

Company Registration No. 07695504 (England and Wales)

BIRKDALE HIGH SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

BIRKDALE HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Mulligan
S Bousfield
J Cope
R Pickett

Trustees

Mr Edward O'Driscoll (Resigned 15 October 2015)
Ms Angela Mulligan
Mr Stephen Bousfield (Resigned 26 September 2015)
Mr Skender Berisha
Mrs Clare Carrington
Ms Cathryne Ellis
Mr Adam Kennaugh
Ms Rebecca Pickett
Mrs Janet Regan
Mr Graham Riley
Mr Mark Sunderland
Mr Christopher Tait
Ms Pamela Turner (Resigned 18 October 2016)
Ms Fay Jackson (Appointed 12 October 2015)
Mr Gil Bourgade
Mr Stuart Honeyman (Appointed 11 July 2016)
Mrs Pauline Marshall

Senior management team

- Executive Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Business and Finance Manager

Mr G Bourgade
Mr P Marshall
Mr M Cunliffe
Mrs H Duffy
Mr D Pryor
Mrs J Smith

Company secretary

Mrs K Anslow

Company registration number

07695504 (England and Wales)

Registered office

Windy Harbour Road
Birkdale
Southport
PR8 3DT

Independent auditor

RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

BIRKDALE HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC plc
City Branch
4 Dale Street
Liverpool
L69 2BZ

Lloyds
23 London Street
Southport
PR9 OUX

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

BIRKDALE HIGH SCHOOL

TRUSTEES' REPORT

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

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Sefton. It has a pupil capacity of 960 and had a roll of 664 in the school census on 6 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Birkdale High School ("the School") converted to Academy status on 1st November 2011. The school 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 School was incorporated on 17 August 2011 and commenced its activities on transfer from the Local Authority on 1 November 2011.

The trustees of Birkdale High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Birkdale High School. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The School is a member of the Department for Education's risk protection arrangement (RPA) which is a voluntary arrangements for academies and free schools. It is an alternative to insurance through which the costs of the risks that materialise will be covered by government funds.

The Governors Liability section of the RPA indemnifies Governors, employees of the Academy acting in a managerial capacity and any employee named as a co-defendant in a claim made against a Governor.

Method of recruitment and appointment or election of trustees

The number of Governors shall not be less than three (3) (unless otherwise determined by ordinary resolution) and shall be subject to a maximum of twenty-two (22). Future Governors are appointed or elected, as the case may be, under the terms of the Articles of Association.

When a vacancy arises for a Parent governor or staff governor the position is advertised to all stakeholders and applications invited. Should there be more than one application there is an election from the relevant body of stakeholders. Suitability and skills are assessed and all due diligence and safeguarding checks are undertaken before the governing body can formalise the appointment.

Policies and procedures adopted for the induction and training of trustees

Newly appointed Governors receive induction training on relevant educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to discharge their duties as trustees.

Principal activities

The principal activity of the charitable company is the operation of Birkdale High School to provide teaching and learning to students of different abilities between the ages of 11 and 16.

BIRKDALE HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The School is governed by its Governing Body, whose members are Directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgetary and student performance information and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Headteacher is also the Accounting Officer and has executive responsibility for implementing the policies approved by Governors and for reporting back to them. The Headteacher is also responsible for the authorisation of spending within budgets agreed by the Governing Body, and for the appointment of staff.

The Senior Leadership Team consists of one Deputy Headteacher, three Assistant Headteachers and the Business and Finance Manager. For areas where the Headteacher has devolved strategic management functions to members of this team they must report directly back to the Headteacher and the Governing Body.

The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher's and Senior staff's pay is set by the Governors in accordance with the STPCD. It is reviewed annually by the Governing Body Pay committee, which comprises of 4 members with delegated powers.

The Headteacher set the objectives for key management personnel as well as the criteria for their review. This is then presented to the committee for review and approval.

The committee is also responsible for the Headteacher's pay and its annual review. It has the support in this process of the school's appointed Improvement Partner who advises and supports the committee.

Trustees are not remunerated for their role as Trustee.

Related parties and co-operation with other organisations

There are no connected organisations and no transactions with related parties were conducted during the period.

