penter	Chair/Member	3	3
Mr G Scott	Vice Chair/Member	2	3
Mrs A Dunabin	Member	1	3
Mrs I El-Hoss	Member	3	3
Mrs G Sinar	Member	3	3
Mrs A Pimlatt	Staff Governor	3	3
Mrs J Flower	Parent Governor	3	3
Mrs S Rocke	Parent Governor	3	3
Mrs R Le	Parent Governor	3	3
Mrs A Massey	Co-opted Governor	3	3
Mr M J Wren	Co-opted Governor	2	3
Mrs J Curry	Staff Governor	3	3
Mrs V Davies	Parent Governor	3	3
Mrs W Batey-Gray	Parent Governor	2	3

The Resources' Committee is a committee of the main governing board. Its purpose is to review all financial and premises' matters on behalf of the Governing Body, including the regular consideration of the Academy's financial position, risk management, strategic long term planning and people management.

Governor		Meetings Attended	Out of a possible
Miss J Brandreth	Principal/Accounting Officer	3	3
Mrs A Massey	Member	2	3
Mr G Scott	Chair Resources'/Member	3	3
Mrs G Sinar	Member	3	3
Mr C Penter	Chair of Governors	3	3
Mr M J Wren	Co-opted Governor	2	3
Mrs J Curry	Staff Governor	2	3
Mrs W Batey-Gray	Parent Governor	2	3
Mrs V Davies	Parent Governor	3	3

# The County High School, Leftwich

## Governance Statement (cont.)

### *Review of Value for Money*

As Accounting Officer the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that Value for Money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the 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:

### *Income generation*

The County High School, Leftwich continued to maximise income generation through the hire of its facilities including: - the Multi Use Games Area (MUGA), the Gym, the Recording Studio and the Dance Studio. The MUGA was almost fully booked throughout the year.

### *Governance of the Academy's Finances*

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31st August 2017, this review has been informed by:

- the work of a Responsible Officer
- the Audit Committee;
- external audit.

The Responsible Officer is a suitably qualified external person who reviewed key financial procedures and systems and presented a report on a termly basis to the Resources' Committee.

The Academy Trust's system of internal 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 for the year 2016-2017 it included:

- comprehensive budgeting and monitoring systems with an annual budget and periodic reports which were reviewed and agreed by the Governing Body;
- regular reviews by the Resources' Committee of reports which indicated financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- A 'Handbook of Internal Financial Procedures' which was reviewed in October 2016
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

### *Ensuring the Trust demonstrated good value for money and efficient use of resources*

All services and contracts were appraised and negotiated on a timely basis and where appropriate( i.e. economies of scale or reduced cost), 3 year contracts were entered into.

The County High School, Leftwich operated a '3 quote policy' for services to be undertaken which were above £10,000 and below the tender limit. This ensured that 'best value' was derived, taking into account suitability, efficiency, time and cost. The Senior Leadership Team applied the same principles when making informed decisions on:-

- The allocation of resources to best support the curriculum
- The allocation of resources to best support the improvement in the standards of the Premises

# **The County High School, Leftwich**

## **Governance Statement (cont.)**

### *Reviewing controls and managing risks*

The Academy appointed an Audit Committee to receive the termly reports from the Responsible Officer and to receive the Letter of Comment from the external auditors, Watkinson Black. Both items were in turn reported back to the Resources' Committee.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust's 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 County High School, Leftwich for the period from 1<sup>st</sup> September 2016 to 31 August 2017 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 Academy 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 to identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1<sup>st</sup> September 2016 to 31 August 2017 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 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 reports which are reviewed and agreed by the governing body;
- regular reviews by the Resources' Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. Instead, the Trustees have appointed Mr Philip Sanders as the Academy's Responsible Officer (RO). Mr Sanders has previously worked within the Audit Department of a major High Street Bank.

The RO role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In the year ended 31 August 2017, the Governors confirm that the RO function has been fully delivered in line with the requirements of the ESFA and the RO is not aware of any material internal control issues in the year.

