

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

Members	M Brown S Richards T O'Brien
Governors	M Brown, Chair S Richards, Vice Chair J Sleath, Head Teacher A Bluff J Collis-Smith J Hayes K Hollingshead S Marshall T O'Brien D Wagg
Company registered number	08135122
Company name	Leysland High School
Principal and registered office	Leysland High School Winchester Road Countesthorpe Leicestershire LE8 5PR
Company secretary	R Askham
Leadership team	J Sleath, Headteacher R Gohil, Deputy Headteacher A Prideaux, Assistant Headteacher N Cassidy, Assistant Headteacher R Askham, Business Manager
Independent auditor	BDO LLP Pannell House 159 Charles Street Leicester LE1 1LD
Bankers	The Co-Operative Bank 77/79 Market Place Leicester LE1 5EN
Solicitors	BHW Solicitors 5 Grove Court Grove Park Enderby Leicestershire LE19 1SA

LEYSLAND HIGH SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of Leysland High School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Leysland High School.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

The Governing Body of Leysland High School is constituted as laid down in its Articles of Association and is made up of not less than three governors with a maximum of sixteen. All Governors, other than the Headteacher, serve for a term of four years after which they are required to be re-elected/re-appointed. Staff governors are appointed through open election for all eligible members of staff.

d. Policies and procedures adopted for the induction and training of Governors

The training and induction for new Governors will depend on their existing experience and will be tailored specifically to the needs of the individual. Leysland High School has a contract with the LA Governors Development Service, which provides governors' induction training and other specified courses as required. Copies of minutes, accounts, budgets, plans and other documents needed to undertake their role are available in hard copy on request.

Where a training need is identified the appropriate training is procured which may be on site, on-line or by attendance at an external event. The Governing body has a budget to allow for training needs to enable such needs to be financed where necessary. Reports of training undertaken and any action subsequently identified are submitted to the full Governing Body.

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

e. Pay policy for key management personnel

The Governing Board seek to ensure that all staff are valued and receive proper recognition and remuneration for their work and contribution to the Academy. In exercising this function the Governing Board adhere to The School Teachers Pay and Conditions Document (STPCD) 2015 and The National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. All teaching staff salaries including key management are reviewed annually by the Pay Committee, by 31 October and the Principal's annual review by 31 December. The Pay Committee will set a seven point Individual School Range (ISR) in accordance with the STPCD for the Principal and a five point ISR for the Vice and Assistant Principals.

f. Organisational structure

The Governors who are also the charity trustees are responsible for the overall management and control of the school and meet a minimum of three times each academic year.

The work involved in reviewing and ratifying policies is delegated to the members of the Resources, Achievement, Pay and Headteacher's Review sub-committees. These meet at least once a term and work as directed by a chair appointed at the first full Governors meeting at the start of the academic year. Terms of reference of these committees are reviewed and ratified annually at this meeting. The Clerk to the Governors is responsible for arranging meetings, supporting the work of the Governors, the preparation of agendas and the review of matters arising. The School Business Manager is responsible for the preparation of accounts. The Headteacher and Business Manager contribute to the agenda of the Resources committees.

Governors were not paid any remuneration or expenses for carrying out their duties.

The Headteacher is responsible for the day to day running of the school including teaching and learning, pastoral and administrative functions and is supported by the Leadership Team. Day to day administration is undertaken within the policies and procedures agreed by the Governors with major expenditure and other significant decisions being referred to the Governors in line with agreed policy/procedure.

The Headteacher oversees the recruitment of all educational staff. He is a staff governor, Accounting Officer and attends all Governing body and sub-committee meetings. The Business Manager attends the Resources meetings (includes Finance and Premises) and other meetings as required.

g. Connected organisations, including related party relationships

The Headteacher and Business Manager are members of several professional organisations and regularly attend a range of local and county-wide meetings to enable them to keep up to date with current educational policies/practice and thinking.

