

Company Registration No. 07697158 (England and Wales)

**WEST KIRBY GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

WEST KIRBY GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members/Governors (Trustees)

Mr M Berry
Mrs L Broadbere
Miss M Conboy (Resigned 31 August 2018)
Ms S McClennon (Chair)
Mr A Milne
Mr S Rampton
Mr M Simmons
Dr A Waller
Mrs S Wallis
Mr J Young
Mrs D Favager
Mrs S Talbot
Mr A Saverimutto (Resigned 28 March 2018)
Mr N Ledingham
Mrs R Kehoe
Mr J Akehurst
Mrs E Davidson
Mrs E Sargent (Accounting Officer)
Mrs S Bevan (Appointed 28 June 2018)

Senior management team

- Headteacher (Appointed 01/09/2017)	Mrs E Sargent
- Deputy Headteacher (Resigned 31/12/2017)	Mr M Scott
- Deputy Headteacher (Appointed 30/03/2018)	Mr S Clarke
- Senior Assistant Headteacher	Mrs J L Morrison
- Assistant Headteacher	Mrs K Cliffe
- Assistant Headteacher	Mr M Thomas
- Business Manager	Mrs N McDonald

Company secretary

Mrs N McDonald

Company registration number

07697158 (England and Wales)

Principal and Registered office

West Kirby Grammar School
Graham Road
West Kirby
Wirral
CH48 5DP

Independent auditor

RSM UK Audit LLP
5th Floor
One City Place
Queens Road
Chester
CH1 3BQ

WEST KIRBY GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank PLC
137 Telegraph Road
Heswall
Wirral
CH60 0AN

Solicitors

SAS Daniels LLP
30 Greek Street
Stockport
Cheshire
SK3 8AD

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Wirral and North Wales. It has a pupil capacity of 1,250 and had a roll of 1,202 in the school census October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust herewith referred to as West Kirby Grammar School (WKGS).

The Governors who are Trustees of West Kirby Grammar School are also the directors of the charitable company for the purposes of company law. 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

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

Method of recruitment and appointment or election of trustees

There are currently 16 Governors representing various local stakeholders, six elected parent Governors from the prevailing parent body, three elected staff Governors, seven appointed Governors (reflecting the skills required of a modern academy as determined by the other Governors) and the Headteacher.

Policies and procedures adopted for the induction and training of trustees

Governors undertake an induction programme in line with the school's induction policy for governors including meetings with the Chair of Governors and the Headteacher.

Governors are encouraged to attend the training sessions provided by the Local Authority.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

Principal activities

The principal activity of West Kirby Grammar School is to provide an outstanding education for all its students whatever their age, ability or social and economic background by maintaining, operating and developing the school and ensuring a broad curriculum and enhancement opportunities are available to challenge, support and motivate students. In setting the school's objectives and planning its activities, Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Admission to this single sex (girls) school is by selection at 11 which is co-ordinated by the Local Authority. Priority admission is given to 'Looked After' children, those with siblings at the school and those who live within the local area.

Applications for places are made in accordance with Wirral's co-ordinated admissions arrangements and the school's Admission Policy. Boys are admitted to the Sixth Form, along with girls who have met the admissions requirements.

The school works to promote a safe and healthy environment in which all students can develop their fullest potential academically, socially and personally and as a result achieve well.

Organisational structure

The organisational structure consists of three levels - the Academy Trust Board (the trustees/governors - all governors are trustees), the Governing body and the Senior Management Team.

The Academy Trust Board (the trustees/governors) is responsible for those statutory duties which may not be delegated to the Governing Body.

The key purposes of the Governing Body are:

- monitoring standards to ensure that teaching and learning is first class
- monitoring the school's financial and academic performance
- developing the strategic policies which reflect the school's vision and ethos
- promoting the school and fostering links with the local community
- ensuring the school functions effectively as a learning community upholding British values

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

- develop and review the School's Development Plan
- review and monitor the School's financial position on a regular basis and consider any significant contractual matters
- monitor the educational performance of the school in line with outcomes and success criteria
- approve and review the implementation and effectiveness of key operational policies
- monitor the effectiveness of staffing policies including performance management and pay reviews
- participate in marketing and communication with parents and the local and wider communities
- monitor the effective management of the School's site and building
- maintain an overview of the School's risk management procedures
- ensure safeguarding policies, including the Prevent strategy, are upheld

The Senior Management team consists of the Headteacher, one Deputy Headteacher, three Assistant Headteachers and the School's Business Manager. These leaders, manage the school at an executive level implementing the policies laid down by the Governing Body.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

'Key management personnel' is a term used by FRS 102 for those persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly, including any director (whether executive or otherwise). This definition for WKGS includes the Headteacher, Deputy Headteacher, three Assistant Headteachers and the School Business Manager. These staff are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the academy trust. The setting of pay and remuneration of key personnel is managed by Governors who follow statutory guidance and the School's Pay Policy. This task is delegated to an appointed committee of three Governors who carry out the Headteacher's formal appraisal annually. Decisions are then taken to the Full Governing Body to be ratified.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	5.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Facility time does takes place but outside of school hours.

