

**Hilbre High School Humanities
College
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year Ended

31 August 2017

Company Number 08075363

**Hilbre High School Humanities College
(A Company Limited by Guarantee)**

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Hilbre High School Humanities College (A Company Limited by Guarantee)

Reference and Administrative Details
For the Year Ended 31 August 2017

Members

G Kemp
M Bellamy
C Robinson

Trustees

S Reynolds
J Jubb
A Downey (resigned 20 June 2017)
L Thierry (resigned 20 June 2017)
P Freeman (resigned 7 December 2016)
S Jenkinson
J Money
J Burgess (appointed 27 March 2017)
M Cockburn (appointed 1 September 2017)
S Fleming (appointed 7 December 2016)
J Forsey (appointed 27 March 2017)
J Jackson (appointed 27 March 2017)
C Kerr (appointed 27 March 2017)
I Sadler (appointed 1 September 2017)
D Taylor (appointed 7 December 2016)
G Williams (appointed 1 September 2017)

Company registered number

08075363

Company name

Hilbre High School Humanities College

Principal and registered office

Hilbre High School Humanities College, Frankby Road, Wst Kirby, Wirral, CH48 6EQ

Company secretary

K M Rainsford

Senior management team

M Bellamy, Head Teacher
P Lloyd, Deputy Head Teacher
J Whisker, Deputy Head Teacher
E Wallace (Harrison), Assistant Head Teacher
V Devonport, Assistant Head Teacher
A Evans, Assistant Head Teacher

Independent auditor

BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

**Hilbre High School Humanities College
(A Company Limited by Guarantee)**

**Reference and Administrative Details
For the Year Ended 31 August 2017**

Advisers (continued)

Bankers

Lloyds Bank, 355 Woorchurch Road, Prenton, CH42 8PE

Solicitors

Browne Jacobson, 44 Castle Gate, Nottingham, NG1 7BJ

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report For the Year Ended 31 August 2017

Trustee's Report

The Governors (who also act as trustees and directors) present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2016 to 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 pupil aged 11-18, including 6th Form provision, serving a catchment area in West Wirral. It has a pupil capacity for Pre16 students of 900 and had a roll of 880 in the school census on 26th February 2016. Post16 students for the same census on roll were 166.

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 Governors act as trustees of Hilbre High School Humanities College, who are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hilbre High School Humanities College.

Details of the Governors who served during the year 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

In accordance with normal commercial practice, the School trust has purchased insurance to protect the Governing Body from claims arising due to negligent acts, errors or omissions occurring on school business.

Method of Recruitment and Appointment or Election of Trustees

The School as set out in the articles of association has various stakeholders representing the school:

- Parent Governors
- Staff Governors
- Community Governors
- Partnership Governors
- Co-opted Governors

To ensure that Hilbre High School Humanities College is strongly led and robustly governed, the school recruits select and induct appropriate individuals as Governors, not just from the Local Community, but from all walks of life and backgrounds, who can bring different skills, experience and fresh viewpoints to help maintain and foster the quality and standards of the School.

The method for recruitment of new governors must reflect the skills required at any given time by the School, as determined by the Governing Body.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Policies and Procedures Adopted for the Induction and Training of Trustees

Governors undertake an induction programme in-line with the School's Induction Policy for Governors, including meetings with the Head Teacher and Deputy Head Teachers and Chair of Governors, for those Governors appointed to the Audit Committee and Academy, Business and Finance Committee

Organisational Structure

The Governing Body of the School is responsible for ensuring that the school meets all obligations placed upon it by the Secretary of State for Education. In order to better fulfil the obligations placed upon it the Governing Body has formed the following Committees:

- Audit, Academy, Business & Finance Committee;
- HR, Personnel & Performance Management Committee;
- Pay Committee;
- Curriculum, Achievement & Student Wellbeing Committee.

The key purposes of the Governing Body are:

- Monitoring the school's financial and academic performance;
- Developing strategic policies and procedures which reflect the school's vision and ethos;
- Promoting the school and fostering links with local, national and global communities.

In fulfilling the above purposes, the Governing Body discharges the following responsibilities:

- To develop and review the School Improvement Plan;
- To review and monitor the school's financial position on a regular basis, considering any significant contractual matters or issues;
- To monitor the educational performance of the School against outcomes and success criteria;
- To approve and review the implementation and effectiveness of key operational policies;
- To monitor and review the school's staffing structure against current provision and future requirements;
- To participate in marketing and communication with parents/carers and the local and wider community;
- To monitor and review the effective and efficient management of the school's site and buildings;
- To maintain an overview of the school's risk management procedures.

The Full Governing Body, together with all the above Committees, meet at least once every term with additional meetings being called as necessary. All meetings are minuted.

The School's Senior Leadership Team consists of the Head Teacher, 2 x Deputy Head Teachers, 4 x Assistant Head and 1 Director of Business & HR. The Senior Leadership Team manages the school at an executive level, implementing the policies and procedures agreed and approved by the Governing Body.

In making the arrangements for setting the pay and re-numeration for key management personnel; the Governors would consider:

- National staffing levels for key personnel in line with Teacher Pay and Conditions guidelines and the approved Whole School Pay Policy approved by Governors at the start of each academic year.
- The results of the robust and agreed procedures for Performance Management Reviews undertaken annually and approved by Governors.
- The position of the Academy's Financial Year accounts and the ability for the Academy funds to be able to meet current and future staff re-numeration levels as per discussion with the Academy Business & Finance Team and the Accounting Officer.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Related Parties and other Connected Charities and Organisations

The Governing Body works closely with Wirral Borough Council, the DfE, the ESFA, neighbouring Secondary schools in relation to Teaching & Learning Practices in the classroom, sharing Best Practice, Curriculum Development and Behaviour and Student Wellbeing Policies and Procedures.

This year our English Department have liaised widely with Upton Hall Catholic Grammar School to observe routines, systems and teaching and were able to adopt new practices for the assessment of student's work, which proved to be very beneficial. Staff were able to experience methods of challenging and developing the most able students and NQT staff were able to experience and observe best practice and strategies in the classroom.

All staff in our Maths Department have attended training of the Maths Mastery programme which we have started to implement in school.

The Project Leader for History visited one of our local Primary Feeder schools to see how year 6 students were being taught the KS2 History Curriculum to help transition into KS3 lessons. He also noted the high standards of extended writing in the subject, which will affect our expectations of the development of skills and ability in Year 7.

The Project Leader and other staff from the Art Department visited Caldby School as part of the summertime sharing exercise to discuss the modelling of the A Level programme. This resulted in the drafting of a new model with more structure, new deadline dates and extra written tasks.

The Psychology department again liaised with Upton hall and students and staff from both schools shared visits and Conferences.

The deputy SEND and Resource Provision Manager attended extensive transition visits to all feeder Primary Schools, providing invaluable knowledge and plans for the transition of students with SEN into Year 7. Our staff have also attended meeting with LA staff to pass on our experience in this field and the RP manager has also been seconded to the LA SEN Department to offer her expertise.

This is just a sample of the training and development that has occurred throughout the school.

Local primary schools and other local organisations also work closely with the Governing Body.

The school has an Academy Partner which is Liverpool John Moore's University and through working alongside such local, highly-respected partners we are seeking to share best practice, broaden opportunity for both our students and the staff we employ, and provide a high quality education for all our learners.

The school runs the Bronze, Silver and Gold Duke of Edinburgh Award Scheme and students participate in a wide range of activities including fund raising initiatives for local charities and other worthy organisations.

The school has an active association named Friends of Hilbre, which acts as a consultative body as well as raising funds to support the school; raising funds in 2016/17 to contribute towards the purchase on new Sports equipment and Audio Visual Stage equipment for use in School shows and Performances.

The school gave a total of £9,477 to a variety of local and national charities through internal fund raising activities.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2017

Objectives and Activities

Objects and Aims

Hilbre is a hardworking, dedicated, motivated and lively school in which learning is an enjoyable and rewarding experience.

We recognise the varied and individual needs of our students and provide a broad, balanced education, both in and outside the classroom, ensuring our students are equipped with the skills, knowledge and understanding necessary to contribute confidently to today's ever changing society.

Opening the door of Hilbre High School Humanities College, you will find an 11-18 co-educational high school with 1,100 students on roll.

Our pledge is to ensure that every student, whatever their starting point, makes rapid and sustained progress through effective, high quality teaching, in order to achieve good outcomes within a caring and support environment.

