
HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

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HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | G Kemp M Bellamy C Robinson |
| Trustees | M Cockburn, Chair of Trustees I Sadler, Vice Chair of Trustees M Bellamy, Head Teacher and Accounting Officer G Kemp (resigned 17 March 2020) J Jubb S Jenkinson J Money E Gunatileke, Staff Governor G Williams S Fleming, Staff Governor J Forsey J Jones (appointed 1 December 2019) J Griffiths (appointed 13 November 2019) R Owen (appointed 17 March 2020) S Ford (appointed 29 June 2020) S Turner (appointed 13 November 2019) |
| Company registered number | 08075363 |
| Company name | Hilbre High School Humanities College |
| Principal and registered office | Hilbre High School Humanities College Frankby Road West Kirby Wirral CH48 6EQ |
| Company secretary | J Doyle |
| Senior management team | M Bellamy, Head Teacher (Accounting Officer) P Lloyd, Deputy Head Teacher J Whisker, Deputy Head Teacher E Harrison, Assistant Head Teacher V Devonport, Assistant Head Teacher A Evans, Assistant Head Teacher D White, Assistant Head Teacher P Hellier, Assistant Head Teacher S Rooney, Assistant Head Teacher |
| Independent auditor | Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT |

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers Lloyds Bank
 355 Woodchurch Road
 Prenton
 CH42 8PE

Solicitors Hill Dickinson
 1 St Paul's Square
 Liverpool
 L3 9ST

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The trust operates an academy for pupils aged between 11-18 years and serving a catchment area in West Wirral. It has an overall capacity for 1,160 including 960 pre-16 and 200 post 16. In 2019 /20 the academy had 965 pre-16 pupils on roll (+100% capacity) and 153 post-16 on roll (76.5% capacity) at the time of the Autumn Term census 2019.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and Articles of Association are the primary governing documents of the trust.

The Trustees of Hilbre High School Humanities College are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Hilbre High School Humanities College.

Details of the Trustees who served during the year, and to the date of these accounts are approved and included in the Reference and administrative details on page 1.

Note - In August 2020 the Academy commenced proceedings to amend the Members of the Board in accordance with guidelines within the Academies Financial Handbook and Governance Handbook. These changes will be reflected in the 2020/21 Accounts.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring while on trust business.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Trustee appointments are based on the required skills and knowledge to provide strategic leadership and good governance to the trust.

The trust shall have the following trustees as set out in its Articles of Association and Funding Agreement:

The numbers of Trustees be not less than 3 but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Up to 1 Trustee, appointed under Article 50.

Up to 7 Parent Trustees appointed under Articles 53-58.

Up to 2 Staff Trustees appointed under Article 58A (not including the Head Teacher).

Up to 5 Community Trustees appointed under Article 58B.

Up to 2 Partnership Trustees appointed under Article 58C.

Any additional Trustees, if appointed under Article 62, 62A, 62C or 68A.

The Head Teacher.

Any further Trustees, if appointed under Article 63 or Article 68A.

e. Policies adopted for the induction and training of Trustees

- The induction, training and support programme for trustees will differ according to the nature of the post and the varying needs and experience of the individual concerned. There are, however, some general principals outlined below which should be common to all.
- The trustees should undertake an induction programme in accordance with the Induction Policy for new members of the Board of Trustees.
- It is expected that the incumbent trustees will provide a good deal of practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new trustees to integrate into a new situation.
- Prior to taking up the appointment, the new member will be invited to visit the Academy to meet key people as appropriate.
- The trust's Equality & Diversity and related policies will be appropriate to all.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The management structure consists of two levels, the trustees and the senior management of the school. The Head Teacher is the Accounting Officer. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions.

The full Board of Trustees met 4 times during the 2019/20 academic year and will be meeting 4 times per year from 2020/21 academic year). They establish an overall framework for the governance of the school and determine membership terms of reference and procedures of Committees. They receive reports including policies from the Committees for ratification and monitor activities of the Committees through the minutes of their meetings. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There were 4 Committees' meetings in 2019/20 all of which were responsible for school policy, practice and performance relating to areas of responsibility and monitoring aspects of their work by discussions / review / challenge.

- Pay Committee
- Finance & Audit Committee.

There were other Committees meeting as required:

Pupil Admissions, Pay Appeals, Head Teacher Performance Review, Parental Complaints, Staff Grievance, Staff Capability & Staff Dismissal Committees.

During this academic year the Trustees reviewed the entire structure of the Board of Trustees by engaging the services of an experienced and professional Independent Governance review. The findings of the report have been shared with the Board during the course of the year and a full review of practices and procedures has been carried out in line with the recommendations. A copy of the report and the subsequent actions have been shared with the internal and external auditors.

Committees were structured with Trustees considered most appropriate for each of the above Committees in accordance with skills analysis and experience.

During this academic year there were 7 Co-Opted Trustees, 2 Community Trustees, 1 Partnership Trustee, 2 Parent Trustees, 2 Staff Trustees and 1 Ex-Officio Governor (Head Teacher) giving a total of 15 Trustees.

g. Arrangements for setting pay and remuneration of key management personnel

The trust has arrangements for setting pay and remuneration for the Head Teacher and key management personnel. Staffing levels are set in line with National Teacher Pay & Conditions guidelines and NJC for non-teaching staff.

The Board of Trustees review and set the pay award for the Head Teacher and all key management personnel using the approved Whole School Pay Policy.

There is a robust procedure in place for Staff Performance Management review approved annually by the Governing Body.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

| | |
|---|---|
| Number of employees who were relevant union officials during the year | 1 |
| Full-time equivalent employee number | 1 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | - |
| 1%-50% | 1 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time £

| | |
|---|--------|
| Total cost of facility time | 1,591 |
| Total pay bill | 63,649 |
| Percentage of total pay bill spent on facility time | 2 % |

Paid trade union activities

| | |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 2 % |
|---|-----|

i.

The trust also bought into a SLA with the Local Authority for Trade Union Facilities time and paid £2,725 during the period 1 September 2019 to 31 August 2020.

j. Related Parties and other Connected Charities and Organisations

The Board of Trustees works closely with Wirral Borough Council, other professional agencies, the ESFA, the DfE and other neighbouring secondary schools and primary feeder schools. Hilbre does have 1 specific Related Party agreement for the use of the CLC building, with a signed lease agreement being in place for the Local Authority Maintained Home & Continuing Education Service to operate from 1/3rd of the site and to pay the related 1/3rd PFI rental fees accordingly.