Related parties and co-operation with other organisations

The Governing Body works with Wirral Local Authority, the DfE, the ESFA, local primary and secondary schools. Through the Ogden Trust it works with the Queens School Chester, Woodchurch High School, Weatherhead School, Neston High School and Upton School. The school is a member of the Grammar School Heads' Association.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

At West Kirby Grammar School, it is our responsibility to support all students to achieve their potential academically, socially and personally. Our key aims are:

- To ensure that each student is at the centre of all that we do, and to encourage them to develop as thinking, creative and resilient individuals, with a thirst for knowledge and an excitement about the endless possibilities open to them.
- To celebrate the work and achievements of all staff and students, encouraging excellence, effort and citizenship in our supportive community.
- To encourage and assist all students to maximise their potential, ensuring that they feel happy and safe in our vibrant environment, enabling them to achieve, explore, and overcome failure.
- To prepare students for life beyond school, by providing a wealth of opportunities, encouraging them to be thoughtful, confident individuals, able to apply themselves to any situation.
- To ensure that teaching and learning is outstanding, innovative and creative, across the curriculum, where teachers keep abreast of educational pedagogy using the best of new ideas to enhance teaching practice.
- To use the latest technologies to give access to the best teaching and learning resources for all teachers and students and to ensure that the site and resources are continually developed to support first class teaching and learning.
- To be a self-reviewing and reflective school, constantly striving to improve, never complacent and always developing.
- To build upon the productive relationships that we have with parents, carers, other educational establishments, business and the wider community, communicating effectively to enhance the work and life of the School.

In the year the Governors have continued to monitor the work and progress of the school by:

- regularly receiving information on financial performance against the approved budget
- review of the planned initiatives as outlined in the School Improvement Plan (2017-18) for maintaining and improving the academic provision and achievement of the school and its students
- receiving regular updates on key aspects of school life:
 - Health & Safety
 - Curriculum
 - Finance
 - Staffing

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

Our Aims for the Forthcoming Year

- Ensure the highest achievement possible for all and that targets are met (Whole School, Departmental and Individual)
- To improve progress in the Sixth Form
- To focus on SEND provision in the School to maximise the progress of all students
- To ensure the gap in progress of SEND/disadvantaged students and their peers remains closed
- Enable all students to be resilient and able to think creatively, problem solve and bounce back when there are difficulties
- Foster a culture of happiness and success for all
- Reward effort, achievement and acknowledge hard work
- Further develop individual learning pathways for students and increase awareness of the diverse range of future opportunities e.g. university, apprenticeships, job opportunities, travel
- To have a renewed focus on teaching and learning in order to reduce in-school variation
- To improve staff wellbeing and give staff, students and parents the understanding, skills and tools to support and promote resilience and wellbeing

How will we achieve these aims?

- Personalised learning pathways – tutorial sessions to monitor and guide
- Make students aware of transferable skills between curriculum areas – build on skills across school (especially literacy and numeracy)
- Introduce further bespoke packages where needed e.g. Pupil Premium, Gifted and Talented, underachieving students - (role for Form Tutors is crucial in this)
- There are clear expectations, rules and procedures. Students will be taken to task if they do not follow guidance given
- Increase professional dialogue in and between curriculum areas, sharing best practise and new ideas
- Student voice growing and they are encouraged to take more ownership of specific developments within the school
- Lessons are more varied and more interactive-departments share ideas and opportunities provided for teachers to learn from each other
- Students take more ownership and responsibility for their work and achievements – rewards process enhanced and improved
- Different staff and students given opportunities for leadership roles
- Further building a pastoral programme that is meaningful, reflective and promotes the best of British values

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The main activities of the school which constitute the entity as a public benefit is the provision of education.

STRATEGIC REPORT

Achievements and performance

The year covered by these financial statements reflects the sixth year for West Kirby Grammar School as an academy. The following paragraphs present a review of the significant achievements during the year in pursuit of furthering its charitable purposes for public benefit.

