

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

Annual Report and Financial Statements

For the Year Ended 31 August 2014

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

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The County High School, Leftwich

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The County High School, Leftwich

Reference and administrative details

Trustee Governors

Mrs A C Massey
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
M Hill- Vice Principal
M Keenan- Vice Principal
J Cloake- Assistant Principal
Mrs S Du-Plessis- Assistant Principal
R Warburton- Assistant Principal
M Snelson- Assistant Principal
Mrs D Balmer -Assistant Principal-effective 28 October 2013
J Simms- Head of Finance and Premises

Registered Office

Granville Road
Leftwich
Northwich
CW9 8EZ

Company Registration Number

8126953

Auditors

WatkinsonBlack
1st 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

Governors' Report

The Governors present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2014.

Structure, Governance and Management

Constitution

The Academy 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.

The Governors act as the trustees for the charitable activities of The County High School, Leftwich and 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 £1 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 operations.

Principal Activities

The Academy Trust's principal activity as set out in its Articles of Association and Funding Agreement is to maintain, carry on, manage and develop a school offering a broad and balanced curriculum. This curriculum is designed to meet the needs of students with different abilities. In accordance with the DfE Code of Practice and the Admission Policy, the Academy Trust will promote community cohesion and open its facilities to other schools and community groups.

Method of Recruitment and Appointment or Election of Governors

In addition to the Trustees, the following were also Governors, 2013-2014

Miss J Brandreth	Principal
Mrs A Pimlatt	Staff Governor
Mrs J Flaherty (Resigned 31/3/14)	Staff Governor
Rev. A Brown (Resigned 17/9/13)	Parent Governor
Mrs J Flower (Appointed 9/2/2013)	Parent Governor
Mrs R Rimmer (term ended 13/1/14)	Parent Governor
Mrs S Rocke	Parent Governor
Mr F Blamey	Co-opted Governor
Mr C Pentter	Co-opted Governor
Mr M J Wren	Co-opted Governor
Mrs R Le (Appointed 9/6/14)	Parent Governor

The Members (Trustees) are the Chair of Governors and also the Chairs of the four Committees:-Curriculum, Personnel, Finance/Premises (also Vice Chair) and Student Welfare. This structure allows all key aspects of Governance to be represented when determining strategy.

Governors' Report (cont.)

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 all Members' and 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.

Policies and Procedures Adopted for the Induction and Training of Governors.

Training for Governors depends upon existing experience and organisational need with Safeguarding a priority and all Governors undertake an enhanced DBS disclosure. Members of the Senior Leadership Team keep Governors up-to-date with national and local developments and the Academy purchases membership of the Local Authority's training programme for Governors, which provides access to courses, an annual conference and regular newsletters. Governors also have a discrete area on the Academy's ICT network where documentation needed to fulfil their roles is uploaded.

Induction of new Governors is undertaken informally and according to individual need. All new Governors are invited to meet the Principal and to have a tour of the Academy as well as being invited to meet and welcome any new staff who join the Academy. Governors may also participate in co-observation of lessons with members of the Senior Leadership Team.

To reiterate, in order to become a Trustee, a Governor would be expected to serve as a member of a committee before being invited or elected to the role of Chair of a Committee and thereby becoming a Member.

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 were reviewed. In the Summer term 2014, 3 triads were established; Leadership and Management (Principal, Head of Finance and Assistant Principal); Quality of Teaching (Vice-Principal and 2 Assistant Principals) and Student Achievement (Vice-Principal and 2 Assistant Principals), strengthening 'challenge and support' for each Assistant Principal in those teams, thereby continuing to 'grow leadership':- whilst re-evaluating the Academy's efficacy in its pursuit of continuous school improvement, ensuring our confidence and competence as a learning organisation are grounded in reality, Summer 2014 marking a 3 year interval since our July 2011 Ofsted Inspection and September 2014 the beginning of our third year of operation as a Converter Academy.

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 Finance and Premises Committee, also attends termly Health and Safety Committee meetings.

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.

Risk Management

The members of the Finance and Premises Committee have approved a 'Handbook of Financial Procedures'. The contents of this Handbook are reviewed and updated annually and contained within this document are the systems and procedures to manage risk

Governors' Report (cont.)

