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**PERSHORE HIGH SCHOOL**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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PERSHORE HIGH SCHOOL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016

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**Members**

Rob Phillips  
Nick Young  
Trevor West  
Clive Corbett  
Russell Dalton

**Trustees**

Rob Phillips, Chair of Governors  
Nick Young, Vice Chair  
Clive Corbett, Accounting Officer/Staff Governor (Headteacher)  
Russell Dalton, Director Governor  
Trevor West, Director Governor (resigned 13 December 2015)  
Anita Iddon, Staff Governor  
Graham Booth, Staff Governor  
Philippa Cavilla, Parent Governor  
Nicola Gow, Governor  
Paul Featonby, Governor  
Kenneth Rowe, Governor  
Elizabeth Tucker, Local Authority Governor  
Richard Evans, Parent Governor  
Richard Charles, Parent Governor  
David Riley, Governor

**Company registered number**

07665364

**Company name**

Pershore High School

**Principal and registered office**

Station Road  
Pershore  
Worcestershire  
WR10 2BX

**Company secretary**

Annette Davenport

**Chief executive officer**

Clive Corbett

**Leadership team**

Clive Corbett, Headteacher  
Phil Hanson, Deputy Head  
Andrew Nockton, Deputy Head  
Russell Dalton, Finance & Business Director  
Jason Howell, Assistant Head  
Zoe Budding, Assistant Head

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016

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**Advisers (continued)**

**Independent auditors**

Randall & Payne LLP  
Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

**Bankers**

Lloyds TSB  
PO Box 1000  
BX1 1LT

**Solicitors**

Legal and Democratic Services  
Worcestershire County Council  
County Hall  
Spetchley Road  
Worcester  
Worcestershire  
WR5 2NP

**Surveyors**

Sheppard Building and Project Consultancy  
The Old Stables  
Hatfield Farm  
Hatfield  
Worcester  
WR5 2PZ

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

Pershore High School is an academy for boys and girls aged 12 to 18. As a good school with outstanding features we were awarded Academy status in 2011. An Ofsted inspection in 2013 confirmed this judgement. The school is located in a rural position within Worcestershire. There are currently 1081 students on roll in the school.

### **Structure, Governance and Management**

#### Constitution

The academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The trustees Pershore High School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Pershore High School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

#### Members' Liability

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

#### Trustees' Indemnities

The academy Trust provides indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

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

The Governing body should be no bigger than 21 in number. Five of the Governors are Director Governors. The Headteacher is a Governor. A maximum of seven Governors are elected by the parental body as Parent Governors. Two of the Governors are elected by the staff of the school as Staff Governors. One Governor is nominated by Worcestershire County Council. A maximum of 9 appointed Governors and 3 Co-opted Governors.

#### Policies and Procedures Adopted for the Induction and Training of Trustees.

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or governors may attend external training provision as appropriate. All new Governors are expected to attend initial training run by the Local Authority. Governors are provided with copies of all the documents that they will need to undertake their role.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Organisational Structure

The full Governing Body meets formally three times per year. Discussions are held and decisions are made or ratified as appropriate. There are three main committees which meet four-five times per year: Finance, Policy and Operations (F, P & O), Staffing and School Improvement. These committees provide the opportunity for detailed discussion and policy development. Interim decisions are reached at committee for ratification at full Governing Body meetings. The day to day running of the Academy is delegated to the Leadership Team (LT) who report back to the Governors' committees as appropriate.

Related Parties and Other Connected Charities and Organisations

There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interest forms, and any financial transactions are disclosed in the notes to the accounts. From the 19th January 2012 the Academy had a new trading company set up, and this is a wholly owned subsidiary of the Academy. In accordance with section 405 paragraph 2 of the Companies Act 2006 group accounts have not been prepared on the basis that the subsidiary is deemed immaterial for the purpose of giving a true and fair view. The Trading Company accounts are consolidated with the Academy Trust accounts.

Leadership Team Remuneration

The Review of the LT's pay is carried out annually and is benchmarked with schools of similar size and cohort. The Performance Management of the Headteacher is undertaken by Governors and the School Improvement Partner. The remainder of the LT is Performance Managed by the Headteacher.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Objectives and Activities**

Objects and Aims

The main aim of Pershore High School Academy Trust is to create a stable environment, ensuring that the high standards set by the school are maintained. Within this environment, our aim is to use the freedoms brought by Academy Status to lay down the foundations of initiatives to further enhance the quality of teaching and learning in the school, thereby maximising the opportunities for all students to realise their full potential.

Pershore High School provides high quality education in a safe, supportive and stimulating learning environment. In our school community, all people are valued and we expect them to make a positive contribution that will allow them to become responsible and independent members of society.

Objectives, Strategies and Activities

The agreed priorities of the school's development plan are:

- Improve headline measures (A' Level; GCSE; P8)
- Improve attainment and progress of Pupil Premium students
- Improve progress of more able students and more able PPI students
- Improve AS and A2 value added maximising 'red' teaching and minimising 'blue' teaching
- Individual subject Raising Achievement Plans based upon 2016 results analysis
- Consistently 'Good' or better teaching and learning
- Improve student progress through embedding and updating the Assessment & Marking policy
- Further develop students as leaders of learning (Learning Ambassadors)
- Students are given enough opportunities to discuss their learning (both within and outside of lessons)
- CPD opportunities for staff researching and incorporating best practice from other colleagues and schools
- Plan and implement curriculum changes
- Raising aspirations through improved CEIAG provision
- Revise and update PSHE / Citizenship provision
- Achievement of International School Award 2016-19
- Development of student coping strategies
- Review ePraise and increase parental engagement in student learning
- Development of Assessment and Tracking systems to reflect 2015 onwards curriculum changes
- Improve the quality of the learning environment
- Support colleagues in consistent approaches to behaviour management
- Develop and implement strategies to improve attendance of PPI students
- Tailor the structure and operation of the Governing Body to the ongoing needs of the school in relation to the formation of a MAT
- Development of Leadership opportunities
- Quality Assurance (Improve the quality of School Self-Evaluation)

To facilitate these, we have continued to develop the 5 Year Plan for the Academy, focusing both upon the key areas of the School Development Plan and more general targets related to the school's development and growth to 2019. We further strengthened governance through Academy Board decisions on its composition and powers. A succession strategy is in place, along with Strategy and Vision groups of both Governors and Staff. The key focus of leadership and management remains upon the quality of teaching and learning and student achievement. Academic monitoring has been enhanced through the success of the house system based upon vertical tutoring, under the overall charge of the Head of Student Achievement. The emphasis is upon tutors developing an increasingly academic role in working together with subject staff to raise levels of student achievement at all ages. A particularly key element of the tutor's work is the learning conversations and academic guidance that follows them. There is a continued emphasis on 'closing the gap' with those pupils identified for Pupil Premium funding with varying initiatives for both academic and aspirational achievement.