Objectives and activities

a. Aim

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Our Objectives are:

- To ensure that every student, whatever their starting point, makes rapid and sustained progress and achieves good outcomes.
- To challenge our students to do their very best: progress through endeavour
- To provide a caring, healthy and supportive environment in which students can feel secure and happy and in which they can easily relate to people.
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review and provide an innovative and challenging curriculum that recognises the varied and individual needs of all students.
- To promote excellent teaching and learning across all curriculum areas, driven by our commitment to continuous improvement and our desire to develop independent learners.
- To continue to provide wide-ranging enrichment activities to enable students to fully participate fully in the life of the school.
- To comply with all statutory and curriculum requirements.
- To conduct business with the highest standards of integrity, probity and openness.
- To provide supportive and challenging corporate governance to our school.
- To provide value for money for the funds expended ensuring full compliance with the Funding Agreement and Academies Financial Handbook.

Activities and Targets

Key activities and targets are identified in the School Improvement Plan.

These include:

- Embedding a culture of student responsibility, accountability and attitude to core school standards, to ensure outstanding and ambitious progress for all our students.
- Developing highly literate and numerate students to ensure they become successful learners.
- Ensuring progress for all students compares favourably with National and Local Averages.
- Narrowing the gap for specific student cohorts: Pupil Premium, High Ability, Special Educational Needs, Looked after Children and ensure under-achievement in the areas identified is quality assured and improved.
- Ensuring staff accountability is improved, clarified and upheld and Performance Management for all staff is reviewed.
- Ensuring the quality of teaching is outstanding.
- Ensuring attendance is improved, removing stubborn barriers to learning and ensuring effective intervention is implemented
- Using school data effectively to identify areas of under achievement and plan future developments accordingly in relation to school, staff and student outcomes.

The School Development Plan (SDP) is supported by detailed activity targets and success criteria in School, Staff and Subject Areas. Progress on the SDP, activities and success criteria are reported back to the Board of Trustees on a termly basis along with the required intervention and are under constant review.

Equal Opportunities Policy

The trust aims to establish equal opportunity in all areas including creating a working environment in which the contribution and needs of the all people will be fully valued.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

The trust has complied with its duty and given due regard to the guidance issued by the Charities Commission on the matter of public benefit and will:

- Make decisions to ensure the charity's purpose provides benefit.
- Make decisions to manage risk of detriment or harm to the charity's beneficiaries or to the public in general that might result from carrying out that purpose.
- Make decisions about who benefits in ways that are consistent with the purpose.

The trust believes the greatest benefit that the trust can offer, is the provision of an education that maximises each student's potential, develops principled, informed, open minded and confident citizens, who respect the beliefs of others and who are determined to make a positive contribution to society.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

The main financial performance indicator is the level of reserves held in the balance sheet (excluding the pension deficit and fixed assets), total reserves held as at 31 August 2020 were £267,195 (2019: £300,286).

As funding is based on pupil numbers, this is also a key indicator. The pupil number used to calculate the General Annual Grant (GAG) for 2019/20 was 967 (KS3 & KS4) compared to 946 in 2018/19. The pupil numbers which will be used to calculate the GAG for 2020/21 will be 965.

The pupil number used to calculate the post-16 GAG for 2019/20 was 156, compared to 189 in 2018/19. The student numbers which will be used to calculate post-16 GAG for 2020/21 will be 180.

The Finance & Audit Committee review key financial data including performance indicators and outcomes at each of their termly meetings and hold the Accounting Officer to account.

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

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

Staff costs represent the majority of the school's expenditure and as such is closely scrutinised and reconciled with an agreed % of no more than 80% of the budget (figures show as 75.9% for 2019/20). Actual monthly costs are monitored against budget settings with trends being extrapolated to provide year end incomes.

The total overall salary costs for 2019/20 were approx. £60,302 below budget setting, this being a combination of a saving of approx. £104,000 in teacher salaries and an overspend in agency supply costs of £28,500 over budget.

As a PFI school, all utility costs are covered under the monthly recharges and as such, charges made by the Local Authority, is interrogated and checked to ensure efficient use of resources. These costs increase by RPI each financial year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The board of Trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The trust did agree to set the 2019/20 budget with an in-year deficit of £45K (compared to an in-year credit in 2018/19 of £88K). The final accounts for 2019/20 show an actual in-year deficit of £33,091 on unrestricted funds. The main reason for the deficit compared to the previous year was down to the substantial fall in post-16 GAG funding as a result in falling numbers entering into sixth form in September 2018.

The Academy did ultimately expect to see an in year balanced budget for 2019/20, however the effects of COVID had a detrimental effect on income generation.

Entry into sixth form in September 2019 resulted in a total of 180 students. This has been factored into the 2020/21 budget and these numbers are expected to be maintained moving forward.

In 2017 the Academy made the decision to increase the PAN number for year 7 entry to 200 from 180. Since that date, numbers on roll for year 7 has been maintained at 200 and this will have a positive effect on total numbers in all year groups for the next 2 years.

The number of High Needs pre-16 students continues to rise at a considerable rate, with the number of High needs SEN students now requiring an increase in specialised non-teaching classroom support. This subsequently has an impact on additional salary costs which are no longer being fully funded by the Local Authority system and are instead having to be borne by the school's GAG funding allocation.

There have been a number of non-staffing cost budget headings which have overspent during 2019/20 which included some premises costs, some SLA costs for professional fees and Alternative Provision costs, ICT capital expenditure and infrastructure costs.

A comprehensive review of the whole school staffing structure was as always on-going during 2019/20 which resulted in a change to the pastoral system; changing from 3 Head of House staff to 5 Head of Year staff and a Head of KS3 and KS4.

The trust also saw changes to the ICT Network Manager, Examinations Officer and Data Manager roles and increases to the appointment of TA Apprentice staff.

The total staffing costs as a percentage of total income increase from 74% in 2018/19 to 76% in 2019/20 (due to high agency and casual supply costs).

The Trustees are expected to set and approve the 2020/21 budget with an in-year surplus of £21,000 and it may well be that this remaining balance will still have to subsidise additional COVID-19 additional expenditure in the form of cleaning/hygiene products, supply staff costs and loss of income generation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Achievements in the year

In June 2016, the school received an Ofsted Overall Effectiveness rating of "Good" with the 5 areas of rating as follows:

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

Due to COVID-19 restrictions introduced by the ESFA, no further Ofsted inspection has taken place since 2016.

COVID-19 Report for Hilbre High School - How the Virus has affected the operation of the Charity during 2019/20

On 28th March 2020 the Academy was required to close the doors to the majority of students and staff due to COVID-19 and in accordance with Government guidelines.

The majority of students and staff were then required to work and learn remotely from home.

The school did remain open from March to the end of term in July 2020 for the students of key workers and vulnerable adults who were unable to care for their children at home.

On average, the school supervised between 5 to 10 pupils per day every day, including school holidays and staff worked on a volunteer duty rota basis to supervise these students on site, with numbers kept to a minimum.

Staff were discouraged from coming into school unless absolutely necessary and members of the SLT were on duty every day to offer support throughout the entire period.