# The County High School, Leftwich

## Governance Statement (cont.)


### *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 Responsible Officer;
- the Audit Committee;
- external audit;
- the work of the Head of Finance, and the Finance Team, who have responsibility for the development of, and the adherence to the internal control framework.

The Accounting Officer has been advised of the result of the review of the system of internal control by all the above and, whilst no material issues have arisen, a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 7<sup>th</sup> November 2017 and signed on its behalf by:

  
Mr C Penter  
Chair of Governors

  
Miss J Brandreth  
Accounting Officer

# **The County High School, Leftwich**

## **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of The County High School, Leftwich, I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies' Financial Handbook 2016.

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 2016.

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, they will be notified to the Academy Trust governing body and ESFA.



Miss J. Brandreth  
Accounting Officer

7<sup>th</sup> November 2017

# The County High School, Leftwich

## Statement of Trustees' Responsibilities

The Trustees (who act as Governors of The County High School, Leftwich 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 and Skills 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 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 ESFA/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 7<sup>th</sup> November 2017 and signed on its behalf by:

  
Mr C Penter  
Chair of Trustees

# **The County High School, Leftwich**

## **Independent Auditor's Report to the Members of The County High School, Leftwich**

We have audited the financial statements of The County High School, Leftwich for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Annual Accounts Direction 2016 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of governors and auditor*

As explained more fully in the Statement of Governors' Responsibilities on page 14 the Trustees (who are Governors and also the directors of the charitable company for the purposes of company law) and the governors who are not Trustees 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*

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

### *Opinion on financial statements*

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2016 issued by the Education and Skills Funding Agency.

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

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

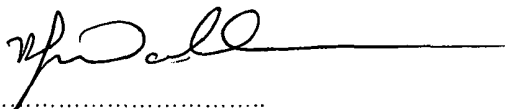
# **The County High School, Leftwich**

## **Independent Auditor's Report to the Members of The County High School, Leftwich (cont.)**

### *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
- 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.



David J Watkinson  
Statutory Auditor

For and on behalf of:  
WatkinsonBlack  
Chartered Accountants  
1<sup>st</sup> Floor, 264 Manchester Road  
Warrington  
WA1 3AR

7<sup>th</sup> November 2017

## **The County High School, Leftwich**

### **Independent Reporting Accountant's Assurance Report on Regularity to The County High School, Leftwich and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 January 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The County High School, Leftwich during the period 1 September 2016 to 31 August 2017 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 The County High School, Leftwich and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The County High School, Leftwich and ESFA 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 County High School, Leftwich and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of The County High School, Leftwich's Accounting Officer and the Reporting Accountant**

The accounting officer is responsible, under the requirements of The County High School, Leftwich's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. 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.

## **The County High School, Leftwich**

### **Independent Reporting Accountant's Assurance Report on Regularity to The County High School, Leftwich and the Education and Skills Funding Agency (continued)**

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.

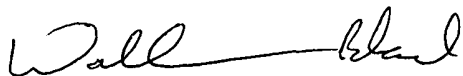
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- confirming that activities undertaken conform to The County High School, Leftwich's framework of Authorities
- evaluating the control environment of The County High School, Leftwich
- assessing and testing a sample of specific controls

#### **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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
WatkinsonBlack  
Chartered Accountants  
1<sup>st</sup> Floor, 264 Manchester Road  
Warrington  
WA1 3RB

7<sup>th</sup> November 2017

# The County High School, Leftwich

## Statement of Financial Activities for the year ended 31 August 2017

### (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
Income and endowments from:						
Donations and capital grants	2	48	-	-	48	105
Charitable activities:						
Funding for the Academy Trust's educational operations	3	157	5,178	-	5,335	5,157
Other trading activities	4	19	-	-	19	31
Investments	5	1	-	-	1	2
Total		225	5,178	-	5,403	5,295
Expenditure on:						
Raising funds	6	88	-	-	88	153
Charitable activities:						
Academy Trust educational operations	7	-	5,374	230	5,604	5,303
Other		-	-	-	-	-
Total		88	5,374	230	5,692	5,456
Net income / (expenditure)		137	(196)	(230)	(289)	(161)
Transfers between funds	14	(84)	75	9	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	14,24	-	642	-	642	(516)
Net movement in funds		53	521	(221)	353	(677)
Reconciliation of funds						
Total funds brought forward		164	(731)	14,646	14,079	14,756
Total funds carried forward		217	(210)	14,425	14,432	14,079