Whilst maintaining its own independence, ethos, identity and autonomy, the school is a member of the South Leicestershire Learning Partnership Umbrella Trust, which is a company limited by guarantee. It was formed initially from 4 local schools specifically to deliver a quality, continuous and progressive learning experience for young people up to the age of 19 through the adoption and development of supportive and collaborative principles between the members. This partnership aims to provide its members with the support, challenge and networks previously provided through the local authority.

The school is also part of the Learning South Leicestershire (LSL) which is a collaboration of 15 schools and 1 FE College around South Leicestershire who work together to share knowledge, experience and expertise between its members.

The school is a strategic partner in the Thomas Estley Learning Alliance (TELA), which is a collaboration of over 30 members from both secondary and primary phases. Its aim is to share best practice across all organisations with learners at the heart, firmly focussed on achieving excellence.

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

h. Governors' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. In accordance, the school purchases insurance to protect governors and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under this policy is £2 million with a premium of £250 paid.

i. Volunteers

Major risks to which the Academy is exposed are assessed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy (and its finances) and systems are in place to mitigate those risks. The Governors assess the risks that the academy faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and relation to the control of finance. A financial risk register is in place taking account of established good practice, to ensure any financial risks identified are fully and properly assessed and necessary mitigation put in place. The Governors monitor systems, including operational procedures (vetting of DBS checks and cashflow monitoring) and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls which has been approved by recent audit from the LA internal audit team.

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

Strategic report

Objectives and Activities

a. Objects and aims

The Headteacher objectives of Leysland High School as a charitable company is to provide the best education it can for pupils of different abilities between the ages of 11-14 years.

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing of establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and to promote for the benefit of individuals living in the Blaby, Countesthorpe and the surrounding areas, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life and prospects of said individuals.

School Improvement Plan 2015 - 2016

Effectiveness of leadership and management

- Leadership at all levels planning, tracking and measuring the impact on pupils
- Greater consistency of leadership at all levels. Clear definition of roles and responsibilities
- Increase capacity of middle leadership
- Governors to monitor SIP through focussed visits
- To manage school whilst planning for future merger

Personal development, behaviour and welfare

- Increase attendance and participation (Particularly persistent absentees)
- Improve inclusion and reduce exclusions further
- Improve site to support safeguarding
- Interventions to target behaviour and attendance
- Develop PARS and demonstrate impact on improving behaviour

Quality of teaching, learning and assessment

- To move all lessons into good or outstanding for teaching over time
- To improve the quality of marking and feedback for all learners
- To improve the learning experience for all
- Staff CPD to ensure all staff are good or better
- Embed Performance Related Pay

Outcomes for children and learners

- Effective Pupil Premium provision
- Effective tracking of progress for all learners
- Enhance the wider learning experience for all learners
- Improve literacy and numeracy across all subjects
- Develop new life without levels tracking system

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

b. Objects and aims (continued)

Community Partnerships

- LHS gaining from and contributing to strong inter-school networks
- Increase opportunities for parents to contribute to school life
- Develop and recruit staff
- Community engagement

Site, Staffing and Resources

- Improve the learning environment
- Sustainable financial management
- Increase community access to the site
- Identify earning opportunities and funding streams
- Gain external funding to develop site.

c. Objectives, strategies and activities

The objectives that the Academy held during the year were:

- To move all lessons into good or outstanding for teaching over time;
- Increase attendance and participation (Particularly persistent absentees);
- Ensure that the proportion of pupil making expected/more than expected progress from their starting points meets or exceeds national figures in all subjects;
- Leadership at all levels planning, tracking and measuring the impact on pupils.

d. Principal activities

The Academy's principal activity is to educate the pupils within its care to the best of its ability with the funds provided. It aims to give a broad, balanced and inclusive curriculum that follows statutory guidance from the DfE. It aims to provide the above whilst taking into account the safeguarding and wellbeing of the pupils within its care.

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

e. Public benefit

'Public benefit' is the legal requirement that every organisation up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit if it is so to be recognised and registered as a charity in England and Wales.