At the start of lockdown the school was required to quickly issue out a large number of its own supply of laptops to both staff and students to enable them to work and study from home and this in itself was a major task at such short notice. The result of this exercise meant that on return to school in September 2020 many of the loaned laptops were damaged or not returned at all; leaving the school short of devices available to use for potential remote learning during the new term.

During the period of lockdown, the school provided food vouchers to all parents of students entitled to free school meals. This started out as a very time consuming and frustrating exercise as Government schemes took time to work effectively and efficiently. The school spent £22,838 on food vouchers and received a refund of £13,000 from the ESFA and £9,838 from the Local Authority to cover these costs.

The school catering provider continued to supply FSM to those students who came into school during lockdown and the cost of this service between 28th March to July 2020 was £33,210 (Less £8,936 furlough reduction). The Academy would normally expect to receive a share of trading profit from the catering provider at the end of the accounting year but for 2019/20 we expect to receive a maximum £8,000 profit share compared to £12,000 in 2018/19 (figures still to be confirmed).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

From the start of the lockdown period, the school had to purchase large quantities of hygiene and cleaning products and equipment, large quantities of signage for inside and outside school, large quantities of Perspex screens for offices and certain teaching spaces, additional mobile phones for staff to use from home, all totalling £9,000.

The school has been unable to generate income from after hours and weekend lettings from April 2020 resulting in a loss of income of £4,500 up to 31st August 2020. This has created a lack of provision for our local clubs and communities to run extra- curricular activities and holiday clubs for our young people and adults, who may well rely on the clubs for social contact and exercise.

The cancellation of these lettings may well make it difficult to re-establish the demand once restrictions are lifted moving forward and the school will have to work at re-advertising the premises for hire.

The school has been unable to generate income from universities for PGCE Mentoring programmes resulting in an £8,000 loss of income to the school and a lack of opportunity for prospective young teaching students to gain experience and access to a live school environment as part of their qualification.

As the school has been in lockdown, the opportunity to fundraise has been removed and obviously parents have not been asked to give voluntary contributions due to potential financial difficulties and pressures. Generated funds normally used to pay for extra resources for the students will not be available during 20/21.

All school trips and visits have been cancelled until further notice and for those which had been due to go during Autumn 2020, which had already been paid for by the parents, have faced a very anxious wait for agreed refunds from the travel companies. At one point the school had to take on the risk of settling a £22,000 invoice to avoid falling short of the terms and conditions of the travel agreement.

All teaching and non-teaching staff have all given 100% of their time, effort and support to both the students and their colleagues here at Hilbre; whilst at the same time having to care for and deal with their own families and personal circumstances.

All members of the Senior Leadership Team have been ever present throughout, offering constant guidance and support, often to the detriment of their normal roles and responsibilities and having to forgo leave/holiday entitlement during the summer holidays in order to ensure the school was safe to open in September.

During lockdown teachers continued to provide classroom lessons and support remotely to the students and TA Support staff and pastoral staff were in constant touch with our most vulnerable students and each student in each year group who received a phone call from the school to check on their welfare.

The constant restrictions, demands, changing environments, anxieties and vulnerabilities facing the staff have inevitably had a big impact on moral, mental health and well-being. Senior Leadership has given constant support to those most in need of support and measures have been put into place to create Individual Risk Assessments and counselling support for staff as needed.

The cost to the school in terms of staffing from September has already seen big increases in supply being needed both for self-isolation and sickness leave; the cost in terms of Occupational Health referrals and Counselling Support has certainly exceeded normal demand at this point in the term and will continue to do so.

The school is expected to set a budget for 2020/21 with a potential remaining small credit balance of £40,000, however the impact on the Schools Reserves as a result of Covid may well mean that the approximate £300,000

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

remaining balance for 20/21 will have to be used to continue to fund high staff absence and supply costs and lack of generated income.

The impact of the lockdown has also meant that it has been more difficult to maintain contact with our partners such as the Local Authority in terms of financial support for our vulnerable and high needs students, decisions on additional funding have been delayed or difficult to agree, thus resulting in a lack of funding being provided.

The cost to the educational opportunities for our students is immeasurable and most have faced worrying and uncertain times but have coped very well. There is of course a concern that uncertainty for our GCSE students may have an adverse effect on those wanting to return into our sixth form. The operational security of the school does rely on sixth form numbers and new entry into Year 12 and so this will have to be given much due consideration by the Board moving through 20/21.

2019/20 Exam Results

The summer 2020 GCSE examinations were substantially different to previous examinations. Due to the Covid-19 pandemic, the school submitted teacher assessed grades in line with national requirements. 2020 results are broadly in-line, across all categories, with national averages.

The school has cause to celebrate these results. Of particular note is the trend of improvement, over three years, of the open basket of subjects. With some substantial staffing changes having recently occurred, the school predicts the trend of improvement will continue.

There clearly remains more work required to bring about further improvements, although the school is currently on a solid footing. Moving forward, it aims for a Progress 8 score to show the school is making 'good progress', which will be above the 'National Average.'

| Progress Measure | | Requires Improvement -0.5 to -0.15 | National Average -0.15 to +0.15 | Good Progress +0.15 to +0.5 | Outstanding +0.5 to +0.75 |
|------------------|--------------|---------------------------------------|------------------------------------|--------------------------------|------------------------------|
| Progress 8 | | -0.41 (2018) | 0.00 (2019) 0.03 (2020) | | |
| English Progress | | -0.47 (2018) | 0.00 (2019) -0.09 (2020) | | |
| Maths Progress | | -0.20 (2018) | -0.01 (2019) 0.01 (2020) | | |
| EBacc Progress | | -0.40 (2018) | 0.10 (2020) | +0.20 (2019) | |
| Open Progress | -0.56 (2018) | -0.20 (2019) | 0.04 (2020) | | |

The work of the school moving forward will focus on the following key development priorities:

- Curriculum Intent
- Implementation and Impact
- Personal Development
- Behaviour & Attitudes
- Leadership & Management

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

The summer 2019 KS5 results including A Levels and BTECs were in-line with our expectation, showing increased attainment. They are slightly below national outcomes, however they were a significant improvement on the previous year and the school is actively focusing on improving KS5 attainment in 2019/20.

Our aim moving forward is to ensure continued improvement on the performance of the underperforming subjects, further improve the performance of our most able and disadvantaged students and look at ways to further support students marked as K on the SEND register.

Financial review

The majority of the school's income is obtained from the 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 01 September 2019 to 31 August 2020 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities incorporating Income and Expenditure Account.

The School also receives grants for fixed assets from the ESFA and such grants if received are shown in the Statement of Financial Activities incorporating Income and Expenditure Account as restricted income in the fixed asset fund.

Due to an decrease in post-16 pupil numbers in 2018/19 the trust achieved an in year operating deficit of £325,000 2019/20 academic year.

As at 31 August 2020 the trust has a deficit of £5,235k (compared to £5,159k as at 31 August 2019) in relation to the non-teaching staff pension scheme. Annual deficit contributions are being made over a period of 25 years from the date of conversion.