Connected Organisations, including Related Party Relationships

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

For instance, 2013-2014 saw the successful development of the Schools' Direct Northwich partnership, resulting in placements in English, Maths, Science and PE at The County High School, Leftwich for the academic year 2014-15. In the academic year 2013-2014, we hosted 6 Newly Qualified Teachers from a local post-16 partner, Sir John Deane's College, for their two week teaching placement in a secondary school and we also accommodated a work experience opportunity for a young person about to commence a PCGE course. Such partnership-working freshens perspectives, strengthens coaching skills, encourages an 'open-door', confident approach to classroom teaching and 'grows leadership'. Reciprocally, Sir John Deane's College created an 'Academic Challenge Programme' for the Academy's able Year 10 students, highly motivational, deepening learning by providing extra stretch and challenge 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 now on one site, reducing transport costs and only accredited courses are offered, making them more popular with our students and thus increasing uptake, 2013-14 from 12 to 26. One year 11 student won the College's photographic competition; another was 'Student of the Year'. Both providers also contribute helpful Information, Advice, Guidance support, alongside local employers and training providers who attend our annual Careers' Fair and provide mock interviews for our Year 10 students. We have shared good practice in literacy enhancement with Holmes Chapel High School to inform new phonics-based literacy intervention for our students and are exploring the possibility of becoming a strategic partner with Tarporley High School supporting their successful Teaching School bid.

The successful development of Master Classes for Year 5 pupils in English, Mathematics, Science, Modern Foreign Languages, Media, Design and Technology, and Photography has continued in 2013-2014. Applications for Year 7, September 2014, were oversubscribed with the County High School, Leftwich involved in the Appeals' process for the first time.

The Principal, Learning Leader: Year 7, Education Support Worker 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, for example playing at The Cheshire Show and day care centres.

The Principal is a Governor at a local outstanding post-16 provider (Sir John Deane's College), strengthening curriculum links, creating reciprocal teacher development opportunities and enrichment for higher ability students. One Vice Principal is a Governor at another local outstanding post-16 provider (Mid-Cheshire College) which will further develop our vocational offer. One Vice Principal is the Chair of the Management Board of the local short stay school (local equivalent of a PRU) so we are in a strong position to continue to strengthen our learning pathways for all students in a proudly and successfully inclusive academy. We are also 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. 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 promote high attendance and to enrich the Arts via, for example, an annual Dance workshop at the Lowry. As an Academy ambitious for all students, whenever requested, we have supported other providers, examples including :-

- 7 NQTs from post 16 completed their two week placement in a secondary school at the Academy
- An Assistant Headteacher visited to discuss Pupil Premium strategies
- A Headteacher from a secondary judged to 'Require Improvement' visited to explore development strategies
- A teacher from a Special School sought help with ICT provision

Governors 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: Teaching and Learning; Leadership and Management; Achievement; Student Welfare. In accordance with the recommendations of The County High School, Leftwich's Ofsted Report July 2011, the priorities are thus 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 (with particular emphasis upon new technologies)
- By refining continuing professional development for all teachers (via a revised appraisal process and strengthening Middle Leadership)
- By ensuring the curriculum remains relevant, engaging, inclusive and referenced to national developments
- By updating the 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
- 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
- By strengthening transition programmes for Key Stages 2 to 3 and Key Stages 4 to 5.

2013-14 opened with training in setting impactful and differential learning objectives and the strengthening of the SMSC agenda, after which Performance Management was revisited in order to set objectives against which Performance Related Pay would be assessed from September 2014. Following the publication of the STRB 23rd Report, the Pay Policy was again reviewed to align Senior Leaders' pay with National Policy.

The Learning Leader for Mathematics became a member of the Senior Leadership Team, giving parity with English and, in anticipation of retirement, in Summer 2014, of an Assistant Principal. SLT was thus reorganised to establish 3 Triads led by the Principal and two Vice-Principals, strengthening challenge and support for each Assistant Principal in those teams (Leadership and Management: Head of Finance and retiring Assistant Principal; Quality of Teaching, incorporating Behaviour for Learning; Student Achievement), thereby continuing to 'grow leadership' and thus sustain capacity for continuous school improvement, having been recognised once again as one of the top 100 schools in England for sustained improvement in 5+ A*-C including English and Maths. An external consultant visited in November 2013 and January 2014 to quality assure the accuracy of our self-assessment of the Quality of Teaching and in Summer 2014, in recognition of the pace, scope and scale of current educational reforms, the Trustees began a re-evaluation of the Governing Body's potential to effect the transforming educational agenda, a timely reappraisal anticipating year 3's operation as a Converter Academy.