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**PERSHORE HIGH SCHOOL**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Additionally, there are advanced discussions with Pershore High School and 3 local first schools to form a MAT. It is likely that this will occur in the spring – summer term of 2017. Furthermore, the Headteacher has announced his retirement at the end of the academic year 2017. A decision has been made to appoint one of the Deputy Headteachers as an Acting Headteacher until the MAT is established and more information is available regarding the future of funding for schools.

Public Benefit

In setting the objectives, the Trustees have given careful consideration to the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

**PERSHORE HIGH SCHOOL**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Strategic report**

Achievements and Performance

Key Performance Indicators

The Academy uses the progress of students at GCSE, AS and A2 levels as the main KPIs for the delivery of its primary objective, together with retaining or improving on its Good with outstanding features reports from its Ofsted visits and internal assessments. Finally, the Academy uses the number of students in the Academy as a Key KPI along with the level of reserves available to continue the improvement of the site, facilities and curriculum development.

The following are the Key Performance Indicators/Targets that have been set for 2016/17:

<b>Achievement</b>	<b>Targets or Indicators</b>
Attainment 8	C+
% Achieving 5+ grades in En & Ma	47%
KS3-KS4 progression profile	No sig minus indicators on FFT or RoL
Middle ability boys/low ability girls/SEN/Pupil Premium	No sig minus indicators on FFT or RoL
Post 16	Top 3 ALPS groups in all categories

<b>Behaviour and Safeguarding</b>	<b>Targets or Indicators</b>
Attendance	96%
Exclusions	No PX. Reduced number of PTXs from 2015-16.

<b>Leadership and Management</b>	<b>Targets or Indicators</b>
Middle and Senior Leaders' CPD objectives as indicated by performance management document	All CPD objectives met, whether these be preparing for promotion, broadening experience or developing skills
Governors to be fully prepared for key decision making in respect of performance management pay and post 16 curriculum developments	All Governors to receive appropriate training in these areas: designated Governors to take strategic lead roles.

<b>Overall Effectiveness</b>	<b>Targets or Indicators</b>
Destinations	100% positive at end of year 11 and 12 (no NEETS) 80% of 6 <sup>th</sup> Form leavers move to 1 <sup>st</sup> or 2 <sup>nd</sup> choice destinations
Business/Finance/VfM	Implementation of the Business Development Plan, including income generation strategy. Demonstrable impact on the S.Worcs Development Plan, esp re building issues
High profile for SMSC	Increased participation in extra-curricular and community service activities
Student engagement/retention	100% positive returns on half termly individual positive contribution logs (via tutor) Increased retention rate at 16+
Stakeholder viewpoints	Complete full range of annual surveys, and show action taken in response to points raised: high parent/student satisfaction ratings in key areas
2016-2019 Strategic Plan	To have achieved 2016 milestones To ensure viable resources stream to support all sections of the plan (not least whole school succession planning)

Additionally, the governors have set a KPI of a balanced budget in 2016-17, whilst awaiting the outcome of the National Funding Formula increases.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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In the year ending 31st August 2016 the school achieved greatly, not least by the students gaining the second highest results at GCSE in the school history. Over the last twelve months we have been fortunate enough to have gained lovely new buildings for the use of the Expressive Arts and Humanities faculties. However, this school is concerned first and foremost with people, not bricks and mortar. Whilst we were delighted to achieve excellent external examination results in 2015 (as acknowledged by the accolade of a SSAT Educational Outcomes Award), the real joy is in the broader involvement and successes of our students. It confirms that whilst a truly outstanding school is genuinely committed to securing the best educational outcomes, it also seeks the highest levels of well-being and involvement for young people through improved levels of family and community engagement. The school is committed to preparing the children for the future in every respect, developing fully rounded individuals who are good citizens of the future. These individual and group successes are outlined here, as well as being a source of great pride, should also be an incentive to others to give yet more to our school and local community.

Pershore High School has been nationally recognised for its exceptional 2015 performance by the Schools, Students and Teachers network (SSAT). Educational Outcomes data analysis from SSAT has shown that the school is in the top 20% nationally for progress made by pupils between their Key Stage 2 results at primary school and their Key Stage 4 results.

The following students took part in an Art and Photography competition which was run by Pershore Civic Society - Arts Prizes for Young Talent to inspire Pershore. The theme was 'Heart and Soul of Pershore'. Winners:

Key Stage 4

1st - Calum Andrews  
2nd – Rebecca Hodgkins  
3rd – Bryony Gilkes  
Mr Corbett Awards:  
1st – Matthew Bessant  
2nd – Emily Brant  
3rd – Charlie Harland

Key Stage 5

1st – Max Nutbeem  
2nd – Sophie Wilcox  
3rd – Dale Lewis  
Runner up – Adam Palin  
Runner up – Sophie Coll  
Special Award (Across all three Key Stages) Lewis Maritza

Numerous Pershore High School students have enjoyed great success in the literary world. Louis Cartwright-Walls and Aimee Davies have had their work published in an anthology, 'Dedicated to mum – depths of love'; Robert Allen, Rhianne Gale, Jennifer Cooper and Jordan Perry have all been published in a 'Grim Tales' anthology. Lucy Barker and Naomi Meek had their work included in a 'Reading Zone' anthology. Lucy Barker won the Secondary Category of the National School Zone (Reading Zone) picture book competition for 2015.

Jodie Young won the U14 performance of Shakespeare and the U14 class for writing and speaking in the Worcester Competitive Arts Festival at the Royal Grammar School, Worcester.

Harry Dunn, Bryony Meek, Rachel Hall, Victoria Trotman, Maddie Bourn and Amelia Stanton went head to head with nearly 250 local students, all displaying their innovative solutions to 'real world of work' problems at the EES Celebration and Assessment Day in April at the Cranmore Park Exhibition Suite, Shirley, Solihull.