Systems since converting to an academy are now embedded and working successfully. The finance team, senior management and teachers are all ensuring that high standards of governance are maintained.

The school has once again excelled academically with a Progress 8 score of 0.74 at GCSE representing significantly above average rates of progress from Year 7 to 11. At A-level, the L3VA score was -0.26 and 62% of grades were A*-B, and 86% A*-C.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

Financial review

The financial position of the school is detailed in the following pages.

Most of the school's income is obtained from the ESFA in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school was successful in its bid to the ESFA Condition Improvement Fund and secured funding of £426k for a roof replacement. The school agreed to fund part of the cost of the roofing project from its own reserves (£25k).

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation over the expected useful life of the assets concerned.

Recurrent grants of £5,535k (2017: £5,456) were received from the GAG funding from ESFA. Expenditure covered by these grants amounted to £5,535k (2017: £5,456k). This grant and expenditure is shown in the restricted general fund in the Statement of Financial Activities. Unrestricted income and expenditure in the year amounted to £52k (2017: £18k) and £nil (2017: £nil) respectively.

At 31 August 2018 the net book value of fixed assets was £11,040k (2017: £10,974k) and movements in fixed assets are shown in Note 13 to the financial statements. The cost of fixed asset additions in the year amounted to £412k of which £305k was for works relating to assets in the course of construction, £69k for works to the land and buildings, £19k computer equipment and £19k was for fixtures, fittings and equipment.

Financial and risk management objectives and policies

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Trustees has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered include: economic/ financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/ statutory requirements.

Reserves policy

Governors review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the ESFA.

It is Governors' policy to build up unrestricted reserves which can be used for future education purposes in line with the academy's development plan.

The Board of Trustees reviews the Academy's Reserve Policy annually as part of the Financial Procedures manual review. In addition the appropriate level of working capital should be a minimum of £400,000 to cover one month's staff costs.

As shown in note 18 a total of £221k of restricted funds have been transferred to the restricted fixed asset fund, £130k of this is a provision for future capital requirements, £146k represents income received for capital projects underway but not yet complete and (£55k) relates to fixed asset additions spent from GAG/other restricted funds.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

Investment policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Business & Premises Manager under approvals by the Governing Body.

Key performance indicators

The Academy will sustain appropriate staffing levels to deliver a broad and balanced curriculum that meets the interests and aspirations of its students. The Academy will sustain strong performance in external examinations and will provide a physical environment that is safe and secure for all.

The external examination results in 2018 were excellent

- 99% of students achieved a Standard Pass in English and Maths with 93% achieving a Strong Pass
- 22% of girls achieved 10 or more A*/A grades
- 62% of Advanced level results were graded A*/A/B
- 32% of all Advanced level results were awarded A* - A.

The school's future plans are focused on maintaining the outstanding, all round education that it provides and continuing to provide excellent relevant professional development for all staff. It will continue to work with local schools, both primary and secondary, and endeavour to develop and strengthen its European and international links.

The financial situation has required Governors to limit spending apart from essential maintenance and focused improvements. Internal maintenance has been undertaken by the site team. ICT has continued to be a priority.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees 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. The budget for the 2018/19 financial year has been set and agreed by Governors and is expected to give rise to a slight surplus for the year.

Plans for future periods

The school's plan for future years is to continue to work towards the aims and objectives on page 6 and 7.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

Governors are responsible for the management of the risks to which the school is exposed and are assisted in this task by the Senior Management Group, the school's Health & Safety Officer, Health & Safety representatives from the Local Authority and Human Resources advisors from SAS Daniels LLP and the Local Authority. It has also sought professional advice and support from the Zurich Insurance Group. Operational risks are identified and assessed at school level and these are reviewed by Governors.

The key controls used by Governors include:

- detailed terms of reference for all committees
- formal agendas for all meetings and committee meetings of the Governing Body. Minutes of full Governing Body and committee meetings are reviewed by Governors
- schemes of delegation and formal financial regulations for staff
- formal written policies
- formal review of targets and progress reports clear authorisation and approved levels
- policies and procedures by law to protect the vulnerable.

Risk management procedures have been reviewed during the year and Governors are satisfied that the major risks identified have been reviewed and processes have been established to manage those risks where necessary.

Pupil numbers and forecast numbers are consistent. Sixth Form numbers have been maintained in 2017-18 and are relatively consistent. Admission numbers are annually reviewed and actions are implemented to maintain and extend recruitment out of area.

The completion of a comprehensive risk register is an on-going project.