Governors' Report (cont.)

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 in the academic year ending 2014, the following changes were made for implementation 2014-15:

- Increase in English and Mathematics' allocation in Key Stages 3 and 4 by merging Dance with PE, reducing Art from 3 to 2 hours in Key Stage 3, removing Core ICT from Key Stage 4 and teaching students who opt for Separate Sciences after school for one of their two 'extra' lessons;
- Preparation begun for Computer Science GCSE in 2015;
- Afternoon registration with tutors changed to subject teacher registration to extend morning tutor time and thus create and use a 30 minute session to strengthen whole-school literacy enhancement;
- RS in Key Stage 4 strengthened by integrating with PSHE delivery where appropriate;
- Electives' programme amended so that all students will take at least 3 English Baccalaureate (EBacc) subjects in addition to English and Mathematics;
- Leadership capacity increased in Humanities, so Geography and History will have separate subject leaders, thereby further strengthening EBacc provision:

In 2013-14, the curriculum was enriched by at least 45 educational visits, competitions and activities off-site for students across all age and ability ranges. In June 2014, the Academy was successful in renewing its Arts' Mark award, thereby evidencing a broad and balanced curriculum offer.

Public Benefit

The Academy Trust has maintained the ethos that the school 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
- Dance- allowing the toddlers from the 'Groovy Movers' to use our Dance Studio 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 Game Area is utilised by the community with 90% 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
- As previously described "Master Classes" 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 £6300 for local and international charities through many fund raising activities.

Achievements and Performance

At the end of its second year of opening, the Academy has maintained its healthy intake in spite of a low local Year 6 cohort, agreeing to take 201 students from 22 primary schools (Published Admission Number :195 for September 2014) with 18 on a waiting list, the appeals of 9 of whom were heard but not accepted by an independent panel. 2014/15 thus opened with a roll of 947.

Examination results for 2013-2014 evidence on-going and robust academic performance in a proudly inclusive learning environment:-

2006 51%	2010 64%
2007 53%	2011 75%
2008 59%	2012 79%
2009 60%	2013 80% (including English and Mathematics) (92% 5+A*-C)
	2014 78% (including English and Mathematics) (81% 5+A*-C)

Governors' Report (cont.)

Going Concern

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

Key Performance Indicators

The Finance and Premises Governors' Committee receive reports on financial performance at each Committee meeting. Key Financial information reported 2013-14 included:-

- Balanced budget approved by the Committee at its 28th January 2014 meeting
- Expenditure against Budgetary figures
- All major potential Expenditure was approved by the Committee, including Premises and ICT purchases
- All Bank Balances

Financial Review

The vast majority of income is received from the EFA in the form of General Annual Grant (GAG). This income makes up over 95% 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.

Financial and Risk Management Objectives and Policies

Financial management issues and the identification of financial risks are reported via the Finance and Premises Committee to the Governing Body and the Members of the Academy Trust.

The Finance and Premises Committee meets on a termly basis with the Head of Finance and Principal and at these meetings key financial strategic risks are discussed. These risks include planned and unplanned capital expenditure, the agreement of a balanced budget, the review of the Academy's bank balances and the potential income streams for the following academic year.

In addition the Head of Finance meets with the Principal on a weekly basis to discuss issues such as staffing changes and their financial impact/risk, any changes in regulatory requirements and any other potential or perceived financial risks.

During both the termly and weekly meetings, the liquidity state of the school bank accounts is discussed. Through careful financial planning and the close monitoring of cash flow forecasts, a surplus position will be maintained.

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- may 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.

Governors' Report (cont.)

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.

Plans for Future Periods

Prior to the School's application to convert to Academy status, we had decided to embark on a three year plan to re-fenestrate the School. These plans were approved by the Governing Body and by the Local Authority via the Budget Control Mechanism. The total cost to re fenestrate the entire Academy is £1.1million.

Subsequently the Academy also applied to the Academies Capital Maintenance Fund 2014/15 for assistance with the re-fenestration and was successful, after appeal, in obtaining £426,779 . These funds need to be spent by 31st March 2015. However, as the result of the appeal process was not known until June 2014, a request has been lodged with the EfA to postpone the 31st March 2015 deadline to 30th April 2015, thus allowing the re-fenestration to be completed without detriment to the delivery of effective education.