Seven students took part in the Worcester County Swimming Championships over a two week period in February. Simon Sweatman continued his progress by winning the Junior County 200 fly and 100 fly and a number of medals in other events. Amy Weston won the 200 backstroke whilst Patrick Heeks won the 200 fly and a host of other medals. Christopher Vizard and Charlotte Downey medalled in a number of events.

Year 8 Girls District Netball Winners. The girls competed against St Egwins, Bredon Hill A team, Bredon Hill B team, Pershore B team and The De Montfort school, winning all of their matches.

Over the past two years Charlie Cobain has seen his shooting improve vastly, since shooting with the Novice Schools Challenge. The Schools Challenge Tenth Anniversary Final was held at the Oxford Gun Company, where he was placed 20 out of 500 under 21's in the UK. Charlie also represented Pershore High School in the Schools Challenge Clay Pigeon competition along with another 130 competitors aged 12-18 years. Charlie came first in his age group, scoring 48 out of 50 clays and won the title of highest scorer over all of the age groups.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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We are incredibly proud of our Sixth Form and all the students that are part of it. Whilst we recognise their immense hard work and academic achievements. It is important to celebrate what being a sixth former is really about. Events are an important part of the two years, where all our students get an opportunity to be involved taking them and us out of our comfort zones. This ensures that they leave here as well rounded young people who are not only able to face life with the academic qualifications required, but also with a sense of humour because life can sometimes be tough! A true measure of young people is how they come together when there is an unexpected tragedy amongst their peers. Our Sixth Form demonstrated this when we lost Felix Alexander in April this year. The display of compassion shown by our students at the most difficult of times was truly a sight to behold and even though our hearts were filled with sadness, there has been a warmth in the kindness that they have shown each other. Felix was a talented, beautiful and kind young man and there is not a day that goes by when we don't think about him. He will remain in our hearts and thoughts always.

Going Concern

In this period the main board of governors have had to approve appropriate and extensive budgetary reductions to ensure strategic financial planning is in place for the foreseeable future. These cuts include a restructure of staffing and a reduction in resources. This had been necessary due to the reduction in funding and increased costs. A major decision to reduce the size of the Leadership Team, in the short term, has been taken. As the Headteacher is retiring at the end of the academic year it allows for substantial reduction in expenditure on salaries.

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

**Financial Review**

The accounting period runs from 1 September 2015 to 31 August 2016. The majority of the Academies income is obtained from the EFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure is shown as restricted funds in the statement of financial activities.

Reserves Policy

The Directors in conjunction with the main board of governors need to review the resources of the Academy and recognise the need to have sufficient reserves to protect against possible reductions in the funding. The reserves will be held in line with the DfE guidelines. The policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

Historically, the reserves policy has been to retain at least one month's EFA GAG funding and to be monitored to allow for the predicted student number fluctuation between 2015-2020. Due to the Worcestershire being a poorly funded authority it is extremely difficult for the reserves policy to be set and therefore met. This has been further exacerbated by the delay in the introduction of the National Funding Formula. Additionally, the reserves have been significantly depleted by unfunded and externally enforced costs. Once future funding formulas have been announced the directors will be able to take a view on setting tangible reserve to allow for the operations to be unaffected.

We also have concerns over the ever increasing LGPS deficit, which now stands at £4,034k (2015 - £2,410k). Contribution rates are increasing as a result of the inherited deficit from this scheme, which is now impacting on current year financial and cash reserves within the Academy.

Investment Policy

The Finance and Business Director, together with the Business Manager, will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

**PERSHORE HIGH SCHOOL**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Principal Risks and Uncertainties**

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

Risk Management

Financial risk is managed via a thorough risk register process which is reviewed on a regular basis. Major risks that have control measures in place are:

Category	Sub category	Specific	Likelihood of occurring (5=high 1=low)	Impact if occurs (5=high 1=low)	Control procedures and target date	Person(s) responsible for action
Strategic Risk	Alliance/ partnership risk	Appropriateness of alliance	5	3	Decisions on alliances to meet our needs. Formation of MAT with schools that share the same ethos.	HT/LT/Chair of Gov
Public Profile risk	Expenditure risk	Senior management of the charity are seen by the public to be paid high salaries	3	4	All costs to be transparent, justifiable and in line with other schools. A voluntary pay freeze for LT members is in place.	HT/LT/Chair of Gov
Management information risk	Quality Risk	Risk that information produced (financial and non-financial) for trustees and senior management is not accurate or not in a format suitable for monitoring the performance of the charity	3	3	Finance software to be working effectively at all times, information to be input to all systems in a timely manner. Management Information System to be effectively managed	F&B Director / Data Manager
Human Resources risk	Management Risk	Key person loss/ succession risk	5	2	Good succession planning. Sharing of knowledge and key responsibilities. Extremely capable LT.	HT/LT/Chair of Gov

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Financial and Risk Management Objectives and Policies

To support the conversion to an Academy external advice was obtained to assist in the conversion process. A new risk management strategy was adopted by the Governors and a risk register compiled following a thorough review of all risks perceived by the Governors and LT to the academy. This is reviewed periodically by the F,P&O Committee. External auditors were appointed and the Academy Finance Manual was reviewed to ensure its appropriateness for the new academy.

**Plans for Future Periods**

In the short term, the main focus is to further build upon the school's reputation for outstanding teaching and learning. To facilitate this, we have rigorously followed a programme of Learning Walks and formal Lesson Observations, based upon the more stringent new Ofsted criteria. This has led to further raised expectations in the classroom and an additional emphasis upon the loop of feedback on work through the use of the marking stamp - Teachers comment of What Went Well (www) and Even Better If (ebi) and students respond. Additionally, there are advanced discussions with Pershore High School and 3 local first schools to form a MAT. It is likely that this will occur in the spring – summer term of 2017. Furthermore, the Headteacher has announced his retirement at the end of the academic year 2017. A decision has been made to appoint one of the Deputy Headteachers as an Acting Headteacher until the MAT is established and more information is available regarding the future of funding for schools.

Future financial plans are dependent upon the outcomes of the National Funding Formula.

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

The Academy does not hold any funds as custodian Trustee on behalf of others.