The three underlying principles for the Charity are as follows:

- it must be clear what the benefits are
- the benefits must be related to the aims
- benefits must be balanced against detriment or harm

The aims and objectives of Leysland High School are outlined in the section above but in ensuring the school focuses upon these aims the following has been taken into account by the Governing Body;

- the beneficiaries must be appropriate to the aims
- where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted
- any private benefits must be incidental

These principles underline the work undertaken at Leysland High School and, through monitoring and evaluation of procedures and policies, the Governing Body ensure that the academy has complied with their duties.

The Academy's intake includes Blaby, Countesthorpe and surrounding villages as its traditional catchment area; with more pupils coming from city areas which are classed as out of catchment. First time admissions to the school remain the decision of Leicestershire Local Authority and therefore based upon their criteria.

The OFSTED rating April 2013 as an 'Outstanding' school remains in place and the continual improvements in academic progress ensure that our pupils benefit from the education we provide with an aim to provide outstanding education.

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

Achievements and performance

a. Key academic performance indicators

Subject	Teachers End of KS3 Pupil Targets		End of KS3 Teacher Assessments		Target achieved?	
	% level 5+	% level 6+	% level 5+	% level 6+	% level 5+	% level 6+
English	94	75	94	81	Achieved	Exceeded
Maths	95	77	93	70	-2%	-7%
Science	96	74	97	66	Exceeded	-8%
English & Maths	89	69	89	67	Achieved	-2%
Art	95	64	94	56	-1%	-8%
D&T	99	82	98	76	-1%	-6%
Geography	97	65	96	61	-1%	-4%
History	97	74	96	66	-1%	-8%
ICT	99	58	91	30	-8%	-28%
MFL	84	54	82	54	-2%	Achieved
Music	100	79	100	71	Achieved	-8%
PE	99	50	96	59	-3%	Exceeded
REP	99	71	94	55	-5%	-16%

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

Financial review

a. Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. Under normal convention, the Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Since the year end, the EFA have approved plans for Countesthorpe Community College Trust and Leysland High School to become one separate independent college from 1 September 2016. As such Leysland High School will no longer exist as a separate entity. However the trade and assets of Leysland High School will be transferred into the new college, where it will continue to operate and therefore the financial statements have been prepared under the stated accounting policies and the Board of Governors have noted that no further adjustments are needed. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

b. Financial risk management objectives and policies

The Academy's exposure to risk is largely future intake, due to changes to age ranges in local schools and unpredictability of out-of-catchment pupils, and therefore future bank balances, cash and trade creditors, other liabilities and trade debtors.

The Academy has inherited the Local Government defined pension benefit scheme deficit for support staff which it is reducing in line with guidance from the Local Authority.

c. Principal risks and uncertainties

The principal risks for the academy during the future are:

1. A reduction in pupil number on roll (NOR) - the Academy closely monitors applications for places in each year group and models the financial implications of any trends, trying to make any changes as sustainable as possible.
2. Changes to the funding formula. The Headteacher, Business Manager and Resources Committee monitor and aim to analyse the impact of any national and local changes and adjust the running of the academy to mirror these trends where possible.

d. Reserves policy

The main financial risk to the academy is that of managing its short-term cash flow effectively. To mitigate this risk it has been agreed that an appropriate reserves balance would equate to 4 weeks worth of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £250,000. The reason for this is to provide sufficient working capital to enable the Academy to manage its cash flow efficiently thus to cover delays between spending and receipt of grants, to manage annual variations in student numbers and to provide a cushion to deal with unexpected emergencies.

The Academy will seek to build up free reserves in order to provide an option as to whether to contribute to the pension's deficit and/or to develop the Academy's longer term goals and ambitions by building up seed funding for future capital projects and educational initiatives for the benefit of pupils. The lettings programme will be used to generate further income where it is lost from the areas referred to in the above risk management area to help sustain building improvements.

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

e. Investments policy

The cash flow and bank account is monitored on a weekly basis to ensure that the immediate financial commitments of payroll and payments can be met and that the Academy has adequate balances to meet planned future commitments.