The Academy continues to accumulate funds to ensure that we are in a position to pay for further premises improvements and our indicative budget September 2015 would point to an accumulated fund of circa £500,000 to be ring fenced for this purpose.

Funds held as Custodian Trustee on behalf of others

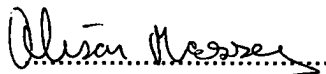
There are no funds held as Custodian Trustee on behalf of others.

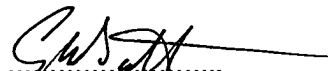
Auditor

In-so-far as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body on 26th November 2014
and signed on its behalf by:


Mrs A Massey
Chair


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 3 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
Mrs A Massey	Chair/Member	3	3
Mr G Scott	Vice Chair/Member	3	3
Mrs A Dunabin	Member	3	3
Mrs I El-Hoss	Member	3	3
Mrs G Sinar	Member	3	3
Mrs A Pimlatt	Staff Governor	3	3
Mrs J Flaherty(resigned 31/3/14)	Staff Governor	1	3
Rev. A Brown(resigned 17/9/13)	Parent Governor	0	3
Mrs J Flower (Appointed 9/2/13)	Parent Governor	3	3
Mrs R Rimmer(term end 13/1/14)	Parent Governor	1	3
Mrs S Rocke	Parent Governor	3	3
Mrs R Le (Appointed 9/6/14)	Parent Governor	1	3
Mr F Blamey	Co-opted Governor	3	3
Mr C Penter	Co-opted Governor	2	3
Mr M J Wren	Co-opted Governor	3	3

The Finance and Premises' Committee is a sub-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 and strategic long term planning.

Governor		Meetings Attended	Out of a possible
Miss J Brandreth	Principal/Accounting Officer	3	3
Mrs A Massey	Chair/Member	3	3
Mr G Scott	Vice Chair/Member	3	3
Mrs A Dunabin	Member	0	3
Mrs I El-Hoss	Member	0	3
Mrs G Sinar	Member	1	3
Mrs J Flower (Appointed 9/2/13)	Parent Governor	3	3
Mr C Penter	Co-opted Governor	1	3
Mr M J Wren	Co-opted Governor	2	3

Governance Statement (continued)

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'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 ended 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 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 year to 31 August 2014 and up to the date of approval of the annual report and financial status. 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 Finance and Premises 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 guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Members 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 2014, the Governors confirm that the RO function has been fully delivered in line with the requirements of the EFA and the RO is not aware of any material internal control issues in the year.

Governance Statement (continued)

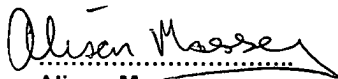
Review of Effectiveness

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 Financial Management and Governance self-assessment process

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 26th November 2014 and signed on its behalf by:


Alison Massey
Chair of Governors


Julie Brandreth
Accounting Officer

The County High School, Leftwich

Statement on 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 Funding Agency (EFA) 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, they will be notified to the Academy Trust Governing Body and EFA.

.....*J. Brandreth*.....

Julie Brandreth
Accounting Officer

26th November 2014

Statement of Governors' Responsibilities

The Trustees (who act as Governors of The County High School, Leftwich and are also 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

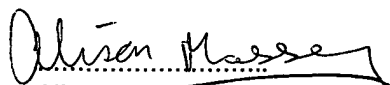
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 operation.

The Governors 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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 26th November 2014 and signed on its behalf by:


Alison Massey
Chair of Trustees

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 2014 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) and the Annual 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 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 13 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 2014, 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 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

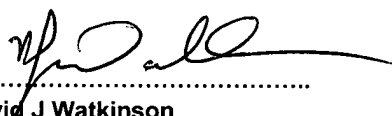
The County High School, Leftwich

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

26th November 2014

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

The County High School, Leftwich

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

In accordance with the terms of our engagement letter dated 30 January 2013 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 The County High School, Leftwich during the year 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 The County High School, Leftwich and EFA 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 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 County High School, Leftwich and EFA, 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's funding agreement with the Secretary of State for Education dated 4 September 2012 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 year 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

The work undertaken to draw 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

The County High School, Leftwich

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 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.