At Hilbre High School Humanities College we aim to:

- Challenge all our students to do their very best: progress through endeavour
- Provide a caring, healthy and supportive environment in which students can feel secure and happy and in which they can easily relate to people
- Maintain exacting standards and provide a broad and balanced education both in and outside the classroom
- Promote excellent teaching and learning across all curriculum areas, driven by our commitment to continuous improvement and our desire to develop independent learners
- Provide an innovative and challenging curriculum that recognises the varied and individual needs of all our students
- Provide sound academic foundations to enable our students to leave school with the skills, knowledge and understanding necessary to contribute confidently to today's changing world
- Enable children and parents to participate fully in the life of the school and enjoy the many and wide ranging activities on offer
- Continue to enhance our capacity to meet the needs of a wide range of young people in our community
- Continue providing wide-ranging enrichment activities

We value:

- Learning as an enjoyable and rewarding experience for all our students
- Our students making significant progress whilst at school and beyond
- Our high levels of care, support and guidance for our students
- Partnership with all our stakeholders including students, parents, staff and Governors
- Our school environment including new state of the art buildings;
- Our students' participation in significant community work;
- Our partnerships with schools and other organisations at local, national and international levels.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Objectives, Strategies and Activities

Following the most recent Ofsted inspection 20th-21st June 2016, the school came out with an Overall Effectiveness grading of "GOOD" and the Chief Inspector produced the following summary for Hilbre High School:

- The aspirational new Head teacher has made significant, wide ranging changes that have already improved many areas of the school.
- Governors are passionate about the school and support the whole community well on the improvement journey.
- The senior and middle leaders work together well so that standards at the school are rising quickly. They ensure that pupils who are underperforming are well supported to catch up.
- Teaching has improved since the last inspection as teachers use good questioning to deepen pupils knowledge and understanding. All staff have increasingly high expectations of pupils and pupils are responding to them. The school is improving against key indicators. Pupils are making better progress because of the consistent approach of all staff to raising standards.
- Disadvantaged pupils are now making faster progress when compared to other pupils.
- The house system for behaviour is making a positive difference to pupil's attitudes around the school. Pupils conduct themselves well and are proud of the school.
- Bullying, derogatory language and intolerance of those who are different from themselves are rare.
- Attendance and punctuality are improving.
- The sixth form leaders have high expectations of learners, which lead to excellent attitudes. The broad, engaging sixth form curriculum and the support they receive means learners do well and their attendance is high. Careers education and guidance are excellent and learners are very well prepared for their next steps. All move on to further and higher education, employment or training.

The Five different areas of Inspection came out with the following grades:

- **Effectiveness of leadership and Management - Good**
- **Quality of Teaching, Learning and Assessment - Good**
- **Personal Development, Behaviour and Welfare - Good**
- **Outcomes for Pupils - Good**
- **16-19 Study Programme- Good**

The school was deemed to be "Not yet an Outstanding school" because:

- Throughout the school the most able pupils are not always making the progress they should.
- Pupil's literacy and presentation skills are not secure enough.
- The school does not measure how well it is moving towards its improvement targets.
- The persistent absence of some pupils continues to be high.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

The immediate response of the Head Teacher and SLT was to produce an action plan to address these issues and to put plans into practice with immediate effect. The summary of the action plan is as follows:

The Key Priorities are:

Outcomes for Students

- Focus on Improving Literacy Skills (Ofsted)
- Outcomes for all but particularly Year 11 and Year 13
- Improving outcomes in subjects that have under-performed this summer.

Teaching, Learning and Assessment

- Setting more challenging work for the most able pupils / students (Ofsted)
- Insistence on neat and well-presented written work (Ofsted)

Personal Development, Behaviour & Welfare

- Reduce the persistent absence of pupils who have special educational needs or disabilities and current Year 11 pupils (Ofsted)
- Better comparison of focus groups with national data (Ofsted)

Effective Leadership

- Improve the school's strategic planning by setting clear targets in improvement plans which measure progress in priority areas (Ofsted) with clear milestone indicators.
- Improve the school's strategic planning and triangulation processes by making more effective use of a range of information available to check progress towards the school's key targets (Ofsted).

Achievement

To achieve a Progress 8 score of 0 or above and an Attainment 8 score commensurate with the National Average.

Student Outcomes

	Minimum score expected		
	2017/18	2018/19	2019/20
All students			
Estimated Attainment 8	4.69	4.52	4.62
Estimated Attainment 8 grade	C-	C-	C-
Higher Ability (KS2> L4)			
Estimated Attainment 8	6.29	6.08	6.28
Estimated Attainment 8 Grade	B+	B	B+
Middle Ability (KS2 =L4)			
Estimated Attainment 8	4.65	4.65	4.71
Estimated Attainment 8 Grade	C-	C-	C-
Lower Ability (KS2 >L4)			
Estimated Attainment 8	3.07	2.85	2.80
Estimated Attainment 8 Grade	E	E	E-

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Priorities:

- To ensure outstanding and ambitious progress for all our students that compare favourably with national and local averages and ensure no group fails behind our highest of expectations.
- To develop highly literate and numerate students who are fully confident when articulating themselves ensuring they become successful learners and achieve their full potential.
- Ensure that all staff and students embrace the significance of the 2017 progress and attainment performance indicators, resulting in high P8 and A8 scores.
- Focus on ensuring high progress / value added for all Pupil Premium students as indicated by both historical data and current data and ensuring catch up from KS2.
- Address stubborn barriers to learning for certain students in English /Maths and ensure effective interventions are in place to ensure good matching of achievement for students in both subjects.
- To use progress 8 data effectively to identify under achievement, intervene where necessary and evaluate impact of interventions.
- To rigorously quality assure moderation of coursework and internal exams more rigorously to ensure relevant subjects are better able to withstand national boundary movements and / or syllabus changes.
- To meet or exceed ALPs targets for KS5 students.
- To meet or exceed our school attendance target of 96%.

TEACHING, LEARNING AND ASSESSMENT

- The highest quality teaching, never less than typically good, frequently outstanding and underpinned by high quality targeted professional development and training, thus creating aspirational, creative, independent and resilient learners who embrace risk, learn from mistakes and make outstanding progress.
- A First class, robust assessment system that supports and enables real progression.
- An embedded and inclusive "professional learning community" enjoyed by students and staff with continuous and professional growth for staff, underpinned by our Growth Mind-set Philosophy".

Expected Outcomes

2016/17- 85% Good or Better by triangulated evidence. Records kept of lesson observations, marking scrutiny and exam outcome data for each member of staff.

2017/18-90% Good or better by triangulated evidence. Records kept of lesson observations, marking scrutiny and exam outcome data for each member of staff.

2018/19- 90% Good or Better by Triangulated evidence. Records kept of lesson observations, marking scrutiny and exam outcome data for each member of staff.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

2016/17

- To continue and develop a model of supportive and developmental lesson observations increase the number of teacher coaches, embed and extend the work of the TLC (Teacher Learning Community) introduce a SLC (Student Learning Community) and continue to share best practice via the TLC newsletter.
- To further embed the school's marking policy to ensure consistent of approach and sharing best practice by teachers when assessing student work in the Learner Journals.
- To embed an Induction Programme for new staff on Teaching and Learning practices, SWOT analysis of teachers' CPD needs, sharing best practice via "bring and brag", bespoke CPD programme based on career stage, coaching INSET, video analysis for self-reflection, NPQML, Teaching Leaders programme, collaboration with local schools.
- To further develop and improve new whole school target setting and assessment systems, including a move to formal examinations for all year groups. To include a common monitoring system for all year groups.