Fundraising

The school's students undertake numerous fundraising events for various charities. The two school charities for 2017/18 were Rock of Joy and Maggie's Centres.

AUDITOR

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

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 03/12/18..... and signed on its behalf by:



Ms S McClennon

Chair

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that West Kirby Grammar 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 West Kirby Grammar 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 information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr M Berry	4	4
Mrs L Broadbent	3	4
Miss M Conboy (Resigned 31 August 2018)	1	4
Ms S McClennon (Chair)	4	4
Mr A Milne	2	4
Mr S Rampton	4	4
Mr M Simmons	4	4
Dr A Waller	4	4
Mrs S Wallis	3	4
Mr J Young	4	4
Mrs D Favager	4	4
Mrs S Talbot	4	4
Mr A Saverimutto (Resigned 28 March 2018)	1	2
Mr N Ledingham	4	4
Mrs R Kehoe	3	4
Mr J Akehurst	4	4
Mrs E Davidson	3	4
Mrs E Sargent (Accounting Officer)	4	4
Mrs S Bevan (Appointed 28 June 2018)	1	1

The board of trustees spread its workload by delegating certain functions to committees whose constitution and membership are agreed annually by the board of trustees. Committees are chaired by trustees and have a member of the senior leadership team attached. They meet before full board meetings, or as and when required, to prioritise and focus upon tasks in their areas of Curriculum, Health & Safety/Premises, Pay & Salaries, Staffing, Audit and Finance. Committee meetings have minutes taken to report to the trustees and identify key decisions which have been ratified by the full board of trustees.

Governance reviews

The Chair leads a self-evaluation review of governance on an annual basis with the trustees and this last took place in September 2017. This review impacts upon the composition and constitution of committees to the board in addition to informing the board of skills required in future governors.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

The finance committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr M Berry	3	3
Ms S McClennon (Chair)	3	3
Mr M Simmons	3	3
Dr A Waller	3	3
Mr N Ledingham	3	3
Mrs E Davidson	3	3

The Audit Committee is an advisory body with no executive powers. However, it is authorised by the Governing Body to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. Requests for work, and reports received, from the Internal Auditor will be channelled through the Business Manager.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A Milne	1	1
Mr S Rampton	1	1
Mr N Ledingham	1	1

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

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 board of trustees 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:

Results significantly above national average:

In 2017-18 results were as follows:

A level

- The pass rate A*-E was 99.6%
- 62% of the grades awarded were graded A* - B
- 32% of all results were awarded A*-A

GCSE:

- 100% of students achieved a Standard Pass in English and 99% achieved this in Maths (previous A* - C grade)
- 39 girls achieved 10 or more GCSE at grades 9-7 (previous A*/A grades)
- 25 students took Further Maths GCSE with 23 achieving A**, A* or A and 100% achieving A* - B
- Students with English as an Additional Language achieved 1.6 grades higher than their national expectation

Again another impressive year with some outstanding achievements. A review of all results is undertaken with Department Improvement Plans and School Improvement Plans setting targets for the following year.

Targeted Improvement

Targeted groups of students are being supported to achieve their potential. These are pupil premium, SEN, LAC and G&T. Improvement of progress in the Sixth Form is a key whole school priority.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

Financial Governance & Oversight

This includes:-

- Monitoring the work of the Business Manager and the work of the external auditor
- Regular reviews by the Finance Committee check expenditure, capital works, forecasts and so on.
- Delegation of authority for separate duties
- Risk management
- Better purchasing - a review of contracts, leases, etc to ensure value for money
- A clear and comprehensive tendering process
- Scrutiny- RSM UK Audit LLP have been appointed as external auditors
- Review of reserves in the light on budget constraints and the investment of balances
- Curriculum Review

The school reviews the curriculum annually to ensure breadth and balance. Individual learning pathways are supported to ensure students have the opportunity to follow their ambitions in the next phase of their lives.

New A level and GCSE syllabi have been implemented along with continuing to implement Assessment Without Levels.

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 West Kirby Grammar School for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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 RSM Risk Advisory Services LLP, to perform additional checks in accordance with the guidance in the Academies Financial Handbook in support of the Responsible Officer. The audit consisted of a high-level compliance review of the key controls in place in relation to the School's finance function. The consistent application of key controls across the School's main financial processes provides on-going assurance over the financial management of the organisation. The governors have appointed Mr A Milne, a governor, as Responsible Officer ('RO'). The RO's role in line with the ESFA's requirement included giving advice on financial matters and performing a range of checks on the school's financial systems. On an annual basis the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In particular the key control areas tested in the current period included;

- Income and debtors
- General ledger
- Payroll
- Policy and procedures
- Fixed assets
- Expenditure
- Expense claims

On an annual basis, the reviewer reports to the audit committee on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities.