The fund balance is reviewed on a six monthly basis to consider interest rates and possible investment opportunities. The Academy's current policy is to sweep the current account daily into a Treasury account which attracts interest.

Plans for future periods

a. Future developments

The school has approval to merge with Countesthorpe Community College from 1st September 2016. The two schools share the same site and the merger will ensure a greater continuity and progress for all students. Parents have been consulted during the last year and the overwhelming majority are in favour of the merger.

The new school will have the capacity for over 1600 students with over 350 students in a successful high quality sixth form.

Funds held as custodian

The Academy does not hold funds on behalf of any other organisations.

Post balance sheet event

On 1 September 2016 Countesthorpe Community College Trust merged with Leysland High School to create a new entity under the name of Countesthorpe Leysland Community College. All assets and liabilities were transferred to the new entity at their carrying value

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This report, incorporating a strategic report, was approved by order of the Governing Body as the company directors, on 9 December 2016 and signed on its behalf by:


.....

S Richards, Vice Chair

For and on behalf of the Governing Board

LEYSLAND HIGH SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Leysland High School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
M Brown, Chair	4	4
S Richards, Vice Chair	4	4
J Sleath, Head Teacher	4	4
A Bluff	4	4
J Collis-Smith	3	4
J Hayes	3	4
K Hollingshead	4	4
S Marshall	0	4
T O'Brien	4	4
D Wagg	3	4

The Resources Committee is a sub-committee of the main governing body. Its purpose is to ensure that the Academy meets the highest standards of financial control. During the period of accounts the committee has met on 3 occasions and dealt with the many and complex financial implications of converting to academy status.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Collis-Smith	3	3
S Richards	3	3
A Bluff	3	3
D Wagg	3	3
J Sleath, Head Teacher	3	3

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GOVERNANCE STATEMENT (continued)

Review of Value for money

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

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

- Student Progress: Pupils at Leysland High School make outstanding progress in their learning. For all levels of ability, proportions making expected progress and exceeding expected progress in English and Maths are high compared with national figures.
- Targeted improvement: Staffing structure is deployed to support a high quality and constantly improving curriculum. Most recent examples would be the regrouping of pupils and redeployment of staff for higher outcomes in targeted areas (gender gap reduction, pupil premium support, etc); introducing targeted intervention groups in English and Maths to target literacy and numeracy at base level, and enhancing the curriculum with targeted interventions in a variety of subject areas to improve attainment at level 7+ and ensuring at least expected progress in English and Maths.
- Focus on individual pupils: The Trust has managed the differing needs of pupils, such as those requiring one to one tuition in English and Maths, enhanced skills in English and Maths, Breakfast and other extracurricular clubs, Pastoral support, withdrawal from MFL in years 8 and 9 to focus on the ASDAN programme which supports additional literacy and numeracy work and access to technology to improve teaching and learning.
- Collaboration: The trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. This includes development of our strategic partner role in the TELA Teaching School Alliance. Through the work of the umbrella trust (South Leicestershire Learning Partnership) the trust has worked closely with other trusts within the umbrella to ensure pupils receive a seamless transition at transfer.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided to appoint the Local Authority Audit Section as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 9 December 2016 and signed on their behalf, by:


.....
S Richards, Vice Chair
Vice Chair of Trustees


.....
J Sleath, Head Teacher
Accounting Officer


LEYSLAND HIGH SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

.....
J Sleath
Accounting Officer

Date: 9 December 2016

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STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements the Governors are required to:


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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 Board of Governors and signed on its behalf by:



.....
S Richards, Vice Chair,
for and on behalf of the board of governors
Date: 9 December 2016

LEYSLAND HIGH SCHOOL
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF LEYSLAND HIGH SCHOOL

We have audited the financial statements of Leysland High School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of governors' responsibilities, the trustees (who act as governors of Leysland High School and are also 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

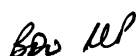
LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF LEYSLAND HIGH SCHOOL