Leadership and Management

- Ensure the best provision for our increased cohort so that teaching, support and expectation is commensurate with challenging expectation **(As judged by student progress and outcomes)**
- Ensure effective and purposeful transition to our new Arts & Music Building, formally the CLC.
- Expectation of student performance is universally high throughout the establishment following introduction and development of new target setting system **(As judged by student progress and outcomes)**.
- Middle Leaders supported, challenged and held to account through external training, internal co-coaching and enhanced performance management reviews **(As judges through participation levels at training events, minutes of focus meetings with senior leaders and performance management)**.
- Ensure Governors are confident and equipped to be able to hold the school to account with regard to performance. **(As judged by Governing Body minutes, Leadership Board meetings, Link Governor reports and Governor Monitoring of Post Ofsted Action Plan in conjunction with members of the Senior Leadership Team)**

Behaviour & Safety

- All students attend school well and punctually, dressed in correct uniform and properly equipped. **(As judged by student attendance figures, SLT Walk About, QA and lesson observations and effective implementation of active form time)**
- All students demonstrate respect and consideration for each other, the staff, the school environment and the wider community. **(As judged by bullying records, SLT Walk About and the improved appearance of the environment)**
- Reinforcement of school motto 'Progress through Endeavour' to ensure that all students regardless of their starting point make rapid and sustained progress through effective high quality teaching in order to achieve good outcomes within a caring and supportive environment. **(As judged by 'SLT Walk About Progress / Achievement data and outcomes for students)**

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

The school's charitable activities are substantial and each year we elect to support three charities; one local, one national and one international.

The charities we support are elected annually by the Student Council both for National and Local charities. This academic year, 2016-17, we were supporting:

- Cancer Research- Race for Life =£2,735.81
- Guide Dogs =£236.63
- Macmillan =£396
- Children in Need & Comic Relief =£1,266.74
- SANDS =£828.92
- Bennet family = £824.97
- Clare Daly Foundation £1680.42
- Redwings Horse Sanctuary =£952.12

Strategies we deploy to raise funds for charities include:

- Non-Uniform days- £1 per student & staff.
- Tutor Group Fundraising Initiatives such as Cake Sales.
- Bag packing at major local supermarkets
- Sponsored Events

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. Given the activities of the Academy and the student population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

Strategic Report

Achievements and Performance

A- Level Results

Headline figures:

Post 16	2016 Validated	2017 Unvalidated	Comment
A-Level	-0.14 average	-0.28	Declined by 0.14
Academic Value-Added	-0.17 average	-0.29	Declined by 0.12
Applied Value-Added	-0.22 average	-0.02	Improved by 0.2
A-Level Attainment Average Point Score/Grade	22.94 D+	23.4 D+	Improved by 0.46
Academic Attainment Average Point Score/Grade	23.11 D+	23.55 D+	Improved by 0.44
Applied Attainment Average Point Score/Grade	34.84 Distinction	34.24 Distinction	Consistent 'Distinction'
Technical Level Attainment Average Point Score/Grade	36.67 Distinction *	27.19 M+	Declined by 9.48
Progress in English (GCSE)	0.59	0.38 (estimate)	Above national average
Progress in Mathematics (GCSE)	0.16	1.6 (estimate)	Above national average

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Post-16 Destinations:

2 students progressed to Russell Group universities to study Avionics and Radiography. Many stayed locally with a high number progressing to Liverpool John Moores University.

Analysis of destinations:

Progressed to Year 14 = 21.7%
 Progressed to university = 42.0%
 Employed = 17.4%
 Apprenticeship = 8.7%
 Gap year = 2.9%
 Art Foundation = 2.9%
 Fe Course = 2.9%
 NEET = 1.04%

Observations from Post 16 Results

1. Our action to ensure students complete appropriate courses, maintaining the quality of grades achieved and improving destinations is working.
2. Vocational qualifications are critical for overall judgement of Post 16 results.
3. Academic qualifications are critical for maintaining the size of our 6th form provision and are helping us to compete with other local schools.
4. The Extended Project Qualification has helped secure university places with additional UCAS points being achieved.
5. The quality of the re-sit group's Post 16; particularly English, have shown a marked improvement.
6. For many students the mixed academic / vocational curriculum diet continues to reap rewards.

GCSE Results

Headline Figures:

GCSE	2016 Validated	2017 Unvalidated	Comment
Progress 8	-0.31	-0.28	Improved by 0.03
Percentage A*toC English/Maths	53	54	Improved by 1%
% EBACC	9	8	Declined by 1%
% entering EBACC	16	16	Same
Progress 8 for Disadvantaged	-0.86	-0.71	Improved by 0.15
P8 Low Ability	-0.67	0.07	Improved by 0.74
P8 Mid Ability	-0.17	-0.3	Declined by 0.13
P8 High Ability	-0.47	-0.39	Improved by 0.06
Percentage disadvantaged Eng/Maths A* to C	33%	43%	Improved by 10%

Observations from KS4 Results

1. Our English results are affecting many of our headline performance measures. Whole School Literacy is vital to support the work of the English team.
2. Good improvement in Geography, Graphics and ICT.
3. PP/LAC/Statemented students have benefited from more academic intervention and less pastoral support.
4. Challenge for our most able students continues to require improvement and actions to improve.
5. Subject improvement plans with clear milestones of achievement and better triangulation of evidence have provided continuity, clarity and led to significant improvements in some subject areas.
6. Work needs to be done on recruiting students into the sixth form throughout the school from Year 7 upwards.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date.

As funding is based on pupil numbers, this is also a key performance indicator. Pupil numbers for 2016-17 based on the Funding Statement from the Education and Skills Funding Agency were 1,052, compared to 2015-16 which were 1,084.

The Audit Committee and Academy, Business & Finance Committee review key financial data, including performance indicators and outcomes, at each of their meetings. All Financial performances are measured using a series of control and monitoring systems and procedures.

A detailed commentary on performance for a specific period is presented, with comprehensive management accounts that include the following:

- Income to date against budget to date comparisons, analysed by income headings;
- Expenditure to date against budget to date comparisons, analysed by expenditure headings;
- Projected surplus/deficit for the academic year analysed by income and expenditure headings;
- Bank and Investment balances, both month end and current.

Staff costs represent the majority of the School's expenditure and as such they are closely scrutinised with an agreed percentage of no more than 80% of the total budget. Actual staff costs are monitored monthly against budget settings with trends being extrapolated to provide expected year end outcomes.

As a PFI school, all utility costs are covered under the PFI monthly recharges, and as such, information provided by the Local Authority is interrogated to ensure efficient use of resources, having regard to environmental impact.

The following KPIs were set at the start for the academic year:

- Pupil Improved progress or attendance
- Positive pupil/pupil/staff relationships

Attendance %

Target: 96

Actual: 93.8

Going Concern

The Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements.

The Academy has a deficit, as at 31 August 2017, of £3,699,00 in relation to the non-teaching staff pension fund. This was inherited upon conversion to an Academy. However, it should be noted that this does not present the school with a liquidity problem. Contributions to the scheme to cover this deficit will be paid on an annual basis over 25 years from the date of conversion, increasing at an approximate rate of 4.5% per annum.

The Academy's in-year deficit in 2016/17 increased substantially compared to previous years as a result of a combination of reduction in GAG income and increased teacher staffing expenditure.

The appointment to post of the new Head teacher and consideration given to the Ofsted report in June 2016 resulted in a comprehensive change to the whole school staffing structure. This resulted in the appointment of more experienced staff onto the Senior Leadership team to increase capacity as well as increases to Teaching & Learning Responsibility points, for both senior Pastoral Staff and Departmental Senior Leaders.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

The Academy also, this year, saw a decrease in both Post 16 GAG Pupil led funding and Pre-16 Other factors totalling £237,000 in comparison to the previous year.

Budget projection figures for post August 2017 year-end show a substantial reduction in the in-year deficit figures for both 2017/18 and 2018/19. These positive changes will come about due to an increase in Pre-16 pupil numbers from 880 in September 2016 to 941 in September 2017 and to an increase in numbers in Post 16 from 159 to 191 showing in the Autumn 2017 census. The increase in the academy PAN number in year 7 from 180 to 200 will continue to have an impact over the following years as the increase follows through all year groups.

Staffing figures have since been given a thorough review in relation to Financial Resources and curriculum need with the total staff cost, as a percentage of restricted income, reducing from 87% in 2016/17 to 77% in 2018/19.

Financial Review

The majority of the school's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes as detailed in the funding agreement. The grants received from the ESFA during the period 1st September 2016 – 31st August 2017 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities (SoFA).

The amount of recurrent grant funding for this period received from the Education and Skills Funding Agency was £5,752,826. A full listing of income received for this period from various sources is shown within the Statement of Financial Activities (SoFA).

The School also receives grants for fixed assets from the ESFA, in accordance with the Charities' "Statement of Recommended Practice, Accounting and Reporting by Charities" (SoRP 2005). Such grants if received are shown in the Statement of Financial Activities (SoFA) as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

The School has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion; the opening value at the start of this academic year was £3,397,000..