OBJECTIVES AND ACTIVITIES

The principal activity of Birkdale High School is to provide education for students of differing abilities between the ages of 11 to 16. The main objectives of the School are:

- To raise the standards of educational achievement of all students.
- To ensure that every pupil enjoys the same high quality of education in terms of resources, tuition, and care.
- To improve the effectiveness of the School by keeping the curriculum and organisational structure to deliver it under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with industry and commerce.
- To conduct business in accordance with the highest standards of integrity, probity and transparency.

Public benefit

The School aims to advance for public benefit, education in the United Kingdom. In setting the objectives of the School and planning the associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

BIRKDALE HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

In August 2016 Birkdale High School achieved 73.2% 5A* - C and 61.3% including English and Mathematics.

Results in English are just below the National average and results in Maths remained above the national average.

76.9% of the cohort of the pupils entered for the English Baccalaureate (English, maths, 2 sciences, 1 humanity and 1 language at grade C or above) achieved it, which represents 23.8% of the whole cohort.

There were excellent results for the boys studying the 3 separate sciences, with 97.5% at A*-C and 50% at A*-A, in all 3 subjects. There were also outstanding performances in Computer Science and Spanish, at both A*-A and A*-C.

22% of all grades were at A*-A and 60.7% of the boys achieved at least 1 A8-A grade. 22.6% of all the boys achieved 5 A*-A grade and 14.3% of the boys achieved 8 A*-A grades.

The VA figure of 1021, which has been calculated using the 2016 methodology, is above the 2015 figure and remains significantly positive.

The Progress 8 figure, which is calculated using the highest of English Language and English Literature results, is 0.12 and although below the figure attained in 2015 remains positive.

Towards the end of the year the School commenced refurbishment works which include recladding to the rear elevation, replacement windows and doors, and replacing inefficient heating boilers. There has been continuing investment in IT equipment and some areas of School have been redecorated and carpeted.

The number of parents choosing Birkdale High as their first choice of school for their son increased again and this represents an increase of about 5% from the previous year.

Financial review

The School's total incoming resources for 2015/2016 were £4.842m (2014/2015: £4.556m). The majority of the School's income is received from central government funding which is distributed through the Education Funding Agency (EFA) in the form of grants. The grants received from the EFA for 2015/2016 and the associated expenditure are included as restricted funds in the Statement of Financial Activities.

Total expenditure for the period was £4.584m (2014/2015: £5.009m) the majority of which related to the direct provision of educational operations.

At 31 August 2016 the net book value of fixed assets was £17.932m (2015: £18.130m). Movements in fixed assets are shown at note 13 to the accounts. The assets were used exclusively for providing education and associated support services to the students of the School.

Reserves policy

The Governors review the level of reserves on an annual basis.

At 31st August 2016 the School has unrestricted reserves of £51k (2015: £340k).

Investment policy

The School's investment policy is in accordance with its Charitable status. Investments are only made in accordance with written procedures adopted by the Governing Body which would ensure maximum integrity of such investments. The School's priority is to have cash invested in liquid products that have no risk.

BIRKDALE HIGH SCHOOL

TRUSTEES' REPORT (CONTINUED)

Going concern

In common with many schools Birkdale High is facing constant financial challenges with budgets tightening and costs increasing. After making appropriate enquiries, the board of trustees has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for future periods

The School will continue to seek to provide students with a high quality education so that they achieve high levels of performance in preparation for further education or employment.

Principal risks and uncertainties

The Governors have considered the risk and uncertainties that the School is exposed to and work is ongoing to develop and embed robust systems of internal control to mitigate these.

The main risk to the School is in terms of it being reliant on continued government funding, based on student numbers and circumstances. In 2015/16 over 99% of the School's funding was publicly funded and this level of required funding is expected to continue. There is no assurance that government funding policy will remain the same or that public funding will continue at the same levels or on the same terms.

The School has to both maintain and grow student numbers in the face of competition from other Schools to be able to achieve any increase in public funding.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to 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.

RSM UK Audit LLP have indicated their willingness to continue and a resolution to appoint them will be proposed to the members at their annual general meeting.

The trustees' report is approved by order of the Governing Body and the strategic report (included therein) is approved by the Governing Body in their capacity as the directors at a meeting on 25.11.16. and signed on its behalf by:

A Mulligan
Chair of the Board of Governors
Trustee



BIRKDALE HIGH SCHOOL

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Birkdale 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 Governing Body 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 Birkdale High School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The School's Governing Body has four main sub-committees: Resources, Curriculum, Challenge, Environment and Safeguarding. These meet regularly and report directly to the Governing Body.