.....
WatkinsonBlack
Chartered Accountants
1st Floor, 264 Manchester Road
Warrington
WA1 3RB

26th November 2014

The County High School, Leftwich

Statement of Financial Activities for the year ended 31 August 2014

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

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	50	2		52	55
Transfer from local authority on conversion						16,309
Activities for generating funds	3	186			186	169
Investment income	4	2			2	1
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5		4,902		4,902	4,567
Total incoming resources		238	4,904		5,142	21,101
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income	6		1		1	
Fundraising trading	6	5			5	9
<i>Charitable activities:</i>						
Academy's educational operations	6,7		5,024	339	5,363	4,940
Governance costs	8		63		63	62
<i>Other resources expended:</i>						
Transfer from local authority on conversion	27					354
Total resources expended	6	5	5,088	339	5,432	5,365
Net incoming/(outgoing) resources before transfers		233	(184)	(339)	(290)	15,736
Gross transfers between funds	15	(240)	213	27	-	-
Net income/(expenditure) for the year		(7)	29	(312)	(290)	15,736
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	15, 25		(390)		(390)	36
Net movement in funds		(7)	(361)	(312)	(680)	15,772
Reconciliation of funds						
Funds brought forward on 1 September 2013	15	144	225	15,403	15,772	0
Funds carried forward at 31 August 2014		137	(136)	15,091	15,092	15,772

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

The County High School, Leftwich

Balance sheet as at 31 August 2014

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	12		15,091		15,403
Current assets					
Debtors	13	311		48	
Cash at bank and in hand		889		872	
		1,200		920	
Creditors: Amounts falling due within one year	14	457		215	
Net current assets			743		705
Total assets less current liabilities			15,834		16,108
Net assets excluding pension liability					
Pension scheme liability	25		(742)		(336)
Net assets including pension liability			15,092		15,772
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	15		15,091		15,403
General fund(s)	15		606		561
Pension reserve	15		(742)		(336)
Total restricted funds			14,955		15,628
Unrestricted funds	15		137		144
Total funds			15,092		15,772

These accounts have been prepared in accordance with [the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).]

The financial statements on pages 18 to 37 were approved by the Governors, and authorised for issue on 26th November 2014 and are signed on their behalf by:


Alison Massey
 Chair of Trustees

Company Limited by Guarantee
 Registration Number 8126953

Cash Flow Statement for the year ended 31 August 2014

	Notes	2014 £000	2013 £000
Net cash inflow/(outflow) from operating activities	19	42	367
Returns on investments and servicing of finance	20	2	1
Capital expenditure	21	(27)	(31)
Cash transferred on conversion to an academy trust	27	-	535
(Decrease)/Increase in cash in the year	22	<u>17</u>	<u>872</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		<u>872</u>	
Net funds at 31 August 2014		<u>889</u>	<u>872</u>

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting Policies

Basis of Preparation

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

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

- **Donated Services and Gifts in Kind**

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

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting Policies (continued)

Resources Expended

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

- **Costs 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's educational operations.

- **Governance Costs**

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

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. 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'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/reducing balance basis over its expected useful lives, as follows:

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

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.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting Policies (continued)

Leased Assets

Rentals under operating leases are charged in the period that they are incurred.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Young People's Learning Agency/Department for Education/sponsor/other funders] where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Young People's Learning Agency/Department for Education.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Other donations	50	2	52	55
	<u>50</u>	<u>2</u>	<u>52</u>	<u>55</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Hire of facilities	16	-	16	24
School trips	131	-	131	100
Tuition fees		-		25
Sundry other income	39	-	39	20
	<u>186</u>	<u>-</u>	<u>186</u>	<u>169</u>

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Short term deposits	2	-	2	1
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
DfE/YPLA/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	4,631	4,631	4,414
Capital Grants	-	271	271	-
	<u>-</u>	<u>4,902</u>	<u>4,902</u>	<u>4,414</u>
Other Government grants				
Special educational projects	-	-	-	153
	<u>-</u>	<u>-</u>	<u>-</u>	<u>153</u>
	<u>-</u>	<u>4,902</u>	<u>4,902</u>	<u>4,567</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2014 £000	Total 2013 £000
Costs of generating voluntary income			1	1	
Costs of activities for generating funds			5	5	9
Academy's educational operations					
Direct costs	3,011	-	909	3,920	3,991
Allocated support costs	543	705	195	1,443	949
	<u>3,554</u>	<u>705</u>	<u>1,104</u>	<u>5,363</u>	<u>4,940</u>
Governance costs including allocated support costs			63	63	62
	<u>3,554</u>	<u>705</u>	<u>1,173</u>	<u>5,432</u>	<u>5,011</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