Pupil numbers - we expect the number of pupils in Years 7 to 11 to increase slightly from 880 in September 2016, to approximately 906 in September 2017.

Key financial policies adopted or reviewed during the period include the Financial Procedures Manual, Fraud and Corruption policy, Capital Revenue and Investment Reserves policy and Gifts and Hospitality. The Financial Procedures Manual sets out the framework for financial management, including financial responsibilities of the Governors, Head Teacher (as Accounting Officer), the Assistant Vice Principal for Academy, Finance and Business Development, budget holders and other affected staff as well as delegated authority for expenditure protocols.

The Governors have agreed a strategic approach to robust financial management and budgetary control whilst continuing to invest accordingly in human and physical resources to sustain the school's development priorities. The governing body has also taken a prudent approach to policy on reserves and investments, in order to protect the organisation from commercial, political and financial risk.

Reserves Policy

The Governing Body reviews the reserve levels of the school annually at the year-end and as a part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Particular regard is given to the likely levels of future income to be received from the Education and Skills Funding Agency and the likelihood that these may reduce over the forthcoming years, along with the increase in employers NI and pension

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

contributions.

Governors determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies or in-year expenditure over and above the agreed budget setting.

As a part of its monitoring of in-year financial performance the Governing Body reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. As such, the Governing Body plans to establish a reasonable level of restricted and unrestricted general reserves at the year-end in order to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to mitigate anticipated very challenging budget shortfalls.

As at 31 August 2017 the School held the following reserves:

- Restricted Reserves (excluding pension liabilities) £nil
- Unrestricted Reserves £639,000

During the year, a transfer of £325,000 was made to restricted reserves from unrestricted reserves to fund the operational deficit in the GAG fund in the year.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

On conversion to academy status, the School inherited the past service deficit in relation to the Local Government Pension Scheme that is provided for our non-teaching staff. The current deficit as of the 31st August 2017 was £3,699,000.

It should be noted however that this does not present the Academy with a current liquidity problem. Contributions to the pension scheme to cover this deficit will be paid on an annual basis over 25 years, increasing at 4.5% and it will be refined as part of the 2017 valuation, based on final membership information.

Investment Policy

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Governing Body.

Governor's management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FCA Approved List included in the Financial Services Compensation Scheme (FSCS).

Governors will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. Arrangements for deposits may include, but are not limited to Treasury Bonds and CCLA Deposit Accounts. Deposit account providers must be selected from the FCA Approved List included in the Financial Services Compensation Scheme (FSCS) or from the CCLA.

Where significant funds are have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Governors may consider the investment of these funds in order to generate a longer term income or capital fund. In addition, the school may at times receive investments as part of a legacy or gift.

The approval of the Audit and Academy, Business & Finance Committees is required before any investment is made.

The following criteria should be used in selecting an appropriate investment:

- What level of risk does the investment represent? The governors' approach to risk is cautious –typical investments will include corporate bonds and fixed interest funds.
- The anticipated level of return
- Management fees and associated costs
- Any penalties e.g. for early redemption
- Ease of access should governors wish to realise the investment.

The Audit, Academy, Business & Finance Committees will approve any changes to the organisations and/or accounts in which the school's funds are invested. However, in doing so, they will take a low risk approach to investment, particular at a time when investment returns are low, in order to protect the funds generated to date for the benefit of future years.

Principal Risks and Uncertainties

Governors are responsible for the management of risks to which the school is exposed and are assisted in this task by the school Senior Leadership Team, Human Resource advisors from SAS Daniels LLP, Risk and Insurance Services and Health and Safety Services are purchased from the Local Authority with financial advice and support provided by BDO LLP.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Operational risks are identified, assessed and reported on at school level and these are reviewed by Governors who also identify and assess the key strategic risks facing the school during the academic year.

The key controls used by Governors include:

- Detailed Terms of Reference for all Committees;
- Formal agendas for all meetings and Committee meetings of the Governing Body;
- Minutes of Full Governing Body and Committee meetings are formally approved by governors and noted;
- Schemes of Delegation and formal financial regulations for school staff;
- Approved formal written policies and procedures, including those required by law to protect the vulnerable;
- Clear and transparent authorisation and approval levels.

Financial - the school has considerable reliance on continued Government funding through the ESFA. As the majority of the school's incoming resources were ultimately Government funded. There have already been reductions in areas of Academy funding, and no assurances that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. As Post 16 funding continues to decline, coupled with curriculum changes, the additional pressures in respect to Special Educational Needs funding, and the increase in employer costs, the impact on schools in terms of maintaining standards over the next few years will increase the need for further prudent budgeting and contingency planning.

PFI contract – as the school is part of the Local Authority's PFI Scheme, Governors are mindful of the increasing unitary charges per annum. The PFI contract provides that from the first "Price Adjustment Date" and every five years thereafter the Provider is given the opportunity to revise the annual price charged for specific facilities management (FM) services in line with current market prices. This price is then fixed for the next five years. The first "Price Adjustment Date" for Wirral was 31st August 2013, by which time the revised price has to be agreed and implemented (the actual costs of this review was only agreed in 2015.) The Governors are aware that the additional increases to the annual unitary charge as part of the review, has an impact on not only the school's current budget setting, but subsequent forecasts, which will be addressed accordingly.

Increased premises capacity - due to increased demand by parents for year 7 places into Hilbre (from 180 to 208 in 2017), the school made the strategic decision to take on the lease of the now vacant Local Authority managed CLC building, located on Hilbre's grounds. This acquisition enabled the movement of the Music and Arts Departments into the new building and create 3 more Science Teaching rooms and 2 new Business Studies rooms in the main school. The new Lease meant that the school's PFI monetary commitment would increase by the amount of 2/3rds of the CLC building, with the Local Authority paying the remaining 3rd for the Home School Education service. This will continue until the end of the PFI agreement, with a get-out clause written in to review and end the agreement after 5 years if necessary. It was felt that increased funding provided by the ESFA for the additional pupils would cover the additional PFI costs and give the school much needed room to expand and develop.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the school's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the school is dependent on being able to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that student success and achievement are closely monitored and reviewed. For the past 3 years the school has seen ever increasing numbers coming into year 7 and many parental appeals for places having to be declined due to full capacity levels.

Safeguarding and Child Protection - the Governors continue to ensure that the highest standards are maintained in the areas of recruitment, selection and monitoring of staff. There are a number of Child Protection policies and procedures, Safeguarding, Health & Safety and Discipline/ Well-Being procedures in place.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2017

Staffing - the success of the School is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Risk Management procedures are in place with a comprehensive Risk Register being available and Governors are satisfied that the major risks identified have been reviewed, and processes have been established to manage those risks accordingly.

Pupil numbers and forecasted numbers based on the numbers of pupils within feeder primary schools are annually reviewed to ensure appropriate recruitment policies are adopted, including recruiting students from outside the immediate catchment area, to help ensure all places are filled.

Plans for Future Periods

Effectiveness of Leadership & Management

- To ensure the new leadership structures and leadership programmes are successfully embedded, held accountable and result in school improvement. **(As judged by performance management outcomes, accreditation in external programmes and school performance indicators).**
- To ensure Governors are confident and equipped to be able to hold the school to account in regard to performance. **(As judged by Governing Body minutes, Governor attendance at school meetings, Link Governor reports and Governor monitoring of the School Improvement Plan in conjunction with members of the SLT).**
- Middle leaders supported, challenged and held to account through external training, internal co-coaching and the enhanced performance management reviews. **(As judged by participation levels at training events, minutes of focus meeting with senior leaders and performance management).**
- To ensure that the Academy has robust financial, safeguarding and performance management policies and procedures in place and proactively responds to challenges and opportunities presented by the new national landscape. **(As judged by unqualified accounts, value for money statement, minutes from Governors meetings and externally accredited safeguarding training).**
- To ensure the curriculum provides breadth, depth and relevance to meet the needs of all learners; to ensure the curriculum reflects changes nationally and standards of assessment are rigorously quality assured. **(As judged by minutes of meetings, Governor Link reports, student/parental feedback and student outcomes in all Key Stages).**
- To increase student participation in key initiatives pertaining to the leadership and management of the school. **(As judged by evidence of student participation in key initiatives).**