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 RSM Risk Advisory Services LLP in support of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

The Accounting Officer has been advised of the implication of the result of their review of the system of internal control by (audit committee) and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 31/2/18..... and signed on its behalf by:



Ms S McClennon
Chair



Mrs E Sargent
Accounting Officer

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of West Kirby Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust's 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 2017.

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

Mrs E Sargent
Accounting Officer

E Sargent
3/12/18

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of West Kirby Grammar 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

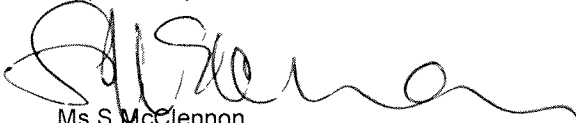
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the academies accounts direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on ...3/12/18..... and signed on its behalf by:



Ms S McClennon
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST KIRBY GRAMMAR SCHOOL

Opinion

We have audited the financial statements of West Kirby Grammar School (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST KIRBY GRAMMAR SCHOOL (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the Strategic Report included within the Governors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who act as trustees for the charitable activities of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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.

RSM UK Audit LLP

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
5th Floor
One City Place
Queens Road
Chester
CH1 3BQ

12 December 2018

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	4	-	-	453	453	295
Charitable activities:						
- Funding for educational operations	5	26	5,867	-	5,893	5,675
Other trading activities	6	21	-	-	21	12
Investments	7	5	-	-	5	6
Total		<u>52</u>	<u>5,867</u>	<u>453</u>	<u>6,372</u>	<u>5,988</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	-	5,712	346	6,058	6,007
Total	8	<u>-</u>	<u>5,712</u>	<u>346</u>	<u>6,058</u>	<u>6,007</u>
Net income/(expenditure)		52	155	107	314	(19)
Transfers between funds	18	-	(221)	221	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	24	-	347	-	347	235
Net movement in funds		52	281	328	661	216
Reconciliation of funds						
Total funds brought forward		553	(1,522)	10,988	10,019	9,803
Total funds carried forward		<u>605</u>	<u>(1,241)</u>	<u>11,316</u>	<u>10,680</u>	<u>10,019</u>

WEST KIRBY GRAMMAR SCHOOL**BALANCE SHEET****AS AT 31 AUGUST 2018**

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		11,040		10,974
Current assets					
Debtors	14	380		239	
Cash at bank and in hand		1,306		1,137	
		<u>1,686</u>		<u>1,376</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(661)		(683)	
Net current assets			<u>1,025</u>		<u>693</u>
Total assets less current liabilities			<u>12,065</u>		<u>11,667</u>
Creditors: amounts falling due after more than one year	17		(5)		(10)
Net assets excluding pension liability			<u>12,060</u>		<u>11,657</u>
Defined benefit pension scheme liability	24		(1,380)		(1,638)
Net assets			<u><u>10,680</u></u>		<u><u>10,019</u></u>
Funds of the academy trust:					
Restricted funds	18				
- Restricted fixed asset funds			11,316		10,988
- Restricted income funds			139		116
- Pension reserve			(1,380)		(1,638)
Total restricted funds			<u>10,075</u>		<u>9,466</u>
Unrestricted income funds	18		<u>605</u>		<u>553</u>
Total funds			<u><u>10,680</u></u>		<u><u>10,019</u></u>

The financial statements on pages 21 to 42 were approved by the board of trustees and authorised for issue on 31/12/18 and are signed on their behalf by:


 Ms S McClennon
 Chair

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	23		318		(125)
Cash flows from investing activities					
Dividends, interest and rents from investments		5		6	
Capital grants from DfE Group		258		295	
Purchase of tangible fixed assets		(412)		(359)	
Net cash used in investing activities			(149)		(58)
Net increase/(decrease) in cash and cash equivalents in the reporting period			169		(183)
Cash and cash equivalents at beginning of the year			1,137		1,320
Cash and cash equivalents at end of the year			1,306		1,137

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General Information

West Kirby Grammar 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.

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date the Academy had net assets of £10.7m after providing for long term pension scheme commitments of £1,380k in respect of the support staff defined benefit pension scheme and had net current assets of £1,025k.

The Trustees have reviewed and approved budgets and cashflow forecasts for 2018/19 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

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.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

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, when performance-related conditions have been met, 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.