# The County High School, Leftwich

## Balance Sheet as at 31 August 2017

Company Number 8126953

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	11		14,425		14,646
Current assets					
Debtors	12	115		91	
Cash at bank and in hand		<u>1,550</u>		<u>911</u>	
		1,665		1,002	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(915)</u>		<u>(289)</u>	
Net current assets			<u>750</u>		<u>713</u>
Total assets less current liabilities			15,175		15,359
Creditors: Amounts falling due after more than one year			<u>-</u>		<u>-</u>
Net assets excluding pension liability			<u>15,175</u>		<u>15,359</u>
Defined benefit pension scheme liability	24		<u>(743)</u>		<u>(1,280)</u>
Total net assets			<u>14,432</u>		<u>14,079</u>
Funds of the Academy Trust:					
Restricted funds					
. Fixed asset fund	14	14,425		14,646	
. Restricted income fund	14	533		549	
. Pension reserve	14	<u>(743)</u>		<u>(1,280)</u>	
Total restricted funds			14,215		13,915
Unrestricted income funds	14		<u>217</u>		<u>164</u>
Total funds			<u>14,432</u>		<u>14,079</u>

The financial statements on pages 19 to 39 were approved by the Trustees and authorised for issue on 7<sup>th</sup> November 2017 and are signed on their behalf by



Mr C Penter  
Trustee



Mr G W Scott  
Trustee

# **The County High School, Leftwich**

## **Statement of Cash Flows for the year ended 31 August 2017**

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	647	148
Cash flows from investing activities	20	(8)	(69)
Cash flows from financing activities	19	-	-
Change in cash and cash equivalents in the reporting period		<u>639</u>	<u>79</u>
Cash and cash equivalents at 1 September 2016		911	832
Cash and cash equivalents at 31 August 2017	21	<u>1,550</u>	<u>911</u>

# **The County High School, Leftwich**

## **Notes to the Financial Statements for the year ended 31 August 2017**

### **1 Statement of accounting policies**

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

#### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The County High School, Leftwich meets the definition of a public benefit entity under FRS 102.

#### **Going Concern**

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

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 1 Statement of accounting policies (continued)

#### Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Sponsorship Income**

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

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

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 1 Statement of accounting policies (continued)

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

#### Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

- |                                    |                          |
|------------------------------------|--------------------------|
| • Long leasehold buildings         | Over the length of lease |
| • Fixtures, fittings and equipment | 25% reducing balance     |

# **The County High School, Leftwich**

## **Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

### **1 Statement of accounting policies (continued)**

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

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

### **Liabilities**

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

### **Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 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 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.

### **Pensions Benefits**

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

# **The County High School, Leftwich**

## **Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

### **1 Statement of accounting policies (continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### **Fund Accounting**

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

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

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

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Critical areas of judgement*

There are no critical areas of judgement affecting the financial statements other than the pension fund liabilities disclosed above.