Quality of Teaching, Learning & Assessment

- To ensure that all teaching promotes good or better learning and progress. **(As judged by monitoring grades and external examination results).**
- To support and develop teaching that requires improvement, to ensure good or better outcomes are achieved. **(As judged by lesson observations, coaching records, external examination results and performance records).**
- To ensure that marking in Learner Journals is consistent across all subjects and Key Stages and provides constructive dialogue between staff and students to move learning forward. **(As judged by SLT and Subject Learner Journal Scrutinies).**
- To promote a culture of sharing and developing practice through a range of teaching and learning forums within and beyond school. **(As judged by participation at forums and enhanced class room practice).**

Hilbre High School Humanities College (A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2017

Personal Development, Behaviour & Welfare

- Expect and maintain high standards of student accountability for all of their actions supported by a range of approaches, both internally and externally. (As judged by enhanced ECM outcomes such as: improved health, improved participation, preparedness for next stage in education, enjoyment of school and improved performance outcomes).
- All students demonstrate a consistently positive attitude towards their school, learning, staff, peers, appearance and environment. (As judged by school culture, rewards, attendance, punctuality, uniform, behaviour and respect for the environment).
- Reinforcement of school motto 'Progress through Endeavour' to ensure that all students, regardless of their starting point, make rapid and sustained progress, through effective high quality teaching in order to achieve good outcomes, within a caring and supportive environment. (As judged by school culture, progress data and performance outcomes).

Outcomes for Children & Learners

- To ensure that all students achieve their best at Hilbre High School. (As judged by performance indicators and external examination performance).
- To meet or exceed FFT D targets for the whole school and specific student groups.
- To demonstrate progress against exacting Post 16 ALPs targets. (As judged by ALPs monitoring reports).
- New internal assessments, monitoring and scrutiny of progress against challenging targets will ensure that all students maximise their performance and achieve good outcomes. (As judged by monitoring grades, external examination results, group outcomes and scrutiny of quality assured assessment materials).

Following student outcomes, especially in GCSE, the Governing Body have ratified the decision to focus the following main School Improvement Targets for the 2017-18 academic year.

The key targets are:

- Focus on improving Literacy skills and neat and well- presented written work.
- Focus on outcomes for Year 11 students.
- Setting more challenging work for the most able students.
- Reduce persistent absence of students with Special Educational needs.
- Produce better comparisons of focus groups with national data.
- Improve the school's strategic planning and triangulation processes.
- To improve pupils' attitudes to learning, ensuring they take pride in their work and are focused on learning so they value their education, are keen learners and want to find out more.
- To secure improvement in the progress of Pupil premium pupils, which include better use of Pupil Premium funding to ensure that deployment of staff and resources deliver good or better outcomes.

Funds Held as Custodian Trustee on Behalf of Others

The School does not hold funds on behalf of others.

**Hilbre High School Humanities College
(A Company Limited by Guarantee)**

**Trustees' Report (continued)
For the Year Ended 31 August 2017**

Auditor

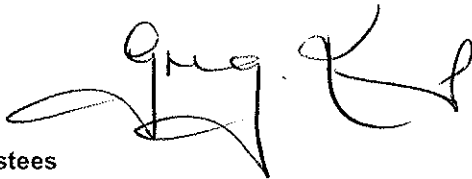
BDO LLP was appointed by the Governing Body for this period.

Insofar as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on **7/12/17** and signed on its behalf by:

**G Kemp
Chair of Trustees**

A handwritten signature in black ink, appearing to read 'G Kemp', written over a horizontal line.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hilbre High School Humanities College Academy Trust and the Secretary of State for Education.

They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Kemp (Chair)	9	10
M Bellamy (Head Teacher and Accounting Officer)	13	13
S Reynolds	4	7
J Money	7	7
S Jenkinson	6	7
C Robinson	6	7
J Jubb	5	7
A Downie	4	7
L Thierry	2	7
J Forsey	2	2
J Jackson	3	3
J Burgess	2	2
C Kerr	1	2
D Taylor (Staff governor)	6	7
S Fleming (Staff governor)	7	7

For this academic year, this being the fifth Annual Report and Financial Statements, the key changes in the composition of the Governing Body, result from the resignation of two of the long term Governors. Four new governors joined the school part way through the Year, 2 new Parent Governors, 1 Head teacher and 1 Head of Service from the Home School Education Service. Any new appointments are made in line with the skills matrix used by the school for recruiting new Governors with a key skill set, e.g. Business, HR and Legal, in order for the school to have a broad and varied range of experienced Governors, which can be utilised to maximum effect.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement (continued)

Particular challenges that have arisen for the Governors include:

- First full year of the new Head teacher settling into his position with new members of an increased SLT.
- Implementation of new staffing structure across the whole school
- The implementation of new policies and procedures to address Ofsted recommendation FROM June 2016
- Increased focus on student well-being, behaviour and engagement with learning.
- Increased students numbers throughout school including a 100% proposed increase in numbers coming into the Resource provision and an expected increase in students applying for the Sixth Form.
- Managing a new lease agreement, taking over occupancy of the CLC building and creating more classroom space in the main school.

Notwithstanding, the complexities and responsibilities held by nominated Members and appointed Governors, under the auspices of an Academy.

Governance reviews:

Governors are a key factor in raising the quality of education, working with the Senior Leadership Team, the Local Authority and the Education Funding Agency, for ensuring all learners achieve whilst also managing many other facets of an academy.

It is recognised, that for the school to function effectively, it does so without tension between the Governing Body, Senior Leadership Team, Local Authority, and Central Government, therefore establishing relationships of mutual respect and a shared vision.

With the increasing demands of accountability placed on academy schools leaders, leaders who empower others need considerable autonomy and involve their school communities to attain school improvement.

At Hilbre High School Humanities College, the Governing Body regularly challenge their own performance. Robust debates about the effectiveness of governance are common. Where there were opposing views, issues were discussed fully and additional information sought, including from external experts if required.

This includes external reviews of the schools financial systems and procedures undertaken by auditors from BDO.

Also, the Governing Body has also worked with our HR/Legal Advisors with regards to an external review of the restructuring for the Senior Leadership structure and the Whole School Staffing structure and the impact of such review and subsequent outcomes give the Governing Body an unbiased assessment of not only how the school operates, but just as important, is how effective the Governing Body operates.

The effectiveness of the Governing Body structures and committee membership are also reviewed annually. The Governing Body works with the School's SIP, taking advice and guidance from them in terms of feedback and reviews, including self-evaluation, carried out on an academic year basis.

The school achieved Investment in people Award in 2016.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement (continued)

The **Academy, Business and Finance Committee** is a sub-committee of the main board of Governors. its purpose is to:

- To consider the Academy's indicative funding, notified annually by the DfE/ESFA, and to assess its implications for the Academy, in consultation with the Head Teacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend acceptance/non-acceptance of the Academy's budget, before the start of each new academic year.
- To contribute to the formulation of the Academy's School Improvement Plan, through the consideration of financial priorities and proposals, in consultation with the Head Teacher, with the stated and agreed aims and objectives of the academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the HR, Personnel, Pay and Curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements.
- To receive Auditors' and Assessment of Internal Control reports and to recommend to the Full Governing Body action as appropriate in response to audit findings.
- To recommend to the Full Governing Body the appointment or reappointment of the auditors of the Academy.
- To advise the Board of Governors on acquisition and disposal of premises.
- Under the auspices of the School's PFI Agreement:
 - To evaluate proposals and quotations relating to major building works and other fixed assets.
 - To monitor/report on all works relating to buildings and other fixed assets.