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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the academy trust has provided the goods or services.

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.

Charitable activities

These are costs incurred on the academy trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 useful lives on the following bases:

Freehold land and buildings	Nil depreciation on land, 2% straight line on freehold buildings
Assets under construction	Not depreciated
Computer equipment/IT infrastructure	4% - 50% straight line
Fixtures, fittings and equipment	20% - 50% straight line

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Assets in the course of construction are included at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Leased assets

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

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

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.

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust 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 projected unit method. The TPS is a multi-employer scheme but 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 are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer 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 reporting date. The amounts charged to net income 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 comprehensive income. Actuarial gains and losses are recognised immediately in other comprehensive income.

Fund accounting

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

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

Where fixed assets are purchased out of unrestricted or general restricted funds then an amount equivalent to the additions are transferred to the restricted fixed asset fund in the year incurred and shown separately within the SOFA.

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

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2 Critical accounting estimates and areas of judgement

Accounting 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgement

The trustees believe that critical areas of judgement do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

3 Comparative year information

Year ended 31 August 2017	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2017 £'000
Income and endowments from:				
Donations and capital grants	-	-	295	295
Charitable activities:				
- Funding for educational operations	-	5,675	-	5,675
Other trading activities	12	-	-	12
Investments	6	-	-	6
Total	18	5,675	295	5,988
Expenditure on:				
Charitable activities:				
- Educational operations	-	5,665	342	6,007
Total	-	5,665	342	6,007
Net income/(expenditure)	18	10	(47)	(19)
Transfers between funds	-	(8)	8	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	235	-	235
Net movement in funds	18	237	(39)	216

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	453	453	295

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,535	5,535	5,456
Other DfE group grants	-	77	77	66
	-	5,612	5,612	5,522
Other incoming resources	26	255	281	153
	26	5,867	5,893	5,675

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	6	-	6	3
Other income	15	-	15	9
	21	-	21	12

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Interest from short term deposits	5	-	5	6

8 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	3,849	346	349	4,544	4,529
- Allocated support costs	767	486	261	1,514	1,478
Total support costs	4,616	832	610	6,058	6,007

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

8 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2018	2017
	£'000	£'000
Operating lease rentals	64	69
Depreciation of tangible fixed assets	346	342
Net interest on defined benefit pension liability	40	38
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	12	12
- Other services	5	5
	<u> </u>	<u> </u>

9 Charitable activities

	2018	2017
All from restricted funds:	£'000	£'000
Direct costs		
Educational operations	4,544	4,529
Support costs		
Educational operations	1,514	1,478
	<u> </u>	<u> </u>
	6,058	6,007
	<u> </u>	<u> </u>

	2018	2017
	£'000	£'000
Analysis of support costs		
Support staff costs	767	726
Technology costs	51	49
Premises costs	486	428
Other support costs	193	258
Governance costs	17	17
	<u> </u>	<u> </u>
	1,514	1,478
	<u> </u>	<u> </u>

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	3,560	3,562
Social security costs	359	354
Pension costs	621	613
	<hr/>	<hr/>
Staff costs	4,540	4,529
Supply staff costs	27	48
	<hr/>	<hr/>
Total staff expenditure	4,567	4,577
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2018 Number	2017 Number
Teachers	82	81
Administration and support	26	28
Management	6	5
	<hr/>	<hr/>
	114	114
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
	<hr/>	<hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £453,502 (2017: £440,893).

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. Other governors were not paid any remuneration nor received any other benefits from employment within the academy trust.

The value of trustees' remuneration and other benefits was as follows:

The value of the Headteacher's remuneration was £86,435 (2017: £101,554). The Headteacher accrues retirement benefits under TPS and has accrued entitlement of £14,244 (2017: £16,736) under the scheme at the year end. The value of three staff governors' remuneration was £113,139 (2017: £105,407) and they are accruing retirement benefits under TPS and LGPS and have an accrued entitlement of £18,123 (2017: £11,697) under the scheme at the year.

During the year ended 31 August 2018, travel and subsistence expenses totalling £Nil (2017: £Nil) were reimbursed to governors.

Other related party transactions involving the trustees are set out in note 26.

12 Trustees and officers insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000. The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Computer equipment/ IT infrastructu re	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2017	11,874	-	556	318	12,748
Additions	69	305	19	19	412
At 31 August 2018	11,943	305	575	337	13,160
Depreciation					
At 1 September 2017	1,188	-	388	198	1,774
Charge for the year	236	-	60	50	346
At 31 August 2018	1,424	-	448	248	2,120
Net book value					
At 31 August 2018	10,519	305	127	89	11,040
At 31 August 2017	10,686	-	168	120	10,974

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets (Continued)

The land and buildings transferred on conversion were independently professionally valued as at 1 August 2011 by Mason Owen Chartered Surveyors and were included in the financial statements at this valuation on conversion to academy status.