## 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Other donations	48	-	48	105
	<u>48</u>	<u>-</u>	<u>48</u>	<u>105</u>

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
DfE / ESFA grants				
· General Annual Grant (GAG)	-	4,697	4,697	4,710
· Start Up Grants	-	-	-	-
· Other DfE/ESFA grants	-	471	471	289
	<u>-</u>	<u>5,168</u>	<u>5,168</u>	<u>4,999</u>
Other Government grants				
· Local authority grants	-	10	10	-
· Special educational projects	-	-	-	-
	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
Other income from the Academy Trust's educational operations	225	-	225	158
	<u>225</u>	<u>5,178</u>	<u>5,403</u>	<u>5,157</u>

### 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	19	-	19	31
	<u>19</u>	<u>-</u>	<u>19</u>	<u>31</u>

### 5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	1	-	1	2
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2017 £000	Total 2016 £000
Expenditure on raising funds	-	-	88	88	153
Academy's educational operations:					
· Direct costs	3,680	-	299	3,979	4,054
· Allocated support costs	680	322	623	1,625	1,249
	<u>4,360</u>	<u>322</u>	<u>1,010</u>	<u>5,692</u>	<u>5,456</u>

Net income/(expenditure) for the period includes:

	2017 £000	2016 £000
Operating lease rentals	88	76
Depreciation	230	290
Fees payable to auditor for: - audit	9	9

### 7 Charitable activities

	Total 2017 £000	Total 2016 £000
Direct costs – educational operations	3,979	4,054
Support costs – educational operations	1,625	1,249
	<u>5,604</u>	<u>5,303</u>

Analysis of support costs	Educational operations £000	Total 2017 £000	Total 2016 £000
Support staff costs	680	680	662
Technology costs	15	15	21
Premises costs	322	322	269
Other support costs	469	469	227
Governance costs	139	139	70
Total support costs	<u>1,625</u>	<u>1,302</u>	<u>1,249</u>

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 8 Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2017 £000	Total 2016 £000
Wages and salaries	3,375	3,153
Social security costs	311	257
Operating costs of defined benefit pension schemes	548	539
	<hr/> 4,234	<hr/> 3,949
Supply staff costs	123	156
Staff restructuring costs	3	26
	<hr/> 4,360	<hr/> 4,131
Staff restructuring costs comprise:		
Severance payments	3	26
Other restructuring costs	-	-
	<hr/> 3	<hr/> 26

#### b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs was a non-statutory/non-contractual severance payment totalling £3,500 (2016: £26,000).

#### c. Staff numbers

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

	2017 No.	2016 No.
Teachers	56	55
Administration and support	70	71
Management	9	8
	<hr/> 135	<hr/> 134

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### d. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	3	3
£70,001 - £90,000	0	0
£90,001 - £100,000	1	1

### e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £84,000 (2016: £74,000).

## 9 Related Party Transactions – Trustees' remuneration and expenses

Principal and other staff governors only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors or Trustees. No staff are Trustees of the Academy.

During the year ended 31 August 2017, no travel and subsistence expenses were reimbursed to Governors.

## 10 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2017 was £916 (2016: £1,000). The cost of this insurance is included in the total insurance cost.

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 11 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
<b>Cost</b>				
At 1 September 2016	14,669	632	638	15,939
Additions	-	6	3	9
Disposals	-	-	-	-
At 31 August 2017	14,669	638	641	15,948
<b>Depreciation</b>				
At 1 September 2016	468	397	428	1,293
Charged in year	117	60	53	230
Disposals	-	-	-	-
At 31 August 2017	585	455	482	1,523
<b>Net book values</b>				
At 31 August 2016	14,201	235	210	14,646
At 31 August 2017	14,084	183	159	14,425

### 12 Debtors

	2017 £000	2016 £000
VAT recoverable	78	55
Prepayments and accrued income	37	36
	115	91

### 13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	210	71
Other taxation and social security	78	11
Other creditors	72	105
Accruals and deferred income	555	102
	915	289

Accruals and deferred income includes £518,000 of grants received during the year in respect of building works carried out after the end of the financial period.