The particular issues dealt by this committee for this period surrounds changes to Senior Leader, Teacher and Support Staffing costs. rising PFI costs, changes to Curriculum, Outcomes for Students and exam results.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Kemp (Chair)	3	3
M Bellamy (Head Teacher and Accounting Officer)	3	3
S Jenkinson	3	3
In attendance		
J Whisker/ P Lloyd Deputy Head teacher	3	3
J Doyle- Director of Business & HR	3	3
K Rainsford- Director of Finance	2	3

The Audit Committee is also a sub-committee of the main board of Governors. Its purpose is:

- To review the effectiveness of financial and other control systems.
- To ensure that all significant losses have been properly investigated and reported as appropriate.
- To oversee the Academy's policy on fraud and irregularity
- To oversee the Academy's corporate governance arrangements including the code of practice.
- To monitor the implementation of approved recommendations relating to both the work performed by the auditors under agreed upon procedures and the external auditors.
- To monitor the effectiveness of the internal control monitoring procedures and external auditing service and to promote co-ordination between the two.
- To consider and advise the Governing body on the audit needs assessment.
- To consider and advise the Governing body on agreed upon procedure reports,
- To monitor the Academy's arrangements to secure value for money.
- Understanding the concepts and requirements of risk management.
- Acting as a catalyst for risk management activity across the school.
- Ensuring appropriate audit work on risk management.
- Collecting information on risks and risk management.
- To advise the governing body on the appointment and remuneration of external auditors and the scope of their work (in line with Academies Financial Handbook reporting requirements).
- To work with the external auditors on the nature and scope of the audit as necessary.
- To consider and advise the Governing Body on the external auditors Financial Statements and Accounting Reports.
- To consider the Academy's financial statements as appropriate.
- To receive and review relevant reports relating to audit.
- To advise on Risk Management, Health & Safety, and Emergency Planning issues in respect of finance, buildings, systems and fixed assets.

The particular issues dealt by this committee for this period surrounds the effectiveness and resilience of all financial controls and risk management, in particular the PFI contract.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement (continued)

Review of Value for Money

As Accounting Officer the Head Teacher 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 Governing Body 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:

Set against this funding context and taking into account the setting of a balance budget with realistic strategic planning, and outcomes, our perception is that Hilbre High School demonstrates value for money.

The school continually reviews its staffing structure to ensure it deploys staff efficiently. The school does not simply make like for like appointments but effectively deploys its existing staff while making appointments that aim to future proof the Academy amidst an ever-changing position.

In relation to our headline results identified within the Achievement and Performance section, these figures suggest we are getting students through more courses with no overall adverse effect on quality.

The Academy benchmarks itself against national benchmarking data, comparing ourselves with other schools of similar size, student numbers, staff numbers and costs where applicable. The school has links to other academies on the Wirral and is able to share best practice and collaborate whenever possible.

Improving educational outcomes:

- Ensuring that Pupil Attendance is closely monitored and managed, with support and early intervention to ensure that all students maximise their time at school. This includes the school's Attendance Panel, where parents are invited in to discuss a student's attendance record, and agree strategies/solutions in improving their absence record. Included within this, is the weekly interaction with the school's Educational Social Worker. For this academic year, attendance was 93.8% for pre16 students.
- Provision of revision sessions between Easter break and Whit Week for all students sitting exams, including Saturday and Sunday sessions.
- Extended school activities to improved progress/attainment and build positive pupil/pupil/staff relationships.
- Kept our staffing structure under review, ensuring good curriculum provision but being efficient and being conscious of value for money.

Improved Income Generation:

- The school explores every opportunity to generate income through bidding for additional funding streams, seeking sponsorship and realising commercial value from our progressive educational approach.
- Examples taken to maximise income include Income generation from hiring the school premises, sale of 'beyond reasonable repair' assets or assets due for disposal and successful grant applications.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement (continued)

Improved Purchasing: All avenues are considered when making purchases or entering into Service Level Agreements (SLA). SLAs are reviewed and alternatives sought to ensure that we obtain best value. Stringent financial controls are communicated to staff to ensure they are aware of the financial constraints governing the school as an Academy. Budget holders are held accountable for how they operate their budget, and are assisted by the Finance Team in sourcing best value.

Best value is ensured by obtaining 3 verbal quotes for a purchase value over £1,000 for 1 item and 3 written quotes for over £3,000. Bulk purchase of items will involve a negotiated discount wherever possible. Suppliers are regularly reviewed to ensure best deal is obtained for the school and other suppliers considered if needs be to keep competitive. The school is part of the YPO (Yorkshire Purchasing Organisation) loyalty scheme. We also achieve savings by viewing alternative purchasing options on-line in order to find the most competitive price, e.g. eBay, in order to purchase goods for at least 50% less than other mainline supplier and the Local Authority.

Having a school's Financial Procedures Manual, this clearly states all policies and procedures which have to be adhered to, including Purchasing. The manual is reviewed and revised annually, and ratified by the Governing Body.

This Academy is conscious that we operate within an environment of continual change and are responsive to national directives and policy changes and also to local demands from our wider community. As such, we acknowledge that there will always be valuable lessons to be learnt and a constant need to review our procedures and systems to ensure that value for money is at the heart of everything we do to enhance the learning opportunities for our students.

The Senior Leadership Team and the Governors are not complacent and recognise that there is always room for improvement and innovation, and that the effective application of resources to best support the various educational needs of all the students is paramount.

Governors and our accountants/auditors continually challenge school leaders about the financial decisions made, and the allocation of resources, to ensure that they understand the rationale behind these decisions.

This section refers to many examples of what we consider to be "good practice" to help us secure value for money at every opportunity. This in turn supports the work towards our School Improvement Plan, which sets out clearly our specific objectives and the future direction of the academy.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hilbre High School Humanities College for the period 1 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 Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 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 Governing Body.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Governance Statement (continued)

The Risk and Control Framework

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

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

Review of Effectiveness

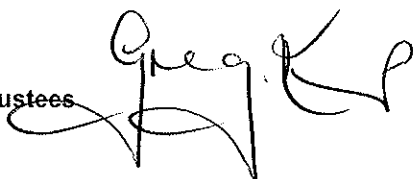
The Accounting officer (The Head teacher) has the responsibility for on-going review of the effectiveness of the internal Financial Control systems and procedures in place. During the year this is carried out by:

- Termly meetings with the Governors of the Audit, Academy, Business & Finance Committees, and review of Signatory lists, Financial Procedures, Academy Financial Handbook, Terms of Reference of Committee, Key Financial Personnel roles and responsibilities;
- Regular discussion with the Director of Business and the Director of Finance over policies, procedures, and Regulatory updates and changes and the effectiveness of the Internal Financial Management framework;
- The work done by the External Auditors and the reports produced by them;
- The work of the Director of Business & HR who works with SLT on Annual Staff Performance Reviews, budget settings and in year expenditure reviews and monthly Financial Reconciliations.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and Academy, Finance and Business Committee and a plan to address weaknesses, if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7/12/17 and signed on their behalf, by:

G Kemp
Chair of Trustees



M Bellamy
Accounting Officer



**Hilbre High School Humanities College
(A Company Limited by Guarantee)**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Hilbre High School Humanities College I have considered my responsibility to notify the academy trust board of trustees 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 board of trustees are able to identify any material irregular or improper use of all 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, these will be notified to the board of trustees and ESFA.

**M Bellamy
Accounting Officer**

 7/12/17.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Statement of Trustees' Responsibilities For the Year Ended 31 August 2017

The Trustees (who act as governors of Hilbre High School Humanities College 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 of 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 7/12/17 and signed on its behalf by:



G Kemp
Chair of Trustees

Hilbre High School Humanities College (A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Hilbre High School Humanities College

Opinion

We have audited the financial statements of Hilbre High School Humanities College ("the Academy") for the year ended 31 August 2017 which comprise the statement of financial activities (incorporating income and expenditure account), balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the Education & Skills Funding Agency ("the ESFA").

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the ESFA.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Hilbre High School Humanities College

(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Hilbre High School Humanities College

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Hilbre High School Humanities College

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Academy'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 Academy's members those matters we are required to state 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 Academy and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Hamid Ghafoor

for and on behalf of

BDO LLP

5 Temple Square
Temple Street
Liverpool
L2 5RH

Date: 14/12/17.

Hilbre High School Humanities College

(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Hilbre High School Humanities College and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in Part 9 of the Academies Accounts Direction 2016 to 2017 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hilbre High School Humanities College during the year 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 Hilbre High School Humanities College and to the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hilbre High School Humanities College and to the 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 Hilbre High School Humanities College and to the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hilbre High School Humanities College's and the reporting accountant

The accounting officer is responsible, under the requirements of Hilbre High School Humanities College funding agreement with the Secretary of State for Education dated 15 January 2013 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 (SORP 2015). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 work in accordance with the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the 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.

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

**Hilbre High School Humanities College
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Hilbre High School Humanities College and the Education and Skills 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 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)

BDO LLP

5 Temple Square
Temple Street
Liverpool
L2 5RH

Date: 14 / 12 / 17.