**Auditor**

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on December 2016 and signed on the board's behalf by:

**Robert Phillips, Chair of Governors  
Chair of Trustees**

## PERSHORE HIGH SCHOOL

### GOVERNANCE STATEMENT

#### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Pershore High School 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.

#### Governance

The Governing Body comprises 21 members; five of the Governors are Director Governors. The Headteacher is a Governor. A maximum of seven Governors are elected by the parental body as Parent Governors. Three of the Governors are elected by the staff of the school as Staff Governors and three Co-opted Governors. The Full Governing Body meets three times a year, there is a Chair and Vice Chair who are elected each year.

There are three main committees which meet four-five times per year: Finance, Policy and Operations (F,P&O), Staffing and School Improvement. Each subcommittee has a Chair and Vice Chair who are elected each year and terms of reference are also agreed annually. Although the Chair of Governors can be a member of the F,P&O committee they are not allowed to chair it.

Each meeting is duly minuted and attendance records are kept, absence from three consecutive meetings could result in dismissal from the Governing Body. Competences of all Governors are considered prior to inclusion onto the Governing Body, these are further scrutinised prior to acceptance onto the F,P&O committee to ensure a thorough mix of knowledge and experience is available to give complete professional judgment on all decisions made. The main challenge that the Governors have to deal with is driving standards higher in a time of constant change with education legislation. The attendance during the year of governors at meetings was as follows:

NAME OF GOVERNOR	MEETINGS (September 2015 - July 2016)					
	Full	Acad Board	Fin/Policy	SI	Staffing	Pol Rev
Rob Phillips	4/4	1/1	4/4	2/2	2/2	
Nick Young	4/4	1/1	4/4	2/2	0/2	
Steve Bessant	0/4		1/5			1/1
Graham Booth	3/4		3/4			
Pip Cavilla	3/4					1/1
Richard Charles	3/4		3/4	2/2		
Russel Dalton	4/4	1/1	4/4		1/2	
Richard Evans	3/4			1/2		
Paul Featonby	2/4		4/4		2/2	
Nicola Gow	4/4		4/4	1/2	2/2	
Anita Iddon	1/4			1/2		
Sinead McKenzie	1/4					
David Riley	4/4			2/2		
Ken Rowe	3/4		2/4			1/1
Liz Tucker	2/4		4/4			
Trevor West	1/4	1/1	1/4		1/2	
Clive Corbett	4/4	1/1	4/4	2/2	2/2	

#### Review of Governance

**GOVERNANCE STATEMENT (continued)**

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**Challenges:** Finance looms large as an ongoing major concern for governors. The one-year delay of the financial review by central government following the EU Referendum result has caused considerable consternation in determining how the school may continue to pursue its stated objectives. Governors have been placed in a difficult scenario with regard to succession planning and the future development of the school to the extent that some fairly drastic measures are having to be considered if the school is to remain solvent in meeting its financial obligations. The greatest challenge that governors were faced with over the past year has been the growing financial pressures which have been brought about by outside influences. This includes a rise in National Insurance contributions (approximately £120,000 a year), rises in pension contributions (£80,000), reduction in Education Services Grant (£80,000). In addition to the unfunded pay rises. This has been exacerbated by the delay in the introduction of the National Funding Formula until at least 2018.

Governors' continued dialogue with the first and middle schools of the Pershore Pyramid have resolved into a consultation to form a Multi Academy Trust with three other first schools, namely: Inkberrow, Cherry Orchard and Norton-Juxta Kempsey, the latter of these being a C of E School which has required dialogue with the Worcester Diocese to ensure that appropriate conditions are met in setting up the MAT. If the consultations are positive (as is anticipated) then it is the intention to bring the MAT into existence by early 2017. It became clear that the other schools in the pyramid, in particular the Middle Schools, wished to follow a different route to establishing their future direction although Pershore as the only secondary school in the pyramid will aim to remain in full collaboration with all of the pyramid schools insofar as they require or request it.

**Evaluation / Review of Governance:** We have seen the departure of four existing governors, two full governors and two associates. Sadly, one of the associate governors passed away in August after a short illness. The other associate was originally a full governor who stayed on to chair the policy review group. Unfortunately, this governor has now left us due to pressure of work. The two full governors included one who was also a member of the Academy board and has yet to be replaced. We recruited one new full governor with a strong business and military background. The size of the governing body is now somewhat reduced but the remaining governors are more clearly focused on their areas of responsibility. We also have a clearer idea of the skill sets that governors bring although this will continue to be reviewed as preparations for the MAT move forward.

**Self-evaluation / External Review:** The strategy group has continued to form a nucleus of core governors who have been briefed to consider the future priorities of the school and how it can move forward. The group has spent much of the past year focusing on succession planning for the eventual need to replace the current HT. They maintain close dialogue with the SLT and report regularly to the main governing body. As the MAT comes into being next year there will be a need to review the role of this group and indeed the structure of the whole governing body and its relationship within the MAT.

**GOVERNANCE STATEMENT (continued)**

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**Review of Value for money**

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Reducing teaching staff to a minimal level.
  - o A review and restructuring was undertaken. A review of the curriculum has also taken place.
- Combining roles and responsibilities of staffing upon natural wastage.
  - o The Personnel Officer retired and her roles were distributed to various members of support staff.
  - o The 6th Form PA resigned, her role was distributed amongst the other admin staff.
- Introducing cashless catering to maximise student take up of school meals.
  - o The increase in take up is in excess of 20%.
- Group tendering and economies of scale purchasing.
  - o Tendering for Capital projects, project management, legal services and payroll have been done within a collaboration.
- Sharing staff and resources
  - o Pershore High School provide services of Catering, Business Management, IT Support, Training, and a variety of other services to local schools to share the costs.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Pershore High School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, together with the Finance and Business Director, as Chief Financial 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 Pershore High School Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control as well as making recommendations for improvement.

The Finance and Business Director has developed a system of controls and checks and holds regular meetings with the Headteacher to review finances. The Finance Manual details the procedures and systems to be used by all budget holders. A copy of the manual is available to all budget holders and staff are aware that all purchases and contracts must be entered into only by the Headteacher and/or the Finance and Business Director depending on value.

The Governors have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

**GOVERNANCE STATEMENT (continued)**

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**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:

- Significantly improved comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the F,P&O Committee of reports which indicate financial performance against the forecasts and of major contracts, purchase plans and expenditure programmes;
- Setting targets to measure financial and other performance;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The LT review and update the Risk Register and reports to the F,P&O Committee. The role of the F,P&O Committee is to challenge the LT on the identification of risks, the management action taken and the residual risks.

The Governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor although this may be reviewed from time to time. However, the Governors have appointed a Responsible Officer (RO). The RO for Pershore High School is Allison Bill, Business Manager at The Chantry School. The inspections are carried out on a reciprocal, peer to peer basis. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO has reported 2 times to the governing body during the period to 31 August 201 on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In the instances where the RO has made recommendations for improvement, these have been discussed with the Finance and Business Director and where appropriate implemented.

These arrangements can provide only reasonable assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

**GOVERNANCE STATEMENT (continued)**

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**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- Feedback from the F,P&O Committee. The structure of the committees has been reviewed and the Finance and Premises Committees now meet jointly, as the F,P&O Committee, to ensure all decisions that have a financial impact on the Academy are taken together.
- Feedback from the Finance and Business Director and the Chair of the F,P&O Committee.
- Feedback and reports from the RO, as described above.
- Feedback from external advisors.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the F, P & O 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

and signed on their behalf, by:

**Robert Phillips**  
**Chair of Trustees**

**Clive Corbett**  
**Accounting Officer**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Pershore High School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

**Clive Corbett**  
**Accounting Officer**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as governors of Pershore High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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 \_\_\_\_\_ and signed on its behalf by:

**Robert Phillips**  
**Chair of Trustees**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PERSHORE HIGH SCHOOL**

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We have audited the financial statements of Pershore High School for the year ended 31 August 2016 which comprise the group Statement of financial activities, the group and Academy Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' responsibilities, 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.

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of the group's 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 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PERSHORE HIGH SCHOOL**

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

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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

Robert Stokes ACCA (Senior statutory auditor)

for and on behalf of

**Randall & Payne LLP**

Chartered Accountants and Statutory Auditors

Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA  
Date:

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO PERSHORE HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 23 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pershore High School during the year 1 September 2015 to 31 August 2016 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 Pershore High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pershore High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pershore High School and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Pershore High School's accounting officer and the reporting auditors**

The accounting officer is responsible, under the requirements of Pershore High School's funding agreement with the Secretary of State for Education dated 6 September 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Stokes ACCA (Senior statutory auditor)

for and on behalf of

**Randall & Payne LLP**

Chartered Accountants and Statutory Auditors

Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

Date:

**PERSHORE HIGH SCHOOL**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
<b>Income from:</b>						
Donations and capital grants	2	150	-	350	500	263
Charitable activities	3	-	5,608	-	5,608	5,797
Other trading activities	4	655	-	-	655	518
Investments	5	1	-	-	1	2
<b>Total income</b>		<b>806</b>	<b>5,608</b>	<b>350</b>	<b>6,764</b>	<b>6,580</b>
<b>Expenditure on:</b>						
Raising funds		193	-	-	193	185
Charitable activities		-	6,530	309	6,839	6,722
<b>Total expenditure</b>	8	<b>193</b>	<b>6,530</b>	<b>309</b>	<b>7,032</b>	<b>6,907</b>
<b>Net income / (expenditure) before transfers</b>						
Transfers between Funds	18	613 (879)	(922) 790	41 89	(268) -	(327) -
<b>Net income / (expenditure) before other recognised gains and losses</b>						
		(266)	(132)	130	(268)	(327)
Actuarial losses on defined benefit pension schemes	24	(1,519)	-	-	(1,519)	(130)
<b>Net movement in funds</b>		<b>(1,785)</b>	<b>(132)</b>	<b>130</b>	<b>(1,787)</b>	<b>(457)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		389	(2,283)	14,748	12,854	13,311
<b>Total funds carried forward</b>		<b>(1,396)</b>	<b>(2,415)</b>	<b>14,878</b>	<b>11,067</b>	<b>12,854</b>

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>Fixed assets</b>					
Tangible assets	14		14,877		13,828
<b>Current assets</b>					
Stocks	15	-		2	
Debtors	16	466		934	
Cash at bank and in hand		307		1,237	
		<u>773</u>		<u>2,173</u>	
<b>Creditors:</b> amounts falling due within one year	17	<u>(549)</u>		<u>(737)</u>	
<b>Net current assets</b>			<u>224</u>		<u>1,436</u>
<b>Total assets less current liabilities</b>			<u>15,101</u>		<u>15,264</u>
Defined benefit pension scheme liability	24		<u>(4,034)</u>		<u>(2,410)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>11,067</u></u>		<u><u>12,854</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	100		127	
Restricted fixed asset funds	18	14,878		14,748	
Restricted income funds excluding pension liability		<u>14,978</u>		<u>14,875</u>	
Pension reserve		<u>(4,034)</u>		<u>(2,410)</u>	
Total restricted income funds			<u>10,944</u>		<u>12,465</u>
Unrestricted income funds	18		<u>123</u>		<u>389</u>
<b>Shareholders' and Charity's funds</b>			<u><u>11,067</u></u>		<u><u>12,854</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

**Robert Phillips**  
**Chair of Trustees**

The notes on pages 27 to 48 form part of these financial statements.

**ACADEMY BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>Fixed assets</b>					
Tangible assets	14		14,877		13,828
<b>Current assets</b>					
Debtors	16	588		1,054	
Cash at bank		170		1,115	
		758		2,169	
<b>Creditors:</b> amounts falling due within one year	17	(533)		(734)	
<b>Net current assets</b>			225		1,435
<b>Total assets less current liabilities</b>			15,102		15,263
Defined benefit pension scheme liability	24		(4,034)		(2,410)
<b>Net assets including pension scheme liabilities</b>			11,068		12,853
<b>Funds of the academy</b>					
Restricted funds:					
Restricted funds	18	127		128	
Restricted fixed asset funds	18	14,689		14,748	
Restricted funds excluding pension asset		14,816		14,876	
Pension reserve		(4,034)		(2,410)	
Total restricted funds			10,782		12,466
Unrestricted funds	18		286		387
<b>Total funds</b>			11,068		12,853

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

**Robert Phillips**  
**Chair of Trustees**

The notes on pages 27 to 48 form part of these financial statements.