Included within freehold land and buildings is land valued at £1,000,000.

14 Debtors	2018 £'000	2017 £'000
Trade debtors	-	13
VAT recoverable	71	50
Prepayments and accrued income	309	176
	<u>380</u>	<u>239</u>
	<u><u>380</u></u>	<u><u>239</u></u>
15 Creditors: amounts falling due within one year	2018 £'000	2017 £'000
Trade creditors	174	171
Other taxation and social security	102	96
Other creditors	164	165
Accruals and deferred income (see note 16)	221	251
	<u>661</u>	<u>683</u>
	<u><u>661</u></u>	<u><u>683</u></u>
16 Deferred income	2018 £'000	2017 £'000
Deferred income is included within:		
Creditors due within one year	15	15
	<u>15</u>	<u>15</u>
	<u><u>15</u></u>	<u><u>15</u></u>
Deferred income at 1 September 2017	15	-
Released from previous years	(15)	-
Resources deferred in the year	15	15
	<u>15</u>	<u>15</u>
Deferred income at 31 August 2018	<u><u>15</u></u>	<u><u>15</u></u>

Included within deferred income is £12k of rates relief (2017: £12k), £2k of course fees (2017: £3k) and £1k of hiring out facilities (2017: £nil) which has been received in advance and is expected to be released in 2018/19.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Creditors: amounts falling due after more than one year	2018 £'000	2017 £'000
Other creditors	5	10

Included within other creditors is an unsecured interest free loan of £15,000 from Salix. £10,000 is outstanding on the loan at year end with £5,000 being included within other creditors falling due within one year and £5,000 included in other creditors falling due after one year. The loan is being recovered in £5,000 instalments through abatement of the academy's General Annual Grant.

18 Funds	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	5,535	(5,535)	-	-
Other DfE / ESFA grants	-	77	(77)	-	-
Other restricted funds	116	255	(11)	(221)	139
Pension reserve	(1,638)	-	(89)	347	(1,380)
	<u>(1,522)</u>	<u>5,867</u>	<u>(5,712)</u>	<u>126</u>	<u>(1,241)</u>
Restricted fixed asset funds					
Transfer on conversion	8,905	-	(178)	-	8,727
DfE group capital grants	1,224	453	(153)	-	1,524
Capital expenditure from GAG	859	-	(15)	221	1,065
	<u>10,988</u>	<u>453</u>	<u>(346)</u>	<u>221</u>	<u>11,316</u>
Total restricted funds	<u>9,466</u>	<u>6,320</u>	<u>(6,058)</u>	<u>347</u>	<u>10,075</u>
Unrestricted funds					
General funds	553	52	-	-	605
Total funds	<u>10,019</u>	<u>6,372</u>	<u>(6,058)</u>	<u>347</u>	<u>10,680</u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

A total of £221k of restricted funds have been transferred to the restricted fixed asset fund, £130k of this is a provision for future capital requirements, £146k represents income received for capital projects underway but not yet complete and (£55k) relates to fixed asset additions spent from GAG/other restricted funds.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	5,456	(5,456)	-	-
Other DfE / ESFA grants	-	66	(66)	-	-
Other government grants	34	-	(34)	-	-
Other restricted funds	-	153	(29)	(8)	116
Pension reserve	(1,793)	-	(80)	235	(1,638)
	<u>(1,759)</u>	<u>5,675</u>	<u>(5,665)</u>	<u>227</u>	<u>(1,522)</u>
Restricted fixed asset funds					
Transfer on conversion	9,083	-	(178)	-	8,905
DfE group capital grants	1,078	295	(149)	-	1,224
Capital expenditure from GAG	866	-	(15)	8	859
	<u>11,027</u>	<u>295</u>	<u>(342)</u>	<u>8</u>	<u>10,988</u>
Total restricted funds	<u>9,268</u>	<u>5,970</u>	<u>(6,007)</u>	<u>235</u>	<u>9,466</u>
Unrestricted funds					
General funds	535	18	-	-	553
	<u>535</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>553</u>
Total funds	<u>9,803</u>	<u>5,988</u>	<u>(6,007)</u>	<u>235</u>	<u>10,019</u>