Matters on which we are required to report by exception

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

- 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Nishit Bathia (Senior Statutory Auditor)
for and on behalf of
BDO LLP, statutory auditor
Leicester
United Kingdom
16 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEYSLAND HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leysland High School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Leysland High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Leysland High School's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEYSLAND
HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

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

BDO LLP

BDO LLP
Reporting Accountant
Leicester
United Kingdom

16 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016
(incorporating the income and expenditure account)

	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
INCOME FROM:						
Donations and capital grants	2	125,847	-	-	125,847	175,334
Charitable activities:	3					
Funding for the Academy's educational operations		2,842,296	-	-	2,842,296	2,746,979
Other trading activities	4	-	-	195,292	195,292	164,964
Investments	5	-	-	1,246	1,246	1,167
TOTAL INCOME		2,968,143	-	196,538	3,164,681	3,088,444
EXPENDITURE ON:						
Raising funds	4	-	-	203,057	203,057	155,842
Charitable activities:						
Academy's educational operations		3,158,129	113,724	-	3,271,853	2,989,001
TOTAL EXPENDITURE	7	3,158,129	113,724	203,057	3,474,910	3,144,843
NET EXPENDITURE BEFORE TRANSFERS		(189,986)	(113,724)	(6,519)	(310,229)	(56,399)
Transfers between Funds	17	(15,028)	15,028	-	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(205,014)	(98,696)	(6,519)	(310,229)	(56,399)
Actuarial losses on defined benefit pension schemes	21	(366,000)	-	-	(366,000)	(20,000)
NET MOVEMENT IN FUNDS		(571,014)	(98,696)	(6,519)	(676,229)	(76,399)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(993,976)	5,569,202	59,568	4,634,794	4,711,193
TOTAL FUNDS CARRIED FORWARD		(1,564,990)	5,470,506	53,049	3,958,565	4,634,794


The notes on pages 23 to 42 form part of these financial statements.


LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08135122

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		5,470,506		5,569,202
CURRENT ASSETS					
Stocks	14	1,861		1,500	
Debtors	15	58,257		110,408	
Cash at bank and in hand		161,950		333,624	
		<u>222,068</u>		<u>445,532</u>	
CREDITORS: amounts falling due within one year	16	(26,009)		(133,940)	
NET CURRENT ASSETS			<u>196,059</u>		<u>311,592</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,666,565</u>		<u>5,880,794</u>
Defined benefit pension scheme liability	21		(1,708,000)		(1,246,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,958,565</u></u>		<u><u>4,634,794</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	143,010		252,024	
Restricted fixed asset funds	17	5,470,506		5,569,202	
Restricted income funds excluding pension liability		<u>5,613,516</u>		<u>5,821,226</u>	
Pension reserve		(1,708,000)		(1,246,000)	
Total restricted income funds			<u>3,905,516</u>		<u>4,575,226</u>
Unrestricted funds	17		<u>53,049</u>		<u>59,568</u>
TOTAL FUNDS			<u><u>3,958,565</u></u>		<u><u>4,634,794</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 9 December 2016 and are signed on their behalf, by:


.....
S Richards, Vice Chair


.....
J Sleath, Head Teacher

The notes on pages 23 to 42 form part of these financial statements.

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	19	(172,118)	(804)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,246	1,167
Purchase of tangible fixed assets		(15,028)	(42,689)
Capital grants from DfE/EFA		14,226	74,873
Net cash provided by investing activities		444	33,351
Change in cash and cash equivalents in the year		(171,674)	32,547
Cash and cash equivalents brought forward		333,624	301,077
Cash and cash equivalents carried forward	20	161,950	333,624

The notes on pages 23 to 42 form part of these financial statements.

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

Leysland High School is a company limited by guarantee incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Academy' operations and its principal activities are set out in the Governors' report. The functional currency of the Academy is GBP.

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

1.1 Basis of preparation of financial statements

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

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

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 Fund accounting

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

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

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

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

As of 1 September 2016, in line with plans approved by the EFA, Leysland High School and Countesthorpe Community College have become one separate independent school, Countesthorpe Leysland Community College. The trade and assets of Leysland High School have been transferred into the new school, where it will continue to operate. Therefore these accounts have been prepared on the going concern basis.