PERSHORE HIGH SCHOOL

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	301	2,239
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1	2
Purchase of tangible fixed assets		(1,356)	(2,079)
Capital grants from DfE/EFA		124	219
<b>Net cash used in investing activities</b>		<b>(1,231)</b>	<b>(1,858)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(930)</b>	<b>381</b>
Cash and cash equivalents brought forward		1,237	856
<b>Cash and cash equivalents carried forward</b>	21	<b>307</b>	<b>1,237</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Pershore High School constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Pershore High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Pershore High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

**1.2 Fund accounting**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting policies (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting policies (continued)**

**1.5 Going concern**

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

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of Pershore High School and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the Academy was £227,000 (2015 - £208,000).

**1.7 Turnover**

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised., ICT equipment costing more than £250 and considered attractive and portable are also capitalised.

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.

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 2016**

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**1. Accounting policies (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years
Fixtures and fittings	-	10% straight line
Computer equipment	-	33% straight line

**1.9 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 Bank.

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.11 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.

**1.12 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.

**1.13 Liabilities and provisions**

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

**1.14 Financial instruments**

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. Accounting policies (continued)**

**1.15 Taxation**

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

**1.16 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 and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.17 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2. Income from donations and capital grants

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Capital grants	-	-	226	226	238
Trust fund donations	150	-	-	150	-
Devolved formula capital	-	-	24	24	25
Trust fund donations	-	-	100	100	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	150	-	350	500	263
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £263,000 was to restricted funds

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**3. Funding for Academy's educational operations**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<i>Total funds 2015 £000</i>
<b>DfE/EFA grants</b>				
General Annual Grant	-	5,335	5,335	5,573
Other DfE/YPLA/EFA Grants	-	15	15	12
Special Educational Projects	-	258	258	212
	<u>-</u>	<u>5,608</u>	<u>5,608</u>	<u>5,797</u>

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £5,797,000 was to restricted funds.

**4. Other trading activities**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<i>Total funds 2015 £000</i>
Music Tuition	12	-	12	10
Hire of facilities	3	-	3	1
Examination Fees	85	-	85	69
Trading recharges	124	-	124	-
	<u>224</u>	<u>-</u>	<u>224</u>	<u>80</u>

In 2015, of the total income from other trading activities, £80,000 was to unrestricted funds and £ *NIL* was to restricted funds.

**5. Investment income**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<i>Total funds 2015 £000</i>
Investment income - local cash	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

In 2015, of the total investment income, £2,000 was to unrestricted funds and £ *NIL* was to restricted funds.

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**6. Direct costs**

	<b>Educational Operations £000</b>	<b>Total 2016 £000</b>	<i>Total 2015 £000</i>
Pension costs	91	91	83
Educational Supplies	89	89	87
Examination Fees	258	258	246
Other Direct Costs	591	591	561
Insurance	50	50	50
Security and Transport	1	1	2
Advertising	21	21	15
Travel	44	44	43
ICT	117	117	89
Telephone	5	5	9
Printing and stationery	20	20	47
Professional fees	110	110	107
Wages and salaries	3,511	3,511	3,550
National insurance	289	289	263
Pension cost	512	512	466
Depreciation	307	307	280
	<u>6,016</u>	<u>6,016</u>	<u>5,898</u>

In 2015, the Academy incurred the following Direct costs:

£5,886,000 in respect of Educational Operations Direct

£12,000 in respect of Governance

**7. Support costs**

	<b>Educational Operations £000</b>	<b>Total 2016 £000</b>	<i>Total 2015 £000</i>
Sundry subsidiary expenditure	1	1	2
Wages and salaries	402	402	410
National insurance	36	36	32
Pension cost	384	384	380
	<u>823</u>	<u>823</u>	<u>824</u>

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**8. Expenditure**

	<b>Staff costs 2016 £000</b>	<b>Premises 2016 £000</b>	<b>Other costs 2016 £000</b>	<b>Total 2016 £000</b>	<i>Total 2015 £000</i>
Expenditure on fundraising trading	-	-	<b>193</b>	<b>193</b>	<i>177</i>
Educational Operatio:					
Direct costs	<b>4,312</b>	<b>591</b>	<b>1,113</b>	<b>6,016</b>	<i>5,816</i>
Support costs	<b>822</b>	-	<b>1</b>	<b>823</b>	<i>881</i>
	<b>5,134</b>	<b>591</b>	<b>1,307</b>	<b>7,032</b>	<i>6,874</i>

In 2016, of the total expenditure, £193,000 (2015 - £177,000) was to unrestricted funds and £6,839,000 (2015 - £6,697,000) was to restricted funds.

**9. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016 £000</b>	<i>2015 £000</i>
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>307</b>	<i>280</i>
Auditors' remuneration - audit	<b>7</b>	<i>6</i>
Governance Internal audit costs	<b>5</b>	<i>6</i>
Operating lease costs	<b>38</b>	<i>38</i>

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**10. Staff costs**

Staff costs were as follows:

	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>3,914</b>	<i>3,960</i>
Social security costs	<b>324</b>	<i>296</i>
Operating costs of defined benefit pension schemes	<b>896</b>	<i>846</i>
	<b>5,134</b>	<i>5,102</i>

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

	<b>2016</b>	<i>2015</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>64</b>	<i>70</i>
Administration and support	<b>58</b>	<i>59</i>
Management	<b>8</b>	<i>7</i>
	<b>130</b>	<i>136</i>

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

	<b>2016</b>	<i>2015</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>2</b>	<i>2</i>
In the band £70,001 - £80,000	<b>1</b>	<i>2</i>
In the band £80,001 - £90,000	<b>2</b>	<i>1</i>
In the band £100,001 - £200,000	<b>1</b>	<i>1</i>

5 (2015 - 5) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2016, pension contributions for these staff amounted to £57,801 (2015 - £50,527). 1 (2015 - 1) other employee participated in the Local Government Pension Scheme. Pension contributions amounted to £8,029 (2015 - £7,648).

Included in staff costs are non-statutory/non-contractual severance payments totalling £33,400 (2015 - £8,979), made up of two individual amounts of £9,400 and £24,000.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £560,000 (2015 - £525,000).

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**11. Trustees' remuneration and expenses**

During the year retirement benefits were accruing to 4 Trustees (2015 - 4) in respect of defined contribution pension schemes.