Key financial policies adopted or reviewed during the period include the Academies Financial Handbook 2020 and the School's Scheme of Delegation and Financial Procedures Manual 2019 which both lay out the framework for financial management including financial responsibilities of the trustees, Head Teacher, School Business Manager, Senior Finance Officer, Senior Leadership members, budget holders and other staff, as well as delegated authority for spending.

The Trustees 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 Board of Trustees continually discusses and reviews the policy on reserves and investments, in order to protect the organisation from commercial, political and financial risk

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

a. Reserves policy

The trust currently has a reserve of £267,195 (2018/19 £300,286) of unrestricted funds and the trustees review the reserve levels 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 contributions.

The trustees will endeavour to keep an appropriate level of funds in reserve that it considers necessary for unexpected in-year emergencies over and above budget setting and future operations and strategic budget decisions and any challenging predicted budget shortfalls.

As at 31 August 2020 the School held the following reserves:

| | |
|---|----------|
| • Restricted Reserves (excluding pension liabilities) | £Nil |
| • Unrestricted Reserves | £267,195 |
| • Restricted Fixed Asset Reserves | £4,573 |

b. Investment policy

The trust's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures as agreed in the Capital / Reserves Investment Policy adopted by the Governing Body and reviewed annually, Governors must always ensure the maximum integrity of such investments. The priority for the trust has been to have cash invested in liquid investment products that bear no risk with its bankers TSB.

The trust made the decision to remove investment deposits in April 2019 and currently has no funds on deposit in an investment account.

Approval of the Finance & Audit Committee is required before any investment is made.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. Principal risks and uncertainties

The school's financial position and security is very much reliant on student entry into Sixth Form. A significant fall in the applications into year 12 in September 2018 did have a substantial impact on post-16 funding for 2019/20. It is vital therefore to reduce this risk by focusing heavily on sixth form retention and admissions, particularly with the Year 11 students.

Whilst intake into Year 7 is not an issue for the school at present, demand for places in Hilbre remains consistently high, the school however will always be vigilant over the risks attached to falling demand within the borough and the financial impact falling rolls would have.

Increasing numbers on roll and an ever increasing need for specialist SEN/High Needs places, the demand on the school premises is reaching a total maximum capacity, with the possibility of Health and Safety risks attached. It is important that the school look into possible Capital Funding bids and special SEN Capital grants to establish more teaching and social spaces within the school. Investigations into these areas will be an ongoing activity.

The school appreciated the need, especially in this current COVID climate, to ensure the safe well-fare of all students and staff. A failure to do so would only result in low morale, mental health issues and increased sickness absence – this creating an additional financial burden on the school's budget. Members of the SLT and other school staff work hard to ensure staff receive all the support they need to maintain a safe environment. The school continue to analyse and review staffing budgets to ensure they are prioritised towards the needs of the students and provision of education within departments, whilst ensuring that the staffing budgets can support and afford these structures.

A failure to accurately monitor all areas of school expenditure on a regular basis would risk overspending and putting the school in an unstable financial position. Efforts are made by the Finance Staff to keep Trustees informed of the on-going position by issuing out monthly management accounts and reporting back during Finance Committee meetings. Any concerns over potential areas of overspend would be discussed at these meetings and appropriate action would be taken.

The following risk areas were reviewed:

- Governance
- Operational
- Financial
- Environmental or External factors
- Compliance (Law & Regulation)

Specific consideration is given to Health & Safety, Insurance, Attainment, Attendance, Behaviour, Safeguarding, Reputation, Staffing / HR & ICT.

The Governors are assisted in the management of risk by the senior leadership team, HR Advisors-Hill Dickinson, H&S advisers Jeanne Fairbrother Associates, Wirral LA Internal Audit Services and Statutory External Audit provided by Crowe U.K. LLP.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The trustees have taken guidance from the Charities Commission Publication "Charity Fundraising"; a guide to trustee duties (CC20) when setting up procedures in relation to fundraising activities and has adopted the 6 principles given in the Commissions guide.

The 6 principles are:

- Planning effectively, set-out, agree and monitor your approach to fundraising.
- Supervise your fundraisers-establish a system to oversee your fundraising methods and fundraising carried out on behalf of the charity.
- Protect your charity-make sure there is strong management of your assets and resources.
- Comply with the fundraising laws and regulations-in particular in areas such as data protection and licensing laws.
- Follow recognised fundraising standards-the code of Fundraising Practice outlines the legal rules that apply to fundraising.
- Be open and accountable-make sure your charity is well run and you comply with the statutory accounting and reporting requirements.

Fundraising

The trustees ensure that their approach to fundraising is carried out in a considerate and responsible way and in line with approved practices and recognised standards, protecting the charity's reputation and encouraging public trust.

The charity had no fundraising activities requiring disclosure under S162A of the Charities (Protection and Social Investment) Act 2016.

Trustees legal duties:

- Act in the charity's best interest
- Manage the charity's resources responsibly
- Act with reasonable care and skill

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Budget figures for 2020/21 show a substantial rise in post 16 GAG income stream due to increasing numbers into Year 12 in September 2019 (although current Year 13 numbers are still very low and have had an impact on 2020/21 post 16 overall GAG funding). The main task for the trustees will be to consider and agree a strategy to ensure pupil entry into 6th Form in 2021 and beyond.

The number of parents with children with SEN wanting to enrol their children at Hilbre continues to increase and demand for places is high. These additional numbers will generate additional top up funding from the Local Authority to support associated staffing costs and resources. However trustees will have to measure the costs of educating these high needs pupils and being able to successfully meet their needs against the funding that is provided- does the unit funding match staffing and resource costs and if not can the GAG budget continue to bear the strain.

The increase to the PAN for year 7 student entry to 200 in September 2017 will result in a continued increase in overall KS3 & 4 numbers over the next 2 years, with an entry of between 195 to 200 students expected into each year group.

Part of the overall strategic financial review of the Board of Trustees and senior leaders, in addition to student enrolment, will also include teacher and non-teaching staffing structures within the school. The trust will endeavour to maintain staffing levels in line with the needs and priorities of the academy and will continue to monitor and review the financial viability of maintaining current staffing levels.

The trust will make efforts to apply and secure any available external grant funding to assist with the provision of additional accommodation and extra-curricular facility so as to further enhance the reputation of the school and support teaching and learning.

Note- the provision of extra-curricular activity is currently highly restricted under COVID-19 restrictions and there is therefore a limit as to what can be provided at this time.