Hilbre High School Humanities College
(A Company Limited by Guarantee)

Statement of Financial Activities Incorporating Income and Expenditure Account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Income from:						
Donations and capital grants	2	-	-	23	23	23
Charitable activities	3	1	6,182	-	6,183	6,335
Other trading activities	4	64	-	-	64	27
Investments	5	6	-	-	6	6
Total income		<u>71</u>	<u>6,182</u>	<u>23</u>	<u>6,276</u>	<u>6,391</u>
Expenditure on:						
Charitable activities		<u>10</u>	<u>7,075</u>	<u>23</u>	<u>7,108</u>	<u>6,614</u>
Total expenditure	6	<u>10</u>	<u>7,075</u>	<u>23</u>	<u>7,108</u>	<u>6,614</u>
Net income / (expenditure) before transfers						
Transfers between Funds	16	61 (325)	(893) 325	- -	(832) -	(223) -
Net expenditure before other recognised gains and losses		<u>(264)</u>	<u>(568)</u>	<u>-</u>	<u>(832)</u>	<u>(223)</u>
Actuarial losses on defined benefit pension schemes	20	-	(86)	-	(86)	(1,617)
Net movement in funds		<u>(264)</u>	<u>(654)</u>	<u>-</u>	<u>(918)</u>	<u>(1,840)</u>
Reconciliation of funds:						
Total funds brought forward		<u>903</u>	<u>(3,045)</u>	<u>67</u>	<u>(2,075)</u>	<u>(235)</u>
Total funds carried forward		<u><u>639</u></u>	<u><u>(3,699)</u></u>	<u><u>67</u></u>	<u><u>(2,993)</u></u>	<u><u>(2,075)</u></u>

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

The notes on pages 38 to 56 form part of these financial statements.

Hilbre High School Humanities College
(A Company Limited by Guarantee)
Registered number: 08075363

Balance Sheet
As at 31 August 2017

	Note	£000	2017 £000	£000	2016 £000
Fixed assets					
Tangible assets	13		46		60
Current assets					
Debtors	14	114		110	
Cash at bank and in hand	19	901		1,455	
		<u>1,015</u>		<u>1,565</u>	
Creditors: amounts falling due within one year	15	<u>(355)</u>		<u>(303)</u>	
Net current assets			<u>660</u>		1,262
Total assets less current liabilities			<u>706</u>		<u>1,322</u>
Defined benefit pension scheme liability	20		<u>(3,699)</u>		<u>(3,397)</u>
Net liabilities including pension scheme liabilities			<u>(2,993)</u>		<u>(2,075)</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	-		352	
Restricted fixed asset funds	16	67		67	
Restricted income funds excluding pension liability		<u>67</u>		<u>419</u>	
Pension reserve	16	<u>(3,699)</u>		<u>(3,397)</u>	
Total restricted income funds			<u>(3,632)</u>		<u>(2,978)</u>
Unrestricted income funds	16		<u>639</u>		<u>903</u>
Total deficit			<u>(2,993)</u>		<u>(2,075)</u>

The financial statements on pages 35 to 56 were approved by the Trustees, and authorised for issue, on 7/12/17 and are signed on their behalf, by:

G Kemp
Chair of Trustees



The notes on pages 38 to 56 form part of these financial statements.

Hilbre High School Humanities College
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash used in operating activities	18	(573)	(48)
Cash flows from investing activities:			
Dividends, interest and rents from investments		6	6
Purchase of tangible fixed assets		(10)	(16)
Capital grants from DfE/ESFA		23	23
Net cash provided by investing activities		19	13
Change in cash and cash equivalents in the year		(554)	(35)
Cash and cash equivalents brought forward		1,455	1,490
Cash and cash equivalents carried forward	19	901	1,455

The notes on pages 38 to 56 form part of these financial statements.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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.

Hilbre High School Humanities College constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

In making this assessment, the Trustees have given consideration to the pension deficit which is not considered to cause liquidity issues due to annual deficit contributions being made to fund the deficit. Budgets and forecasts have been prepared for the next two years taking account of increases in funding due to increases in Pre-16 and Post-16 pupil numbers. There has also been an increase in the Academy's PAN number in year 7 which will continue to have an impact on funding over future years.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 Statement of Financial Activities Incorporating Income and Expenditure Account 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.

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'.

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.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised 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 Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

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 Incorporating Income and Expenditure Account.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.6 PFI Agreement

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

1.7 Operating leases

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions 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 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 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.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.12 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.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 20, 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 Incorporating Income and Expenditure Account 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.

1.14 Fund accounting

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

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

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

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments 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 20, 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.

There is a level of inherent uncertainty in estimating the future PFI charges, concerning the use of buildings occupied by the Academy under the Wirral Schools PFI Project Agreement, which are disclosed in note 21. In the future, PFI charges may vary due to inflationary increases, PFI contractor performance penalties and PFI charge benchmarking exercises. The trustees have estimated the future operating lease commitments based on the latest information available.

Critical areas of judgment:

The most important factor in determining the amount of GAG the school receives each year is the number of pupils on roll. Regular reports are provided to members of the Finance Committee estimating the size of the School Budget. These are updated as and when changes take place with regards to intakes.

A significant factor in determining the amounts reflected in the financial statements would be any decision to become a Multi Academy Trust. This decision had not yet been taken by the school although the situation is constantly monitored by the Governing Body of the school.

2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Capital Grants	-	23	23	23
<i>Total 2016</i>	-	23	23	

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant	-	5,484	5,484	5,616
Other DfE/ESFA grants	-	269	269	277
	<u>-</u>	<u>5,753</u>	<u>5,753</u>	<u>5,893</u>
Other government grants				
Local authority grants	-	281	281	257
Other government grants	-	1	1	-
	<u>-</u>	<u>282</u>	<u>282</u>	<u>257</u>
Other funding				
Other income	1	26	27	20
School fund	-	121	121	165
	<u>1</u>	<u>147</u>	<u>148</u>	<u>185</u>
Total 2017	<u>1</u>	<u>6,182</u>	<u>6,183</u>	<u>6,335</u>
<i>Total 2016</i>	<u>12</u>	<u>6,323</u>	<u>6,335</u>	

4. Trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Charity trading income				
Hire of facilities	16	-	16	17
Staff consultancy	31	-	31	10
Catering income	17	-	17	-
	<u>64</u>	<u>-</u>	<u>64</u>	<u>27</u>
Net income from trading activities	<u>64</u>	<u>-</u>	<u>64</u>	<u>27</u>

Total income from trading activities was £64,000 (2016: £27,000) of which £64,000 (2016: £27,000) was unrestricted and £Nil (2016: £Nil) was restricted.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

5. Investment income

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Short term deposits	6	-	6	6
<i>Total 2016</i>	6	-	6	

6. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	3,862	-	390	4,252	3,891
Support costs	1,491	673	692	2,856	2,723
Total 2017	5,353	673	1,082	7,108	6,614
<i>Total 2016</i>	4,821	667	1,126	6,614	

The Academy's educational operations expenditure above totalling £7,108,000 (2016: £6,614,000) included £7,075,000 (2016: £6,570,000) used from restricted funds, £10,000 (2016: £9,000) used from unrestricted funds and £23,000 (2016: £35,000) used from restricted fixed asset funds.

7. Analysis of expenditure by activities

	Direct costs 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Charitable activities	4,252	2,856	7,108	6,614
<i>Total 2016</i>	3,891	2,723	6,614	

Hilbre High School Humanities College
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Notes to the Financial Statements
For the Year Ended 31 August 2017

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities £000	Total 2017 £000	Total 2016 £000
Staff costs	1,491	1,491	1,304
Depreciation	24	24	35
Technology costs	65	65	78
Premises costs	647	647	632
Other costs	609	609	656
Governance costs	20	20	18
	<u>2,856</u>	<u>2,856</u>	<u>2,723</u>
<i>At 31 August 2016</i>	<u>2,723</u>	<u>2,723</u>	

8. Net income/(expenditure)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets: - owned by the charity	24	35
Operating lease rentals	<u>587</u>	<u>568</u>

9. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of 10,000 (2016: £9,000), and other services of £5,000 (2016: £9,000).

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

10. Staff costs

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	4,131	3,742
Social security costs	373	299
Operating costs of defined benefit pension schemes	789	609
	5,293	4,650
Supply teacher costs	60	126
Staff restructuring costs	-	45
	5,353	4,821

Staff restructuring costs comprise:

Redundancy payments	-	45
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Staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £Nil (2016: £45,000 paid to one staff member).

Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2017 No.	2016 No.
Teachers	71	64
Administrations and support	55	49
Management	8	8
	134	121

Higher paid staff

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

Three of the above employees participated in the Teachers' Pension Scheme and one participated in the Local Government Pension Scheme. During the year ended 31 August 2017 employer's pension contributions for these staff amounted to £36,891 (2016: £34,951).

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

10. Staff costs (continued)

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 national insurance contributions and employer pension contributions) received by key management personnel for their services to the academy trust was £635,133 (2016: £566,898).

Disclosure of prior year key management personnel employee benefits has been restated to include employers national insurance contribution.

11. Trustees' remuneration and expenses

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

	2017 £000	2016 £000
M Bellamy (head teacher and trustee)		
Remuneration	90-95	85-90
Pension contributions paid	15-20	10-15
C Joyce (staff governor - teacher)		
Remuneration	-	15-20
Pension contributions paid	-	0-5
E Myers (staff governor - teacher)		
Remuneration	-	15-20
Pension contributions paid	-	0-5
S Fleming (staff governor - teacher)		
Remuneration	40-45	0-5
Pension contributions paid	5-10	0-5
D Taylor (staff governor - non teaching)		
Remuneration	15-20	0-5
Pension contributions paid	0-5	0-5

C Joyce resigned as a staff governor on 31 August 2016

E Myers resigned as a staff governor on 31 August 2016

S Fleming was appointed as a staff governor on 7 December 2016

D Taylor was appointed as a staff governor on 7 December 2016

During the year ended 31 August 2017, travel and subsistence expenses totalling £Nil (2016: £Nil) were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 24.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

12. 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 year ended 31 August 2017 was £2,850 (2016: £2,668).

13. Tangible fixed assets

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2016	5	84	135	224
Additions	-	7	3	10
Disposals	-	-	(1)	(1)
At 31 August 2017	5	91	137	233
Depreciation				
At 1 September 2016	4	40	120	164
Charge for the year	1	13	10	24
On disposals	-	-	(1)	(1)
At 31 August 2017	5	53	129	187
Net book value				
At 31 August 2017	-	38	8	46
At 31 August 2016	1	44	15	60

14. Debtors

	2017 £000	2016 £000
Prepayments and accrued income	109	107
Tax recoverable	5	3
	114	110
	114	110

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

15. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Other taxation and social security	-	98
Other creditors	191	85
Accruals and deferred income	164	120
	355	303
	355	303
	2017 £000	2016 £000
Deferred income		
Deferred income at 1 September 2016	36	32
Resources deferred during the year	31	36
Amounts released from previous years	(36)	(32)
	31	36
	31	36

At the balance sheet date the Academy Trust was holdings funds received in respect of the school fund.

16. Statement of funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Losses £000	Balance at 31 August 2017 £000
Unrestricted funds						
Unrestricted funds	903	71	(10)	(325)	-	639
	903	71	(10)	(325)	-	639
Restricted funds						
General Annual Grant (GAG)	352	5,484	(6,161)	325	-	-
Other DfE/ESFA grants	-	269	(269)	-	-	-
Other restricted income	-	429	(429)	-	-	-
Pension reserve	(3,397)	-	(216)	-	(86)	(3,699)
	(3,045)	6,182	(7,075)	325	(86)	(3,699)
	(3,045)	6,182	(7,075)	325	(86)	(3,699)

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

16. Statement of funds (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	46	23	(12)	-	-	57
Capital expenditure from GAG	21	-	(11)	-	-	10
	<u>67</u>	<u>23</u>	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>67</u>
Total restricted funds	<u>(2,978)</u>	<u>6,205</u>	<u>(7,098)</u>	<u>325</u>	<u>(86)</u>	<u>(3,632)</u>
Total of funds	<u>(2,075)</u>	<u>6,276</u>	<u>(7,108)</u>	<u>-</u>	<u>(86)</u>	<u>(2,993)</u>

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

Unrestricted funds

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. During the year, a transfer of £325,000 was made to restricted reserves from unrestricted reserves to fund the operational deficit in the GAG fund in the year.

Restricted general funds

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and other funders.

Restricted fixed asset funds

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

17. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	46	46
Current assets	639	355	21	1,015
Creditors due within one year	-	(355)	-	(355)
Provisions for liabilities and charges	-	(3,699)	-	(3,699)
	<u>639</u>	<u>(3,699)</u>	<u>67</u>	<u>(2,993)</u>

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(832)	(223)
Adjustment for:		
Depreciation charges	24	35
(Increase)/decrease in debtors	(4)	67
Increase in creditors	52	18
Capital grants from DfE and other capital income	(23)	(23)
Interest receivable	(6)	(6)
Defined benefit pension scheme cost less contributions payable	138	17
Defined benefit pension scheme finance cost	78	67
Net cash used in operating activities	(573)	(48)

19. Analysis of cash and cash equivalents

	2017 £000	2016 £000
Cash in hand	901	1,455
Total	901	1,455

20. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension 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 £93,215 were payable to the schemes at 31 August 2017 (2016: 84,795) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

20. Pension commitments (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £498,392 (2016: £458,279).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £290,000 (2016: £255,000), of which employer's contributions totalled £226,000 (2016: £194,000) and employees' contributions totalled £64,000 (2016: £61,000). The agreed contribution rates for future years are 15.3% for employers and 5.5% to 12.5% for employees.

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.

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

20. Pension commitments (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.70 %	3.40 %
Rate of increase for pensions in payment / deferment	2.20 %	2.00 %
Inflation assumption (CPI)	2.20 %	1.90 %
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:

	2017	2016
Retiring today		
Males	21.6 years	22.5 years
Females	24.7 years	25.4 years
Retiring in 20 years		
Males	24.2 years	24.9 years
Females	27.7 years	28.2 years

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
+ 0.1% p.a. discount rate	5,989	5,349
+ 0.1% p.a. inflation	6,287	5,644
+ 0.1% p.a. pay growth	6,182	5,565
1 year increase in life expectancy	6,246	5,591

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,277	1,101
Government bonds	83	96
Other bonds	295	247
Property	195	172
Cash and other liquid assets	117	78
Other	470	403
Total market value of assets	2,437	2,097

The actual return on scheme assets was £224,000 (2016: £324,000).

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Notes to the Financial Statements
For the Year Ended 31 August 2017

20. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2017	2016
	£000	£000
Current service cost	(364)	(211)
Net interest cost	(73)	(62)
Administration expenses	(5)	(5)
	<u> </u>	<u> </u>
Total	<u>(442)</u>	<u>(278)</u>

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

	2017	2016
	£000	£000
Opening defined benefit obligation	5,494	3,243
Current service cost	364	211
Interest cost	122	129
Employee contributions	64	61
Actuarial losses	142	1,873
Benefits paid	(50)	(23)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>6,136</u>	<u>5,494</u>

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

	2017	2016
	£000	£000
Opening fair value of scheme assets	2,097	1,547
Interest income	49	67
Actuarial gains	56	256
Employer contributions	226	194
Employee contributions	64	61
Benefits paid	(50)	(23)
Administration expenses	(5)	(5)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u>2,437</u>	<u>2,097</u>

	2017	2016
	£000	£000
Total market value of assets	<u>2,437</u>	<u>2,097</u>
Present value of scheme liabilities - Funded	<u>(6,136)</u>	<u>(5,494)</u>
	<u> </u>	<u> </u>
Net pension obligation	<u>(3,699)</u>	<u>(3,397)</u>

Hilbre High School Humanities College (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

21. Operating lease commitments

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 payable:		
Within 1 year	1,012	571
Between 1 and 5 years	4,300	2,336
After more than 5 years	10,794	5,601
Total	16,106	8,508

Included in operating lease commitments is £16,102,000 (2016: £8,503,000) which relates to revenue contributions for facilities management in respect of the PFI arrangement under which the buildings are occupied by the Academy.

Operating lease commitments have increased in the year due to the Local Authority having delegated the budget for PFI Affordability Gap to the schools who are part of the Wirral Schools PFI Project Agreement. The Academy also signed a lease for the Community Learning Centre, which is located within the boundary of the Academy, during the year.

22. Guarantees, letters of comfort and indemnities

There were no guarantees, letters of comfort or indemnities provided by the trust during the year.

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. 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 11.