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

	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>
Clive Corbett, Accounting Officer/Staff governor (Headteacher) (Salary) Remuneration	<b>100-105</b>	<i>90-95</i>
Clive Corbett, Accounting Officer/Staff Governor (Headteacher) (Pension) Remuneration	<b>15-20</b>	<i>10-15</i>
Russell Dalton, Director Governor (Salary) Remuneration	<b>60-65</b>	<i>60-65</i>
Russell Dalton, Dorecor Governor (Pension) Remuneration	<b>5-10</b>	<i>5-10</i>
Graham Booth, Staff Governor (Salary) Remuneration	<b>35-40</b>	<i>65-70</i>
Graham Booth, Staff Governor (Pension) Remuneration	<b>5-10</b>	<i>5-10</i>
Anita Iddon, Staff Governor (Salary) Remuneration	<b>45-50</b>	<i>45-50</i>
Anita Iddon, Staff Governor (Pension) Remuneration	<b>5-10</b>	<i>5-10</i>

During the year ended 31 August 2016, expenses totalling £2,230 (2015 - £2,102) were reimbursed to 2 Trustees (2015 - 3).

**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 £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £2,376 (2015 - £2,487).

**13. Other finance income**

	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>
Interest income on pension scheme assets	<b>54</b>	<i>43</i>
Interest on pension scheme liabilities	<b>(145)</b>	<i>(126)</i>
	<b>(91)</b>	<i>(83)</i>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016

14. Tangible fixed assets

Group	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2015	14,620	28	232	14,880
Additions	1,299	-	57	1,356
At 31 August 2016	<u>15,919</u>	<u>28</u>	<u>289</u>	<u>16,236</u>
<b>Depreciation</b>				
At 1 September 2015	873	8	171	1,052
Charge for the year	249	2	56	307
At 31 August 2016	<u>1,122</u>	<u>10</u>	<u>227</u>	<u>1,359</u>
<b>Net book value</b>				
At 31 August 2016	<u>14,797</u>	<u>18</u>	<u>62</u>	<u>14,877</u>
At 31 August 2015	<u>13,747</u>	<u>20</u>	<u>61</u>	<u>13,828</u>

Included in land and buildings is freehold land at valuation of £2,040,930 (2015 - £2,040,930), which is not depreciated.

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Academy</b>	<b>Long-term leasehold property £000</b>	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 September 2015	14,620	28	232	14,880
Additions	1,299	-	57	1,356
At 31 August 2016	<u>15,919</u>	<u>28</u>	<u>289</u>	<u>16,236</u>
<b>Depreciation</b>				
At 1 September 2015	873	8	171	1,052
Charge for the year	249	2	56	307
At 31 August 2016	<u>1,122</u>	<u>10</u>	<u>227</u>	<u>1,359</u>
<b>Net book value</b>				
At 31 August 2016	<u>14,797</u>	<u>18</u>	<u>62</u>	<u>14,877</u>
At 31 August 2015	<u>13,747</u>	<u>20</u>	<u>61</u>	<u>13,828</u>

**15. Stocks**

	<b>Group</b>		<b>Academy</b>	
	<b>2016 £000</b>	<b>2015 £000</b>	<b>2016 £000</b>	<b>2015 £000</b>
Raw materials	-	2	-	-

**16. Debtors**

	<b>Group</b>		<b>Academy</b>	
	<b>2016 £000</b>	<b>2015 £000</b>	<b>2016 £000</b>	<b>2015 £000</b>
Trade debtors	6	9	3	1
Amounts owed by group undertakings	-	-	125	128
Other debtors	175	188	175	188
Prepayments and accrued income	285	737	285	737
	<u>466</u>	<u>934</u>	<u>588</u>	<u>1,054</u>

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PERSHORE HIGH SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016

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17. Creditors:  
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	<b>2016</b>	<i>2015</i>	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Trade creditors	<b>292</b>	<i>544</i>	<b>277</b>	<i>543</i>
Other taxation and social security	<b>175</b>	<i>166</i>	<b>175</b>	<i>166</i>
Accruals and deferred income	<b>82</b>	<i>27</i>	<b>81</b>	<i>25</i>
	<b>549</b>	<i>737</i>	<b>533</b>	<i>734</i>

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**18. Statement of funds**

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted funds</b>						
General Funds - all funds	389	806	(193)	(879)	-	123
<b>Restricted funds</b>						
Restricted Funds - all funds	127	5,608	(6,425)	790	-	100
Pension reserve	(2,410)	-	(105)	-	(1,519)	(4,034)
	<u>(2,283)</u>	<u>5,608</u>	<u>(6,530)</u>	<u>790</u>	<u>(1,519)</u>	<u>(3,934)</u>
<b>Restricted fixed asset funds</b>						
Fixed Assets	13,824	-	(309)	1,363	-	14,878
Capital Grants	924	226	-	(1,150)	-	-
Devolved Formula Capital	-	24	-	(24)	-	-
Trust fund donation	-	100	-	(100)	-	-
	<u>14,748</u>	<u>350</u>	<u>(309)</u>	<u>89</u>	<u>-</u>	<u>14,878</u>
Total restricted funds	<u>12,465</u>	<u>5,958</u>	<u>(6,839)</u>	<u>879</u>	<u>(1,519)</u>	<u>10,944</u>
Total of funds	<u><u>12,854</u></u>	<u><u>6,764</u></u>	<u><u>(7,032)</u></u>	<u><u>-</u></u>	<u><u>(1,519)</u></u>	<u><u>11,067</u></u>

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

The restricted general fund includes grants receivable from the EFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**19. Analysis of net assets between funds**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	14,878	14,878	13,829
Current assets	123	649	-	772	2,173
Creditors due within one year	-	(549)	-	(549)	(737)
Provisions for liabilities and charges	-	(4,034)	-	(4,034)	(2,410)
	<u>123</u>	<u>(3,934)</u>	<u>14,878</u>	<u>11,067</u>	<u>12,854</u>

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

	2016 £000	2015 £000
Net expenditure for the year (as per Statement of financial activities)	(268)	(327)
<b>Adjustment for:</b>		
Depreciation charges	307	281
Dividends, interest and rents from investments	(1)	(2)
Decrease in stocks	2	-
Decrease in debtors	468	2,205
(Decrease)/increase in creditors	(188)	202
Capital grants from DfE and other capital income	(124)	(219)
Defined benefit pension scheme finance cost	105	99
<b>Net cash provided by operating activities</b>	<u>301</u>	<u>2,239</u>