19 Financial instruments

	2018 £'000	2017 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	195	122
	<u>195</u>	<u>122</u>
Carrying amount of financial liabilities		
Measured at amortised cost	463	505
	<u>463</u>	<u>505</u>

20 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the financial statements	146	15
	<u>146</u>	<u>15</u>

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	11,040	11,040
Current assets	605	805	276	1,686
Creditors falling due within one year	-	(661)	-	(661)
Creditors falling due after one year	-	(5)	-	(5)
Defined benefit pension liability	-	(1,380)	-	(1,380)
Total net assets	605	(1,241)	11,316	10,680

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	10,974	10,974
Current assets	553	809	14	1,376
Creditors falling due within one year	-	(683)	-	(683)
Creditors falling due after one year	-	(10)	-	(10)
Defined benefit pension liability	-	(1,638)	-	(1,638)
Total net assets	553	(1,522)	10,988	10,019

22 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	32	40
Amounts due between one and five years	39	45
	71	85

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

23 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2018	2017
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	314	(19)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(453)	(295)
Interest receivable	(5)	(6)
Defined benefit pension scheme cost less contributions payable	49	42
Defined benefit pension scheme finance cost	40	38
Depreciation of tangible fixed assets	346	342
Movements in working capital:		
Decrease in debtors	54	23
(Decrease) in creditors	(27)	(250)
Net cash provided by/(used in) operating activities	<u>318</u>	<u>(125)</u>

24 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £79,574 split TPS £65,837 and LGPS £13,737 (2017: £77,786 split TPS £64,993 and LGPS £12,793) were payable to the schemes at 31 August 2018 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 2014.

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.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 in 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 2.0% 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%.

The new employer contribution rate was 14.1% until 1 September 2015, when it increased to 16.48% (including a 0.08% administration fees), with an employer cost cap of 10.9% of pensionable pay. The employer contribution rate will be payable until the next valuation 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 the TPS in the period amounted to £498,000 (2017: £ 495,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.5% for employers and will be a range 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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (Continued)

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	122	119
Employees' contributions	30	29
Total contributions	152	148

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %	2017 %
Rate of increase in salaries	3.6	3.7
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	2.8	2.4
Inflation assumption (CPI)	2.1	2.2

The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	22	21.6
- Females	24.8	24.7
Retiring in 20 years		
- Males	25	24.2
- Females	27.8	27.7

The academy trust's share of the assets in the scheme

	2018 Fair value £'000	2017 Fair value £'000
Equities	1,047	951
Government bonds	69	62
Other bonds	238	220
Cash/liquidity	63	87
Property	184	145
Other assets	416	350
Total fair value of assets	2,017	1,815

The actual return on scheme assets was £105,000 (2017: £145,000).

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	171	161
Net interest cost	40	38
Total operating charge	<u>211</u>	<u>199</u>
Changes in the present value of defined benefit obligations		2018 £'000
At 1 September 2017		3,453
Current service cost		171
Interest cost		83
Employee contributions		30
Actuarial gain		(285)
Benefits paid		(55)
At 31 August 2018		<u>3,397</u>
Changes in the fair value of the academy trust's share of scheme assets		2018 £'000
At 1 September 2017		1,815
Interest income		43
Return on plan assets (excluding net interest on the net defined pension liability)		62
Employer contributions		122
Employee contributions		30
Benefits paid		(55)
At 31 August 2018		<u>2,017</u>

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

26 Related party transactions

The following related party transaction took place in the period of account. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

During the year a Community Governor received an amount of £640 (2017: £580) for services undertaken for the presentation of appeals for the school and consultancy services.

- The trust made this transaction at arms' length
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017

27 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year the Academy received £23,504 (2017: £23,395) and disbursed £24,642 (2017: £17,393) with an amount of £4,865 (2017: £6,003) included within other creditors as at 31 August 2018.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST KIRBY GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 7 September 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by West Kirby Grammar School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of West Kirby Grammar School in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of West Kirby Grammar School's accounting officer and trustees

The accounting officer is responsible, under the requirements of West Kirby Grammar School's funding agreement with the Secretary of State for Education dated 7 September 2015 and the Academies Financial Handbook, extant from 1 September 2017, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of West Kirby Grammar School and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2017 to 2018.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST KIRBY GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to West Kirby Grammar School and the ESFA in accordance with the terms of our engagement letter dated 7 September 2017. Our work has been undertaken so that we might state to the West Kirby Grammar School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Kirby Grammar School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
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5th Floor
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Chester
CH1 3BQ

Dated: *12 December 2018*