	2014 £000	2013 £000
Incoming/outgoing resources for the year include:		
Operating leases	48	91
Fees payable to auditor		
Audit	8	8
	<u>56</u>	<u>99</u>

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Direct costs				
Teaching and educational support staff				
Costs	-	3,011	3,011	3,083
Depreciation	-	339	339	402
Technology supplies	-	15	15	10
Educational supplies	-	242	242	204
Examination fees	-	82	82	101
Staff development	-	19	19	12
Educational consultants	-	20	20	53
Other direct costs	-	192	192	126
	-	3,920	3,920	3,991

Allocation supported costs

Support staff costs	-	543	543	477
Technology supplies	-	29	29	24
Recruitment and support	-	22	22	20
Leasing costs	-	48	48	91
Maintenance of premises and equipment	-	532	532	39
Printing & stationery	-	17	17	19
Cleaning	-	8	8	10
Rent & rates	-	47	47	41
Energy costs	-	84	84	83
Insurance	-	34	34	57
Security and transport	-	15	15	21
Catering	-	27	27	30
Other support costs	-	37	37	37
	-	1,443	1,443	949
	-	5,363	5,363	4,940

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Legal and professional fees	-	47	47	45
Auditor's remuneration	-	8	8	8
Accountancy, taxation and other services	-	8	8	9
	-	63	63	62

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

9 Staff Costs

	2014 £000	2013 £000
Staff costs during the period were:		
Wages and salaries	2,790	2,853
Social security costs	216	213
Pension costs	433	435
	<u>3,439</u>	<u>3,501</u>
Supply teacher costs	92	59
Compensation payments	23	
	<u>3,554</u>	<u>3,560</u>

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

	2013 Number	2013 Full-time Equivalent	2013 Number	2013 Full-time Equivalent
Charitable Activities				
Teachers	49	49	49	49
Administration and support	66	56	66	56
Management	14	14	14	14
	<u>129</u>	<u>119</u>	<u>129</u>	<u>119</u>

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

	2014	2013
£60,001 - £70,000	1	
£70,001 - £80,000		1
£80,001 - £90,000	1	
	<u>2</u>	<u>1</u>

57 of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £288,000. 48 other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £128,000

10 Related Party Transactions – Trustees and Governors' 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 2013, no travel and subsistence expenses were reimbursed to governors.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

11 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £774.

The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2013	14,660	541	603	1	15,805
Additions		4	23		27
Disposals					
At 31 August 2014	14,660	545	626	1	15,832
Depreciation					
At 1 September 2013	117	135	150		402
Charged in year	117	103	119		339
Disposals					
At 31 August 2014	234	238	269		741
Net book values					
At 31 August 2014	14,426	307	357	1	15,091
At 31 August 2013	14,543	406	453	1	15,403

13 Debtors

	2014 £000	2013 £000
Prepayments and accrued income	256	
Other debtors	55	48
	<u>311</u>	<u>48</u>

14 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	119	102
Other taxation and social security	39	54
Other creditors	63	50
Accruals and deferred income	236	9
	<u>457</u>	<u>215</u>

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

15 Funds

	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2014 £000
Restricted general funds					
General Annual Grant (GAG)	561	4,904	(5,072)	213	606
Pension reserve	(336)		(16)	(390)	(742)
	225	4,904	(5,088)	(177)	(136)
Restricted fixed asset funds					
DfE/YPLA/EFA capital grants	15,372		(339)		15,033
Capital expenditure from GAG	31			27	58
	15,403	-	(339)	27	15,091
Total restricted funds	15,628	4,904	(5,427)	(150)	14,955
Unrestricted funds	144	238	(5)	(240)	137
Total funds	15,772	5,142	(5,432)	(390)	15,092

The Restricted general fund is to cover the normal running costs of the Academy. 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.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

16 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets			15,091	15,091
Current assets	137	1,063		1,200
Current liabilities		(457)		(457)
Pension scheme liability		(742)		(742)
Total net assets	137	(136)	15,091	15,092

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

17 Capital commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	Nil	Nil

18 Financial commitments

Operating leases

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

	2014 £000	2013 £000
Land and buildings	Nil	Nil
	Nil	Nil
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	118	118
Expiring in over five years	-	-
	118	118