**21. Analysis of cash and cash equivalents**

	2016 £000	2015 £000
Cash in hand	307	1,237
<b>Total</b>	<u>307</u>	<u>1,237</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Contingent liabilities**

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale of disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to;

- The value at the time the Academy's site and premises and other assets held for the purposes of the company, and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

**23. Capital commitments**

At 31 August 2016 the group and Academy had capital commitments as follows:

	<b>Group</b>		<b>Academy</b>	
	<b>2016</b>	<i>2015</i>	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Contracted for but not provided in these financial statements	-	<i>1,304</i>	-	<i>1,304</i>
	-	<i>1,304</i>	-	<i>1,304</i>

**24. Pension commitments**

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £79,612 were payable to the schemes at 31 August 2016 (2015 - 76,527) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**24. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £691,000 (2015 - £648,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £290,000 (2015 - £289,000), of which employer's contributions totalled £219,000 (2015 - £216,000) and employees' contributions totalled £71,000 (2015 - £73,000). The agreed contribution rates for future years are 19.2% for employers and 5-6% for employees.

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

**PERSHORE HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**24. Pension commitments (continued)**

Principal actuarial assumptions:

	<b>2016</b>	<i>2015</i>
Discount rate for scheme liabilities	<b>4.00 %</b>	<i>4.00 %</i>
Rate of increase in salaries	<b>3.40 %</b>	<i>3.80 %</i>
Rate of increase for pensions in payment / inflation	<b>2.00 %</b>	<i>2.30 %</i>
Inflation assumption (CPI)	<b>1.90 %</b>	<i>2.30 %</i>

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

	<b>2016</b>	<i>2015</i>
Retiring today		
Males	<b>23.5</b>	<i>23.4</i>
Females	<b>25.9</b>	<i>25.8</i>
Retiring in 20 years		
Males	<b>25.8</b>	<i>25.6</i>
Females	<b>28.2</b>	<i>28.1</i>

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

	<b>Fair value at 31 August 2016 £000</b>	<i>Fair value at 31 August 2015 £000</i>
Equities	<b>1,451</b>	<i>1,072</i>
Other	<b>61</b>	<i>42</i>
Property	<b>78</b>	<i>-</i>
Government bonds	<b>-</b>	<i>1</i>
Other bonds	<b>110</b>	<i>73</i>
Cash/liquidity	<b>40</b>	<i>12</i>
Total market value of assets	<b><u>1,740</u></b>	<i><u>1,200</u></i>

The actual return on scheme assets was £267,000 (2015 - £NIL).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2016 £000</b>	<i>2015 £000</i>
Current service cost (net of employee contributions)	<b>(227)</b>	<i>(224)</i>
Net interest cost	<b>(91)</b>	<i>(83)</i>
Total	<b><u>(318)</u></b>	<i><u>(307)</u></i>
Actual return on scheme assets	<b><u>267</u></b>	<i><u>-</u></i>

**PERSHORE HIGH SCHOOL**

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

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

	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>
Opening defined benefit obligation	<b>3,610</b>	<i>3,119</i>
Current service cost	<b>227</b>	<i>224</i>
Interest cost	<b>145</b>	<i>126</i>
Contributions by employees	<b>71</b>	<i>73</i>
Actuarial losses	<b>1,732</b>	<i>87</i>
Losses on curtailments	<b>2</b>	<i>5</i>
Benefits paid	<b>(13)</b>	<i>(24)</i>
	<hr/>	<hr/>
Closing defined benefit obligation	<b>5,774</b>	<i>3,610</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2016</b>	<i>2015</i>
	<b>£000</b>	<i>£000</i>
Opening fair value of scheme assets	<b>1,200</b>	<i>939</i>
Return on plan assets (excluding net interest on the net defined pension liability)	<b>54</b>	<i>43</i>
Actuarial gains and (losses)	<b>213</b>	<i>(43)</i>
Contributions by employer	<b>219</b>	<i>216</i>
Contributions by employees	<b>71</b>	<i>73</i>
Benefits paid	<b>(13)</b>	<i>(24)</i>
Administration expenses	<b>(4)</b>	<i>(4)</i>
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>1,740</b>	<i>1,200</i>
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016

**25. Operating lease commitments**

At 31 August 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group</b>	<b>2016</b>	<b>Other</b>
	<b>£000</b>	<b>2015</b>
		<b>£000</b>
<b>Amounts payable:</b>		
Between 1 and 5 years	<u>41</u>	<u>38</u>

At 31 August 2016 the Academy had annual commitments under non-cancellable operating leases as follows:

<b>Academy</b>		
	<b>41</b>	<b>38</b>
<b>Amounts payable:</b>		
Between 1 and 5 years	<u>41</u>	<u>38</u>

**26. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

**27. Related party transactions**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Clive Corbett	1,890	1,516
Russell Dalton	340	484
Anita Iddon	-	103
	<u>          </u>	<u>          </u>

The above expenses were provided with regards to the staff members position as a staff member rather than as a trustee.

**NOTES TO THE FINANCIAL STATEMENTS  
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**28. First time adoption of FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

However, adjustments have been made to comparative disclosures for the Local Government Pension Scheme in note 26. The closing balance of the pension provision has not changed, but the movement within the year has been altered from the following:

Change in benefit obligation to 31 August 2015	
Benefit obligation at beginning of period	3,119
Current service costs	220
Interest on pension liabilities	130
Member contributions	73
Actuarial losses on liabilities	87
Benefits/transfers paid	5
Losses on curtailments	(24)
Benefit obligation at end of period	3,610
Change in plan assets to 31 August 2015	
Fair value of plan assets at beginning of period	939
Expected return on plan assets	65
Actuarial losses on assets	(69)
Employer contributions	216
Member contributions	73
Benefits/transfers paid	(24)
Fair value of plan assets at end of period	1,200

The net book value of land and buildings disclosed in the accounts are not considered to be materially different from their fair value, as required to be disclosed per the accounting standards under FRS102, and as such no revaluation has been required in these accounts. This is based on depreciated replacement cost remaining appropriate for the fair value.

**29. Principal subsidiaries**

Company name	Country	Percentage Shareholding	Description
Pershore High School Trading Limited	England & Wales	100	Provider of catering and consultancy services