The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of possible
Mr K Berisha	4	4
Mr G Bourgade	4	4
Mr S Bousfield (resigned 26.9.15)	1	1
Mrs C Carrington	2	4
Mrs C Ellis	4	4
Mr S Honeyman (appointed 11.7.16)	1	1
Mrs F Jackson (appointed 12.10.15)	2	3
Mr A Kennaugh	4	4
Mrs P Marshall	3	4
Mrs A Mulligan	4	4
Mrs R Pickett	3	4
Mrs J Regan	3	4
Mr G Riley	1	4
Mr M Sunderland	3	4
Mr C Tait (resigned 18.10.16)	3	4
Mrs P Turner	2	4

Governance Reviews

The Governing Body carried out a skills audit which highlighted some gaps in the expertise of the current governing body. Approval was sought from the Secretary of State to amend the Articles of Association to reduce the number of parent governors on the board from 7 to 'up to 4'. School Governors One Stop Shop (SGOSS) were successful in finding 3 governors – a lawyer, a chartered accountant and an education specialist, who were co-opted onto the board. At the end of the last academic year, we also appointed, with the help of SGOSS, a governor who is a data analyst. This has enabled us to have a Responsible Officer with the relevant skills and knowledge necessary to carry out this role more effectively.

We have appointed 2 additional Champion Parents to join our Challenge Board, to support the school's self-evaluation and quality assurance in order to help move the school from good to outstanding.

We are currently working with SGOSS to recruit an architect/surveyor governor as we have just begun an extensive building project at the school.

There will be another review of the governing body at the end of the current academic year.

BIRKDALE HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

The resources committee is a sub-committee of the main Governing Body. Its purpose is to be responsible for the operation of the school's finances.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
Mr G Bourgade	5	5
Mrs C Ellis	5	5
Mr A Kennaugh	5	5
Mrs P Marshall	5	5
Mrs A Mulligan	5	5
Mrs J Regan	4	5
Mr G Riley	4	5
Mr M Sunderland	3	5
Mr C Tait	3	5

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing and reorganising the staffing structure in order to deliver a long term balanced budget.
- Reviewing the lettings policy and taking steps to increase the letting income of the school.
- Renegotiating contracts and Service Level Agreements to reduce costs and/or improve services by switching suppliers where appropriate.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Birkdale High School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

BIRKDALE HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 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 board of trustees.

The Governing Body have considered the guidance in the Turnbull Report for directors of public listed companies. They believe that, although it is not mandatory for the School it should, as a publicly funded body, adopt the guidelines as best practice. Accordingly they have set policies on internal control which include the following:

- Identification of the types of risks the school faces.
- Defining the level of risk regarded as acceptable and the likelihood of the risk materialising.
- Reviewing the school's ability to mitigate the risk and the impact of the school's operations of risks that do materialise.
- Consideration of the costs of operating particular controls against the benefits obtained.
- Clarified the responsibilities of the Senior Leadership team in implementing policies approved by Governors and the need to identify and evaluate results for consideration by Governors.
- Advising all employees that they have responsibility for internal control as part of their accountability for achieving objectives.
- Embedding the system of internal control into school operations so that it becomes part of the culture of the school.
- Developing fast response systems to respond quickly to evolving risks arising from factors both within the school and from external factors.
- Procedures for the immediate reporting of failings to the appropriate level of management and governors, together with details of the corrective action to be taken.

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Mr C Tait, a Governor, as Responsible Officer (RO). The RO's role includes providing advice on financial matters and performing checks on the School's financial systems. The RO reports to the Governing Body, on a termly basis, on the operation of systems of control and on the discharge of the Governing Body's financial responsibilities.

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.

BIRKDALE HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

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:

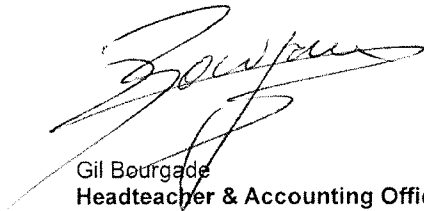
- the work of the responsible officer
- the work of the external auditor
- the work of the executive within the school who have responsibility for the development and maintenance of the internal control framework, financial procedures and policies

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 26/11/16.....and signed on its behalf by:



Angela Mulligan
Chair of Governors



Gil Bourgade
Headteacher & Accounting Officer

BIRKDALE HIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

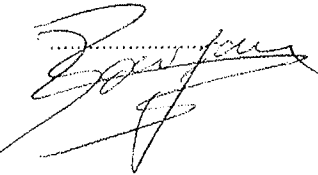
As accounting officer of Birkdale High School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between 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's Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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 Governing Body and EFA.