Funds held as custodian on behalf of others

No funds are held by the trust as custodian trustee on behalf of others.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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 December 2020 and signed on its behalf by:



M Cockburn
(Chair of Trustees)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hilbre High School Humanities College 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees 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 and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 4 times during the year. To ensure sufficient oversight the Pay Committee met once during the year and the Finance and Audit Committee met 4 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 |
|--|-------------------|-------------------|
| M Cockburn, Chair of Trustees | 4 | 4 |
| I Sadler, Vice Chair of Trustees | 4 | 4 |
| M Bellamy, Head Teacher and Accounting Officer | 4 | 4 |
| G Kemp | 2 | 2 |
| J Jubb | 4 | 4 |
| S Jenkinson | 4 | 4 |
| J Money | 4 | 4 |
| E Gunatileke, Staff Governor | 4 | 4 |
| G Williams | 4 | 4 |
| S Fleming, Staff Governor | 4 | 4 |
| J Forsey | 4 | 4 |
| J Jones | 2 | 2 |
| J Griffiths | 3 | 3 |
| R Owen | 4 | 4 |
| S Ford | 1 | 1 |
| S Turner | 3 | 3 |

During 2019/20 3 Trustees resigned and 2 new governors joined the trust. New appointments are made in line with the skills matrix used by the school for recruiting new Governors ensuring the trust has a broad and varied range of experienced Trustees.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Its main purpose is to minimise risk, by identifying key areas of risk and mitigating those, in conjunction to safeguarding the trust's assets.

Key responsibilities:

- Consider and recommend to the Board of Trustees the annual budget for the school.
- Monitor the performance against the annual budget by consideration of regular income and expenditure statements and cash flow statements.
- Ensure that financial procedures and arrangements as required by Law, DfE and the external auditors are in place and being properly implemented.
- Recommend to the Board of Trustees annually the appointment of independent examiners for the private funds.
- Liaise with the auditors as required and consider the draft annual accounts in conjunction with them and recommend the accounts to the Board of Trustees.
- Authorise the Chair of the Committee to sign, on behalf of the Board of Trustees, any financial statements, other than the Annual Accounts, which might be required by the DfE or any other regulatory body.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| S Jenkinson (Chair) | 4 | 4 |
| M Cockburn (Deputy Chair) | 4 | 4 |
| G Kemp | 1 | 1 |
| J Jubb | 4 | 4 |
| S Turner | 4 | 4 |
| M Bellamy (Head Teacher and Accounting Officer) | 4 | 4 |

Review of value for money

As Accounting Officer, the Head Teacher has responsibility for ensuring value for money, regularity and propriety. 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 resources has provided good value for money during each academic year and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the trust has delivered improved value for money during the year by:

- Better purchasing- ensuring value for money
- Maximising income generation
- Managing cash

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hilbre High School Humanities College for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Comprehensive budget and monitoring systems with an annual budget and periodic reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Finance & Audit Committee of the reports which indicate financial performance against forecast and of major purchase plans, capital works and expenditure programme.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has decided to employ Wirral LA Internal Audit Services as internal auditor.

The outsourced provider's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems, in particular checks on:

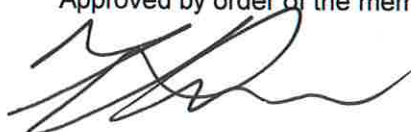
- Payroll systems
- Purchase systems
- Reconciliation of Income and expenditure systems
- Control / Banking Account systems.
- Governance

Review of effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the financial management and governance self-assessment, monitoring and review process.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2020 and signed on their behalf by:



M Cockburn
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 board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2019.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

- **Financial issues**

No financial issues noted.

- **Non-financial issues**

The trust signed a three-year lease for an alarm system during the 2017/18 financial year which was believed to be an operating lease and so no prior consent was obtained from the ESFA to enter into the agreement.

Following communication with the ESFA and discussion with the trustees and the External Auditors to leave the lease in place until the end of the payment term and to continue to show this as an Irregularity on the accounts. To pay off the lease would not have been deemed as best value and best use of Public Funds.



M Bellamy
Accounting Officer
Date: 7 December 2020

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who 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 Academies 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:

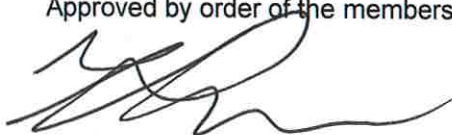
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 December 2020 and signed on its behalf by:



M Cockburn
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 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 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, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 United Kingdom, including the Financial Reporting Council'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 (CONTINUED)**

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 matters 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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.

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 (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine 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.

Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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 to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 (CONTINUED)**

Vicky Szulist

Vicky Szulist (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

17th December 2020

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 28 June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 1 September 2019 to 31 August 2020 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 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 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 ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Hilbre High School Humanities College's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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.

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 & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Finance Lease

The Academy signed a three-year lease for an alarm system during the 2017/18 financial year which was believed to be an operating lease at the time of entering into the agreement and so no prior consent was obtained from the ESFA to enter into the agreement.

The lease arrangement has since been considered by management and by the Governors and it has been concluded that the lease is a finance lease. The accounting treatment of the lease has not been adjusted in the financial statements as the adjustment is not considered to be material.

Academy Trusts are not permitted to enter into finance leases without the prior approval of the ESFA to do so and as such this action has been viewed as an irregularity in the financial statements. The ESFA have been informed of the breach and the intention is to continue with the payment until the end of the lease.

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 17th December 2020

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 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 20,591 | - | 23,536 | 44,127 | 85,962 |
| Charitable activities | | 241,669 | 7,523,959 | - | 7,765,628 | 7,637,721 |
| Other trading activities | | 33,448 | 4,015 | - | 37,463 | 64,638 |
| Investments | 6 | 342 | - | - | 342 | 1,577 |
| Total income | | 296,050 | 7,527,974 | 23,536 | 7,847,560 | 7,789,898 |
| Expenditure on: | | | | | | |
| Charitable activities | | 326,527 | 7,798,974 | 53,605 | 8,179,106 | 8,099,787 |
| Total expenditure | | 326,527 | 7,798,974 | 53,605 | 8,179,106 | 8,099,787 |
| Net expenditure | | (30,477) | (271,000) | (30,069) | (331,546) | (309,889) |
| Transfers between funds | 16 | (2,614) | - | 2,614 | - | - |
| Net movement in funds before other recognised gains/(losses) | | (33,091) | (271,000) | (27,455) | (331,546) | (309,889) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 22 | - | 195,000 | - | 195,000 | (1,567,000) |
| Net movement in funds | | (33,091) | (76,000) | (27,455) | (136,546) | (1,876,889) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 300,286 | (5,159,000) | 32,028 | (4,826,686) | (2,949,797) |
| Net movement in funds | | (33,091) | (76,000) | (27,455) | (136,546) | (1,876,889) |
| Total funds carried forward | | 267,195 | (5,235,000) | 4,573 | (4,963,232) | (4,826,686) |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 36 to 61 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 2020