19 Reconciliation of net income to net cash inflow from operating activities

	2014 £000	2013 £000
Net income	(290)	15,736
Depreciation (note 12)	339	402
Capital grants from DfE/YPLA/EFA and other capital income	-	(15,774)
Interest receivable (note 5)	(2)	(1)
FRS 17 pension cost less contributions payable	16	372
Cash transferred on conversion	-	(535)
(Increase)/decrease in debtors	(263)	(48)
Increase/(decrease) in creditors	242	215
Net cash inflow from operating activities	42	367

20 Returns on investments and servicing of finance

	2014 £000	2013 £000
Interest received	2	1
Net cash inflow from returns on investment and servicing of finance	2	1

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

21 Capital expenditure and financial investment

	2014 £000	2013 £000
Purchase of tangible fixed assets	27	15,805
Capital grants from DfE/YPLA/EFA	-	15,774
Capital funding received from sponsors and others		
Net cash outflow from capital expenditure and financial investment	<u>27</u>	<u>31</u>

22 Analysis of changes in net funds

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Cash in hand and at bank	872	17	889
	<u>872</u>	<u>17</u>	<u>889</u>

23 Contingent Liabilities

There were no contingent liabilities at 31 August 2014.

24 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.

25 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amount to £39,881 (2013 - £38,999) were payable to the schemes at 31 August 2014 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.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

25 Pension and similar obligations (continued)

Teachers' Pension Scheme (cont.)

Introduction (cont.)

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

25 Pension and similar obligations (continued)

Teachers' Pension Scheme (cont.)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £166,000 (2013 - £162,000), of which employer's contributions totalled £132,000 (2013 - £128,000) and employees' contributions totalled £34,000 (2013 - £34,000). The agreed contribution rates for future years are 25% for employers and between 5.5% and 7.2% for employees.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period since conversion. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (cont.)

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.5%	5.1%
Rate of increase for pensions in payment / inflation	2.7%	2.8%
Discount rate for scheme liabilities	3.7%	5.9%
Inflation assumption (CPI)	2.7%	2.8%
Commutation of pensions to lump sums	50.0%	50.0%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.3 years	22.9 years
Females	24.4 years	25.7 years
<i>Retiring in 20 years</i>		
Males	24.1 years	24.9 years
Females	26.7 years	27.7 years

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

	Expected Return at 31 August 2014	Fair value At 31 August 2014 £000	Expected return at 31 August 2013	Fair value at 31 August 2013 £000
Equities	6.3%	518	6.6%	678
Bonds	3.4%	181	3.5%	117
Property	4.5%	60	4.7%	54
Cash	3.3%	103	3.6%	54
Total market value of assets		862		903
Present value of scheme liabilities				
- Funded		(1,604)		(1,239)
Surplus/(deficit) in the scheme		(742)		(336)

The return on the Fund in market value terms is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. The actual returns for the year to 31 March 2014 was 5.2% (2013 - 11.3%), and the total returns for the year to 31 August 2014 was 12.8% (2013 - 14%)

The actual return on Employer Assets was £125,000 (2013 - £101,000).

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (cont.)

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	145	136
Past service cost	-	-
Total operating charge	145	136
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	(58)	(34)
Interest on pension liabilities	61	44
Pension finance income / (costs)	148	146

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £354,000 loss (2013 - £36,0000 gain).

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

	2014 £000	2013 £000
At 1 September 2013	1,239	993
Current service cost	145	136
Interest cost	61	44
Employee contributions	34	34
Actuarial (gain)/loss	126	32
Estimated benefits paid	(1)	-
At 31 August 2014	1,604	1,239

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (cont.)

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

	2014 £000	2013 £000
At 1 September 2013	903	639
Expected return on assets	58	34
Actuarial gain/(loss)	(264)	68
Employer contributions	132	128
Employee contributions	34	34
Estimated benefits paid	(1)	-
At 31 August 2014	862	903

The estimated value of employer contributions for the year ended 31 August 2015 is £123,000..

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

	2014 £000	2013 £000
Present value of defined benefit obligations	(1,604)	(1,239)
Fair value of share of scheme assets	862	903
Surplus/(Deficit) in the scheme	(742)	(336)
Experience adjustments on share of scheme assets	(264)	68
Experience adjustments on scheme liabilities:	(111)	-

26 Related Party Transactions

Other than payments as described in Note 10 there were no related party transactions during the period.