Gil Bourgade

Accounting Officer

 26.11.16

BIRKDALE HIGH SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Birkdale High School for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic 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 Birkdale High School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the DfE/EFA have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 25/11/16 and signed on its behalf by:



Angela Mulligan
Chair of Governors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRKDALE HIGH SCHOOL

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Birkdale High School for the year ended 31 August 2016 set out on pages 15 to 33. 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 2015/6 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 12, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

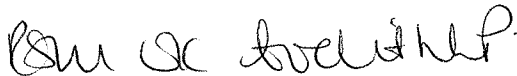
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRKDALE HIGH SCHOOL (CONTINUED)

YEAR ENDED 31 AUGUST 2016

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 charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Karen Musgrave (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Dated: 13/12/16.

BIRKDALE HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	1,042	1,042	379
Charitable activities:						
- Funding for educational operations	4	40	3,701	-	3,741	4,144
Other trading activities	5	34	24	-	58	31
Investments	6	1	-	-	1	2
Total income and endowments		<u>75</u>	<u>3,725</u>	<u>1,042</u>	<u>4,842</u>	<u>4,556</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	72	3,861	651	4,584	5,009
Total expenditure	7	<u>72</u>	<u>3,861</u>	<u>651</u>	<u>4,584</u>	<u>5,009</u>
Net income/(expenditure)		3	(136)	391	258	(453)
Transfers between funds		(292)	50	242	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(688)	-	(688)	(53)
Net movement in funds		<u>(289)</u>	<u>(774)</u>	<u>633</u>	<u>(430)</u>	<u>(506)</u>
Reconciliation of funds						
Total funds brought forward		340	(1,172)	18,130	17,298	17,804
Total funds carried forward		<u>51</u>	<u>(1,946)</u>	<u>18,763</u>	<u>16,868</u>	<u>17,298</u>

BIRKDALE HIGH SCHOOL**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	12		9		-
Tangible assets	13		17,932		18,130
			<u>17,941</u>		<u>18,130</u>
Current assets					
Stocks	14	-		8	
Debtors	15	109		82	
Cash at bank and in hand		1,139		470	
		<u>1,248</u>		<u>560</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(375)		(220)	
				<u>873</u>	<u>340</u>
Net current assets					
			<u>18,814</u>		<u>18,470</u>
Net assets excluding pension liability					
Defined benefit pension liability	22		(1,946)		(1,172)
Net assets			<u>16,868</u>		<u>17,298</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Restricted fixed asset funds			18,763		18,130
- Pension reserve			(1,946)		(1,172)
Total restricted funds			<u>16,817</u>		<u>16,958</u>
Unrestricted income funds	17		51		340
Total funds			<u>16,868</u>		<u>17,298</u>

The financial statements set out on pages 15 to 33 were approved by the Governing Body and authorised for issue on 22/11/16 and are signed on its behalf by:



BIRKDALE HIGH SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		89		100
Cash flows from investing activities					
Dividends, interest and rents from investments		1		2	
Capital grants from DfE and EFA		1,042		369	
Payments to acquire intangible fixed assets		(11)		-	
Payments to acquire tangible fixed assets		(452)		(449)	
			580		(78)
Change in cash and cash equivalents in the reporting period			669		22
Cash and cash equivalents at beginning of the year			470		448
Cash and cash equivalents at end of the year			<u>1,139</u>		<u>470</u>

BIRKDALE HIGH SCHOOL

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

1 Accounting policies

Birkdale High School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the Academy Trust 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 financial statements 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.

Birkdale High School meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

Going concern

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

Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

BIRKDALE HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	3 years
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BIRKDALE HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their expected useful lives. The depreciation periods used for the assets are as follows:

Long leasehold buildings	50 years
Building refurbishment	10 years
Computer equipment	3 years
Furniture and equipment	8 years

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

Liabilities

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

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.