| | Note | 2020 £ | 2019 £ |
|--|------|---------------------------|---------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 4,573 | 18,363 |
| | | <u>4,573</u> | <u>18,363</u> |
| Current assets | | | |
| Debtors | 14 | 198,871 | 140,915 |
| Cash at bank and in hand | | 458,676 | 607,554 |
| | | <u>657,547</u> | <u>748,469</u> |
| Creditors: amounts falling due within one year | 15 | (390,352) | (434,518) |
| Net current assets | | <u>267,195</u> | <u>313,951</u> |
| Total assets less current liabilities | | <u>271,768</u> | <u>332,314</u> |
| Net assets excluding pension liability | | <u>271,768</u> | <u>332,314</u> |
| Defined benefit pension scheme liability | 22 | (5,235,000) | (5,159,000) |
| Total net assets | | <u><u>(4,963,232)</u></u> | <u><u>(4,826,686)</u></u> |
| Funds of the academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 16 | 4,573 | 32,028 |
| Restricted funds excluding pension asset | 16 | 4,573 | 32,028 |
| Pension reserve | 16 | (5,235,000) | (5,159,000) |
| Total restricted funds | 16 | <u>(5,230,427)</u> | <u>(5,126,972)</u> |
| Unrestricted income funds | 16 | 267,195 | 300,286 |
| Total funds | | <u><u>(4,963,232)</u></u> | <u><u>(4,826,686)</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 31 to 61 were approved by the Trustees, and authorised for issue on 07 December 2020 and are signed on their behalf, by:

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 08075363

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



M Cockburn
(Chair of Trustees)

The notes on pages 36 to 61 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 2020**

| | Note | 2020 £ | 2019 £ |
|---|--------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 18 | (170,142) | (4,005) |
| Cash flows from investing activities | 19 | 21,264 | 227,894 |
| Change in cash and cash equivalents in the year | | (148,878) | 223,889 |
| Cash and cash equivalents at the beginning of the year | | 607,554 | 383,665 |
| Cash and cash equivalents at the end of the year | 20, 21 | <u>458,676</u> | <u>607,554</u> |

The notes on pages 36 to 61 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 2020

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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

- **Other income**

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

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write the cost of these assets, less their residual value, over their expected useful lives.

Depreciation is provided on the following bases:

| | |
|-------------------------|------------------------|
| Furniture and equipment | - 20% straight line |
| Plant and machinery | - 25% reducing balance |
| Computer equipment | - 20% straight line |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.8 PFI Agreement

The Academy occupies buildings which are owned by Wirral Borough Council and utilised by the Academy under a PFI agreement. The Academy pays revenue contributions in respect of 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.

1.9 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.

1.10 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.

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.12 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 bases 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.

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 cost 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 instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 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 funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2020. 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 23. In the future, PFI charges may vary due to inflationary increases, PFI contractor penalties and PFI charge benchmarking exercises. The trustees have estimated the future operating lease commitments based on the latest information available.

3. Income from donations and capital grants

| | Unrestricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|-------------------|------------------------------------|---|-----------------------------|
| Donations | 20,591 | - | 20,591 |
| Grants | - | 23,536 | 23,536 |
| Total 2020 | 20,591 | 23,536 | 44,127 |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted fixed asset funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------|--|--|---------------------------------------|
| Donations | 6,370 | - | 6,370 |
| Grants | - | 79,592 | 79,592 |
| <i>Total 2019</i> | <u>6,370</u> | <u>79,592</u> | <u>85,962</u> |

4. Funding for the academy's educational operations

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--------------------------------|--|--|---------------------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant | - | 6,448,391 | 6,448,391 |
| Other DfE / ESFA grants | - | 603,945 | 603,945 |
| | <u>-</u> | <u>7,052,336</u> | <u>7,052,336</u> |
| Other government grants | | | |
| Local authority grants | - | 471,623 | 471,623 |
| | <u>-</u> | <u>471,623</u> | <u>471,623</u> |
| Other funding | | | |
| School Fund | 220,331 | - | 220,331 |
| Other Income | 21,338 | - | 21,338 |
| | <u>241,669</u> | <u>-</u> | <u>241,669</u> |
| Total 2020 | <u>241,669</u> | <u>7,523,959</u> | <u>7,765,628</u> |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy's educational operations (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--------------------------------|--|--|---------------------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant | - | 6,489,873 | 6,489,873 |
| Other DfE / ESFA grants | - | 319,455 | 319,455 |
| | - | 6,809,328 | 6,809,328 |
| Other government grants | | | |
| Local authority grants | - | 565,501 | 565,501 |
| | - | 565,501 | 565,501 |
| Other funding | | | |
| School Fund | 249,006 | - | 249,006 |
| Other Income | 13,886 | - | 13,886 |
| Total 2019 | 262,892 | 7,374,829 | 7,637,721 |

5. Income from other trading activities

| | <i>Unrestricted funds 2020 £</i> | <i>Restricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|--------------------|--|--|---------------------------------------|
| Hire of facilities | 18,448 | - | 18,448 |
| Catering Income | 3,000 | - | 3,000 |
| Staff consultancy | 12,000 | 4,015 | 16,015 |
| Total 2020 | 33,448 | 4,015 | 37,463 |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--------------------|--|--|---------------------------------------|
| Hire of facilities | 18,432 | - | 18,432 |
| Catering Income | 17,618 | - | 17,618 |
| Staff consultancy | 16,713 | 11,875 | 28,588 |
| <i>Total 2019</i> | <u>52,763</u> | <u>11,875</u> | <u>64,638</u> |

6. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------|--|---------------------------------------|
| Investment income | <u>342</u> | <u>342</u> |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Investment income (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------|--|---------------------------------------|
| Investment income | 1,577 | 1,577 |

7. Expenditure

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Educational Operations: | | | | |
| Direct costs | 4,551,689 | - | 503,076 | 5,054,765 |
| Support costs | 1,591,210 | 1,155,063 | 378,068 | 3,124,341 |
| Total 2020 | 6,142,899 | 1,155,063 | 881,144 | 8,179,106 |

| | <i>Staff Costs 2019 £</i> | <i>Premises 2019 £</i> | <i>Other 2019 £</i> | <i>Total 2019 £</i> |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Educational Operations: | | | | |
| Direct costs | 4,271,929 | - | 672,219 | 4,944,148 |
| Support costs | 1,648,030 | 1,180,061 | 327,548 | 3,155,639 |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|------------------------|--|---|---------------------------------------|
| Educational Operations | 5,054,765 | 3,124,341 | 8,179,106 |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

| | <i>Activities undertaken directly 2019 £</i> | <i>Support costs 2019 £</i> | <i>Total funds 2019 £</i> |
|------------------------|--|---|---------------------------------------|
| Educational Operations | 4,944,148 | 3,155,639 | 8,099,787 |

Analysis of support costs

| | Educational Operations 2020 £ | Total funds 2020 £ |
|---------------------|--|---------------------------------------|
| Staff costs | 1,591,210 | 1,591,210 |
| Depreciation | 16,403 | 16,403 |
| Other support costs | 600,251 | 600,251 |
| Technology costs | 75,399 | 75,399 |
| Premises costs | 827,928 | 827,928 |
| Governance costs | 13,150 | 13,150 |
| Total 2020 | 3,124,341 | 3,124,341 |

| | <i>Educational Operations 2019 £</i> | <i>Total funds 2019 £</i> |
|---------------------|--|---------------------------------------|
| Staff costs | 1,648,030 | 1,648,030 |
| Depreciation | 19,478 | 19,478 |
| Other support costs | 548,204 | 548,204 |
| Technology costs | 90,442 | 90,442 |
| Premises costs | 833,947 | 833,947 |
| Governance costs | 15,538 | 15,538 |
| Total 2019 | 3,155,639 | 3,155,639 |

Included within other support costs are legal and professional fees of £21,498 (2019: £22,326).