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

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

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

Long-term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

Long-term Leasehold Property was transferred across upon conversion, at the market value determined as at that date. The valuation was completed by Andrea Hopkins (MRICS) of Leicestershire County Council on a depreciated replacement cost valuation.

Land is not depreciated.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

1.14 Taxation

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

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement:

No key judgements have been applied in the preparation of these financial statements.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Parental contributions	111,621	-	111,621	100,461
Capital Grants	14,226	-	14,226	74,873
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	125,847	-	125,847	175,334
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, all of the total income from donations and capital grants was to restricted funds.

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
DfE/EFA grants			
General annual grant	2,651,979	2,651,979	2,546,109
Other grants	190,317	190,317	200,870
	<u>2,842,296</u>	<u>2,842,296</u>	<u>2,746,979</u>

In 2015, all of the income from charitable activities was to restricted funds.

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Charity trading income			
Catering income	131,470	131,470	114,588
Lettings income	8,804	8,804	16,885
Other trading income	55,018	55,018	33,491
	<u>195,292</u>	<u>195,292</u>	<u>164,964</u>
Charity trading expenses			
Catering expenditure	138,867	138,867	113,554
Lettings expenditure	477	477	12,278
Other trading expenditure	63,713	63,713	30,010
	<u>203,057</u>	<u>203,057</u>	<u>155,842</u>
Net (expenditure)/income from activities for generating funds	<u>(7,765)</u>	<u>(7,765)</u>	<u>9,122</u>

In 2015, all activities for generating funds were in relation to unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Bank interest	1,246	1,246	1,167

In 2015, all of the investment income was to unrestricted funds.

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

6. CHARITABLE ACTIVITIES

	Year ended 31 August 2016 £	Year ended 31 August 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,485,605	1,302,090
National insurance	118,909	91,395
Pension cost	277,237	228,377
Depreciation	113,724	106,216
Pension income	47,000	43,000
Teaching and educational support	10,189	14,667
Technology costs	27,915	56,150
Educational supplies	51,104	56,171
Staff development	14,140	9,737
Other direct costs	112,626	99,414
Merger expenditure	118,867	-
	<u>2,377,316</u>	<u>2,007,217</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	551,293	570,694
National insurance	22,495	23,067
Pension cost	87,272	98,454
Maintenance of premises	70,298	77,685
Cleaning	7,694	5,973
Rent and rates	39,244	42,363
Energy costs	37,772	37,843
Insurance	29,979	28,954
Security and transport	2,901	1,418
Catering	5,911	26,520
Bank interest and charges	3,654	-
Recruitment and support	12,272	25,906
Merger expenditure	12,462	19,773
Governance costs	11,290	23,134
	<u>894,537</u>	<u>981,784</u>
	<u><u>3,271,853</u></u>	<u><u>2,989,001</u></u>

In 2015, all expenditure in relation to Charitable Activities related to funding for the academy's educational operations all of which related to restricted funds.

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Expenditure on raising funds	73,478	-	129,579	203,057	155,842
Funding for the Academy's educational operations:					
Direct costs	1,881,751	75,688	419,877	2,377,316	2,007,217
Support costs	661,060	70,298	163,179	894,537	981,784
	<u>2,616,289</u>	<u>145,986</u>	<u>712,635</u>	<u>3,474,910</u>	<u>3,144,843</u>

In 2016, of the total expenditure, £3,271,853 (2015 - £2,989,001) was to unrestricted funds and £203,057 (2015 - £155,842) was to restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	113,724	106,216
Auditor's remuneration - audit	8,085	7,780
Auditor's remuneration - other services	2,100	1,050
Governance Internal audit costs	<u>593</u>	<u>741</u>

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,100,442	1,942,981
Social security costs	143,612	116,106
Operating costs of defined benefit pension schemes	372,235	335,080
	<u>2,616,289</u>	<u>2,394,167</u>

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

	2016 No.	2015 No.
Teachers	34	30
Administration and Support	26	31
Management	5	5
	<u>65</u>	<u>66</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these members of staff amounted to £23,873 (2015: £11,262).