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 14 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	549	4,697	(4,788)	75	533
Pupil Premium	-	170	(170)	-	-
Other grants	-	311	(311)	-	-
Pension reserve	(1,280)	-	(105)	642	(743)
	<u>(731)</u>	<u>5,178</u>	<u>(5,374)</u>	<u>717</u>	<u>(210)</u>
Restricted fixed asset funds					
Transfer on conversion	14,494	-	(230)	-	14,264
Capital expenditure from GAG	152	-	-	9	161
	<u>14,646</u>	<u>-</u>	<u>(230)</u>	<u>9</u>	<u>14,425</u>
Total restricted funds	<u>13,915</u>	<u>5,178</u>	<u>(5,604)</u>	<u>726</u>	<u>14,215</u>
Total unrestricted funds	<u>164</u>	<u>225</u>	<u>(88)</u>	<u>(84)</u>	<u>217</u>
Total funds	<u>14,079</u>	<u>5,403</u>	<u>(5,692)</u>	<u>642</u>	<u>14,432</u>

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

The Restricted general fund is to cover the normal running costs of the Academy Trust. These include, but are not restricted to, salaries and other staff costs including training and staff development, premises costs including repairs and maintenance to buildings, and curriculum development.

The Restricted fixed asset fund is to cover the costs of acquisition and enlargement of land and buildings, and the cost of acquisition of other plant, fixtures, fittings and vehicles necessary for the operation of the Academy.

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 15 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	14,425	14,425
Current assets	217	1,448	-	1,665
Current liabilities	-	(915)	-	(915)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(743)	-	(743)
Total net assets	217	(210)	14,425	14,432

### 16 Capital commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	Nil	Nil

### 17 Commitments under operating leases

#### Operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	55	43
Amounts due between one and five years	43	26
Amounts due after five years	-	-
	98	69

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £000	2016 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(289)	(161)
Adjusted for:		
Depreciation [note 11]	230	263
Interest receivable [note 5]	(1)	(2)
Defined benefit pension scheme cost less contributions payable [note 24]	77	15
Defined benefit pension scheme finance cost [note 24]	28	28
(Increase)/decrease in debtors	(24)	4
Increase/(decrease) in creditors	626	1
Net cash provided by / (used in) Operating Activities	647	148

### 19 Cash flows from financing activities

	2017 £000	2016 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

### 20 Cash flows from investing activities

	2017 £000	2016 £000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(9)	(65)
Net cash provided by / (used in) investing activities	(8)	(63)

### 21 Analysis of cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	1,550	911
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,550	911

# **The County High School, Leftwich**

## **Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

### **22 Contingent liabilities**

There were no contingent liabilities at 31 August 2017.

### **23 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.

### **24 Pension and similar obligations**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council.. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £29,120 were payable to the schemes at 31 August 2016 (2015: £44,993) 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.

# **The County High School, Leftwich**

## **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £378,000 (2016: £359,000)).

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

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

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £184,000 (2016: £171,000), of which employer's contributions totalled £150,000 (2016: £137,000) and employees' contributions totalled £37,000 (2016: £34,000). The agreed contribution rates for future years are 25% for employers and between 5.5% and 7.2% for employees.

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

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

Principal actuarial assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	2.70%	3.10%
Rate of increase for pensions in payment/inflation	2.40%	2.10%
Discount rate for scheme liabilities	2.50%	2.10%
Inflation assumption (CPI)	2.40%	2.10%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.5	24.4
<i>Retiring in 20 years</i>		
Males	23.9	24.1
Females	26.5	26.7

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equity instruments	785	785
Debt instruments	593	583
Property	104	104
Total market value of assets	1,482	1,482

The actual return on scheme assets was £181,000 (2016: £226,000).

# The County High School, Leftwich

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

### Amount recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(227)	(152)
Net interest cost	(61)	(73)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(288)	(268)

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

	2017 £000	2016 £000
<b>At 1 September</b>	2,762	1,826
Current service cost	227	152
Interest cost	61	73
Employee contributions	37	34
Actuarial (gain)/loss	(559)	697
Benefits paid	(9)	(20)
<b>At 31 August</b>	2,519	2,762

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

	2017 £000	2016 £000
<b>At 1 September</b>	1,482	1,105
Interest income	33	45
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	83	181
Employer contributions	150	137
Employee contributions	37	34
Benefits paid	(9)	(20)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	1,776	1,482

### 25 Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.