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Net expenditure

Net expenditure for the year includes:

| | 2020 | 2019 |
|---|------------------|----------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 7,588 | 19,478 |
| Auditor's remuneration - audit | 8,500 | 8,750 |
| Auditor's remuneration - other services | 3,900 | 3,750 |
| Operating lease rentals | 1,036,122 | 592,773 |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2020 £ | 2019 £ |
|-----------------------|-------------------------|-------------------------|
| Wages and salaries | 4,398,245 | 4,371,116 |
| Social security costs | 433,080 | 425,180 |
| Pension costs | 1,228,400 | 1,031,106 |
| | <u>6,059,725</u> | <u>5,827,402</u> |
| Agency staff costs | 83,174 | 92,256 |
| | <u><u>6,142,899</u></u> | <u><u>5,919,658</u></u> |

b. Staff numbers

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

| | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Teachers | 74 | 85 |
| Administration and Support | 69 | 68 |
| Management | 9 | 9 |
| | <u>152</u> | <u>162</u> |

c. Higher paid staff

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

| | 2020 No. | 2019 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 2 |
| In the band £70,001 - £80,000 | 2 | - |
| In the band £90,001 - £100,000 | - | 1 |
| In the band £100,001 - £110,000 | 1 | - |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £720,575 (2019: £703,666).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

| | | 2020 £ | 2019 £ |
|--------------------------------|----------------------------|-------------------|----------------|
| M Bellamy (Head Teacher) | Remuneration | 100,000 - 105,000 | 95,000-100,000 |
| | Pension contributions paid | 20,000 - 25,000 | 15,000-20,000 |
| S Fleming (Staff Governor) | Remuneration | 45,000 - 50,000 | 45,000-50,000 |
| | Pension contributions paid | 10,000 - 15,000 | 5,000-10,000 |
| E Gunatilleke (Staff Governor) | Remuneration | 45,000 - 50,000 | 35,000-40,000 |
| | Pension contributions paid | 10,000 - 15,000 | 5,000 - 10,000 |

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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 2020 was £1,910 (2019 - £1,910). The cost of this insurance is included in the total insurance cost.

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets

| | Furniture and fixtures £ | Plant and equipment £ | Motor vehicles £ | Total £ |
|--------------------------|--------------------------------|-----------------------------|------------------------|----------------|
| Cost or valuation | | | | |
| At 1 September 2019 | 95,061 | 140,967 | 5,116 | 241,144 |
| Additions | - | 2,614 | - | 2,614 |
| Disposals | (15,397) | - | - | (15,397) |
| At 31 August 2020 | <u>79,664</u> | <u>143,581</u> | <u>5,116</u> | <u>228,361</u> |
| Depreciation | | | | |
| At 1 September 2019 | 78,781 | 138,884 | 5,116 | 222,781 |
| Charge for the year | 12,798 | 3,606 | - | 16,404 |
| On disposals | (15,397) | - | - | (15,397) |
| At 31 August 2020 | <u>76,182</u> | <u>142,490</u> | <u>5,116</u> | <u>223,788</u> |
| Net book value | | | | |
| At 31 August 2020 | <u>3,482</u> | <u>1,091</u> | <u>-</u> | <u>4,573</u> |
| At 31 August 2019 | <u>16,280</u> | <u>2,083</u> | <u>-</u> | <u>18,363</u> |

14. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 2,361 | 16,606 |
| Other debtors | 24,392 | 7,750 |
| Prepayments and accrued income | 172,118 | 116,559 |
| | <u>198,871</u> | <u>140,915</u> |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|--|-----------------|-------------|
| | £ | £ |
| Trade creditors | (11,471) | 146,892 |
| Other taxation and social security | 140,915 | 134,830 |
| Other creditors | 93,922 | 67,084 |
| Accruals and deferred income | 166,986 | 85,712 |
| | 390,352 | 434,518 |
| | 2020 | 2019 |
| | £ | £ |
| Deferred income at 1 September 2019 | 58,503 | 49,096 |
| Resources deferred during the year | 28,118 | 58,503 |
| Amounts released from previous periods | (58,503) | (49,096) |
| | 28,118 | 58,503 |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 300,286 | 296,050 | (326,527) | (2,614) | - | 267,195 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 6,448,391 | (6,448,391) | - | - | - |
| Other DfE/ESFA Grants | - | 603,945 | (603,945) | - | - | - |
| LA Grants | - | 471,623 | (471,623) | - | - | - |
| Other Income | - | 4,015 | (4,015) | - | - | - |
| Pension reserve | (5,159,000) | - | (271,000) | - | 195,000 | (5,235,000) |
| | <u>(5,159,000)</u> | <u>7,527,974</u> | <u>(7,798,974)</u> | <u>-</u> | <u>195,000</u> | <u>(5,235,000)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds | 32,028 | 23,536 | (53,605) | 2,614 | - | 4,573 |
| Total Restricted funds | <u>(5,126,972)</u> | <u>7,551,510</u> | <u>(7,852,579)</u> | <u>2,614</u> | <u>195,000</u> | <u>(5,230,427)</u> |
| Total funds | <u><u>(4,826,686)</u></u> | <u><u>7,847,560</u></u> | <u><u>(8,179,106)</u></u> | <u><u>-</u></u> | <u><u>195,000</u></u> | <u><u>(4,963,232)</u></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.