The key management personnel of the academy trust comprise the trustees and the leadership 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 £478,758 (2015: £451,514).

LEYSLAND HIGH SCHOOL
(A Company Limited by Guarantee)

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

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £250,000 on any one claim and the cost for the year ended 31 August 2016 was £250 (2015 - £840).

12. NET INTEREST ON PENSION SCHEME LIABILITY

	2016 £	2015 £
Interest income on pension scheme assets	40,000	34,000
Interest on pension scheme liabilities	(87,000)	(77,000)
	<u>(47,000)</u>	<u>(43,000)</u>

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13. TANGIBLE FIXED ASSETS

	Long-term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	5,729,069	25,428	83,205	5,837,702
Additions	-	-	15,028	15,028
At 31 August 2016	5,729,069	25,428	98,233	5,852,730
Depreciation				
At 1 September 2015	219,180	14,913	34,407	268,500
Charge for the year	75,688	6,357	31,679	113,724
At 31 August 2016	294,868	21,270	66,086	382,224
Net book value				
At 31 August 2016	5,434,201	4,158	32,147	5,470,506
At 31 August 2015	5,509,889	10,515	48,798	5,569,202

Included in Long-term Leasehold Property is land of £1,944,680 (2015 - £1,944,680) which is not depreciated.

14. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	1,861	1,500

Stock recognised in expenditure during the year as an expense was £65,785 (2015: £31,245).

15. DEBTORS

	2016 £	2015 £
Trade debtors	216	846
Other debtors	12,710	13,082
Prepayments and accrued income	45,331	96,480
	58,257	110,408

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16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	7,754
Other taxation and social security	-	37,908
Other creditors	800	12,131
Accruals and deferred income	25,209	76,147
	<u>26,009</u>	<u>133,940</u>

At the balance sheet date the Academy Trust was holding parental contributions received in advance for future years.

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	49,241	40,269
Resources deferred during the year	14,511	49,241
Amounts released from previous years	(49,241)	(40,269)
Deferred income at 31 August 2016	<u>14,511</u>	<u>49,241</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	59,568	196,538	(203,057)	-	-	53,049
Restricted funds						
General Annual Grant (GAG)	206,192	2,651,979	(2,792,261)	-	-	65,910
SEN Grant	-	33,874	(33,874)	-	-	-
Pupil Premium	34,220	132,062	(109,339)	-	-	56,943
Capital maintenance fund	-	14,226	802	(15,028)	-	-
Other Grants	3,012	24,381	(18,893)	-	-	8,500
Parental Contribution	8,600	111,621	(108,564)	-	-	11,657
Pension reserve	(1,246,000)	-	(96,000)	-	(366,000)	(1,708,000)
	<u>(993,976)</u>	<u>2,968,143</u>	<u>(3,158,129)</u>	<u>(15,028)</u>	<u>(366,000)</u>	<u>(1,564,990)</u>
Restricted fixed asset funds						
Fixed Asset Funds	5,569,202	-	(113,724)	15,028	-	5,470,506
Total restricted funds	<u>4,575,226</u>	<u>2,968,143</u>	<u>(3,271,853)</u>	<u>-</u>	<u>(366,000)</u>	<u>3,905,516</u>
Total of funds	<u><u>4,634,794</u></u>	<u><u>3,164,681</u></u>	<u><u>(3,474,910)</u></u>	<u><u>-</u></u>	<u><u>(366,000)</u></u>	<u><u>3,958,565</u></u>

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education in line with the funding agreement.

SEN grant

Funds received specifically for use on pupils with special educational needs.

Pupil premium

Funds received for the purposes of providing additional support to pupils who receive free school meals.

Capital maintenance fund

Funds received from various bodies for the purposes of capital and repairs works.

Other Grants

Funds generated in relation to other specific grants and income.