Restricted general funds

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

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Comparative information in respect of the preceding year is as follows:

| | <i>Balance at 1 September 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2019 £</i> |
|-------------------------------------|--|-------------------------|---------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds | 253,909 | 323,602 | (277,519) | 294 | - | 300,286 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 6,489,873 | (6,489,873) | - | - | - |
| Other DfE/ESFA Grants | - | 319,455 | (319,455) | - | - | - |
| LA Grants | - | 565,501 | (565,501) | - | - | - |
| Other Income | - | 11,875 | (11,875) | - | - | - |
| Pension reserve | (3,271,000) | - | (321,000) | - | (1,567,000) | (5,159,000) |
| | <u>(3,271,000)</u> | <u>7,386,704</u> | <u>(7,707,704)</u> | <u>-</u> | <u>(1,567,000)</u> | <u>(5,159,000)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds | 67,294 | 79,592 | (114,564) | (294) | - | 32,028 |
| Total Restricted funds | <u>(3,203,706)</u> | <u>7,466,296</u> | <u>(7,822,268)</u> | <u>(294)</u> | <u>(1,567,000)</u> | <u>(5,126,972)</u> |
| Total funds | <u><u>(2,949,797)</u></u> | <u><u>7,789,898</u></u> | <u><u>(8,099,787)</u></u> | <u><u>-</u></u> | <u><u>(1,567,000)</u></u> | <u><u>(4,826,686)</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 4,573 | 4,573 |
| Current assets | 657,547 | - | - | 657,547 |
| Creditors due within one year | (390,352) | - | - | (390,352) |
| Provisions for liabilities and charges | - | (5,235,000) | - | (5,235,000) |
| Total | 267,195 | (5,235,000) | 4,573 | (4,963,232) |

Analysis of net assets between funds - prior period

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 18,363 | 18,363 |
| Current assets | 734,804 | - | 13,665 | 748,469 |
| Creditors due within one year | (434,518) | - | - | (434,518) |
| Provisions for liabilities and charges | - | (5,159,000) | - | (5,159,000) |
| Total | 300,286 | (5,159,000) | 32,028 | (4,826,686) |

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18. Reconciliation of net expenditure to net cash flow from operating activities

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Net expenditure for the period (as per Statement of financial activities) | (331,546) | (309,889) |
| Adjustments for: | | |
| Depreciation | 16,403 | 19,478 |
| Dividends, interest and rents from investments | (342) | (1,577) |
| Decrease/(increase) in debtors | (57,955) | 17,440 |
| (Decrease)/increase in creditors | (44,166) | 29,135 |
| Capital grants from DfE and other capital income | (23,536) | (79,592) |
| Defined benefit pension scheme cost less contributions payable | 181,000 | 234,000 |
| Defined benefit pension scheme finance cost | 90,000 | 87,000 |
| Net cash used in operating activities | (170,142) | (4,005) |

19. Cash flows from investing activities

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Dividends, interest and rents from investments | 342 | 1,577 |
| Purchase of tangible fixed assets | (2,614) | (3,275) |
| Capital grants from DfE Group | 23,536 | 79,592 |
| Decrease in short term investment | - | 150,000 |
| Net cash provided by investing activities | 21,264 | 227,894 |

20. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Cash in hand | 458,676 | 607,554 |
| Total cash and cash equivalents | 458,676 | 607,554 |

HILBRE HIGH SCHOOL HUMANITIES COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Analysis of changes in net debt

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|------------------|---------------------------|
| Cash at bank and in hand | 607,554 | (148,878) | 458,676 |
| | <u>607,554</u> | <u>(148,878)</u> | <u>458,676</u> |

22. Pension commitments

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

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

Contributions amounting to £88,895 were payable to the schemes at 31 August 2020 (2019 - £66,639) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £749,385 (2019 - £511,454).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £357,000 (2019 - £348,000), of which employer's contributions totalled £288,000 (2019 - £280,000) and employees' contributions totalled £ 69,000 (2019 - £68,000). The agreed contribution rates for future years are 15.3 per cent for employers and 5.5% to 12.5% per cent for employees.

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Principal actuarial assumptions

| | 2020 | 2019 |
|--|-------------|-------------|
| | % | % |
| Discount rate for scheme liabilities | 1.80 | 1.80 |
| Rate of increase in salaries | 3.8 | 3.50 |
| Rate of increase for pensions in payment/inflation | 2.4 | 2.10 |
| Inflation assumption (CPI) | 2.3 | 2.00 |
| Commutation of pensions to lump sums | 50 | 50 |

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

| | 2020 | 2019 |
|-----------------------------|--------------|--------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 20.9 | 22 |
| Females | 24 | 24.8 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.5 | 25 |
| Females | 25.9 | 27.8 |

Sensitivity analysis

| | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| Discount rate +0.1% | 5,044 | 4,956 |
| Pay growth +0.1% | 5,268 | 5,213 |
| Mortality assumption - 1 year increase | 5,500 | 5,308 |
| CPI rate +0.1% | 5,430 | 5,366 |

Share of scheme assets

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

| | 2020 £ | 2019 £ |
|-------------------------------------|------------------|------------------|
| Equities | 1,886,000 | 1,676,000 |
| Government bonds | 97,000 | 334,000 |
| Other bonds | 534,000 | 180,000 |
| Property | 348,000 | 295,000 |
| Cash and other liquid assets | 209,000 | 105,000 |
| Other | 798,000 | 688,000 |
| Total market value of assets | 3,872,000 | 3,278,000 |

The actual return on scheme assets was £(20,000) (2019 - £144,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Current service cost | (457,000) | (341,000) |
| Net service cost | (90,000) | (87,000) |
| Administration expenses | (6,000) | (6,000) |
| Past service cost | (6,000) | (167,000) |
| Total amount recognised in the Statement of Financial Activities | (559,000) | (601,000) |

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

| | 2020 £ | 2019 £ |
|------------------------|------------------|------------------|
| At 1 September | 8,437,000 | 6,169,000 |
| Current service cost | 457,000 | 341,000 |
| Interest cost | 152,000 | 172,000 |
| Employee contributions | 69,000 | 68,000 |
| Actuarial losses | 23,000 | 1,626,000 |
| Benefits paid | (37,000) | (106,000) |
| Past service costs | 6,000 | 167,000 |
| At 31 August | 9,107,000 | 8,437,000 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Pension commitments (continued)

Changes in the fair value of the academy's share of scheme assets were as follows:

| | 2020 £ | 2019 £ |
|------------------------|------------------|------------------|
| At 1 September | 3,278,000 | 2,898,000 |
| Employer contributions | 288,000 | 280,000 |
| Interest income | 62,000 | 85,000 |
| Actuarial gains | 218,000 | 59,000 |
| Employee contributions | 69,000 | 68,000 |
| Benefits paid | (37,000) | (106,000) |
| Admin expenses | (6,000) | (6,000) |
| At 31 August | 3,872,000 | 3,278,000 |

23. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Not later than 1 year | 1,095,304 | 1,057,250 |
| Later than 1 year and not later than 5 years | 4,605,084 | 4,488,903 |
| Later than 5 years | 7,194,840 | 8,385,197 |
| | 12,895,228 | 13,931,350 |

24. Members' liability

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

**NOTES TO THE FINANCIAL STATEMENTS
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25. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

26. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year to 31 August 2020, the Trust received £25,932 (2019: £33,587) and disbursed £20,905 (2019: £32,420) from the fund. 5% of the allocation is included in the SoFA for administrative costs of the Trust. No amount was brought forward, however amounts totalling £5,027 are carried forward for use in future years.