Parental Contributions

Funds generated from parents of students for use towards specific educational expenditure, e.g. trips.

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FOR THE YEAR ENDED 31 AUGUST 2016

17. STATEMENT OF FUNDS (continued)

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

Restricted Fixed Asset Fund

Represents the fixed assets that are held by the Academy, which are used by the Academy to achieve its educational objectives.

Transfers

Relates to the transfer of the purchase of fixed assets from the relevant fund where the income is received to the fixed asset fund. The transfers between restricted funds, is to reimburse the GAG fund for the amounts it spent on capital items in the prior year.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Tangible fixed assets	-	5,470,506	-	5,470,506	5,569,202
Current assets	169,019	-	53,049	222,068	445,532
Creditors due within one year	(26,009)	-	-	(26,009)	(133,940)
Provisions for liabilities and charges	(1,708,000)	-	-	(1,708,000)	(1,246,000)
	(1,564,990)	5,470,506	53,049	3,958,565	4,634,794

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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(310,229)	(56,399)
Adjustment for:		
Depreciation charges	113,724	106,216
Dividends, interest and rents from investments	(1,246)	(1,167)
(Increase)/decrease in stocks	(361)	9,519
Decrease in debtors	52,151	32,858
Decrease in creditors	(107,931)	(106,958)
Capital grants from DfE and other capital income	(14,226)	(74,873)
Defined benefit pension scheme obligation inherited	462,000	110,000
Actuarial loss on defined benefit pension scheme	(366,000)	(20,000)
Net cash used in operating activities	(172,118)	(804)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	161,950	333,624
Total	161,950	333,624

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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

21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £228,237 (2015 - £181,111).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £162,000 (2015 - £146,000), of which employer's contributions totalled £126,000 (2015 - £113,000) and employees' contributions totalled £36,000 (2015 - £33,000). The agreed contribution rates for future years are 21.2% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Inflation assumption (CPI)	2.10 %	2.60 %

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.2 years	22.2 years
Females	24.3 years	24.3 years
Retiring in 20 years		
Males	24.2 years	24.2 years
Females	26.6 years	26.6 years

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	998,000	677,000
Debt instruments	250,000	215,000
Property	125,000	113,000
Cash	14,000	20,000
Total market value of assets	<u>1,387,000</u>	<u>1,025,000</u>

The actual return on scheme assets was £366,000 (2015 - £37,000).

The Academy expects to contribute £135,000 to its Defined Benefit Pension Scheme in 2017.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in Real Discount Rate	12%	386,000
1 year increase in member life expectancy	3%	93,000
0.5% increase in the Salary Increase Rate	5%	141,000
0.5% increase in the Pension Increase Rate	7%	232,000

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(175,000)	(160,000)
Net interest cost	(47,000)	(43,000)
Total	<u>(222,000)</u>	<u>(203,000)</u>

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,271,000	1,998,000
Current service cost	175,000	160,000
Interest cost	87,000	77,000
Contributions by employees	36,000	33,000
Actuarial losses	559,000	22,000
Benefits paid	(33,000)	(19,000)
	<hr/>	<hr/>
Closing defined benefit obligation	3,095,000	2,271,000
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,025,000	862,000
Return on plan assets (excluding net interest on the net defined pension liability)	40,000	34,000
Actuarial gains and (losses)	193,000	2,000
Contributions by employer	126,000	113,000
Contributions by employees	36,000	33,000
Benefits paid	(33,000)	(19,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,387,000	1,025,000
	<hr/>	<hr/>

22. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	10,306	32,379
Between 1 and 5 years	-	10,306
	<hr/>	<hr/>
Total	10,306	42,685
	<hr/>	<hr/>

The lease payments recognised as an expense in the year were £32,379 (2015: £15,436).

23. MEMBERS' LIABILITY

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

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

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

25. POST BALANCE SHEET EVENTS

On 1 September 2016 Leysland High School merged with Countesthorpe Community College Trust to create a new entity under the name of Countesthorpe Leysland Community College. All assets and liabilities were transferred to the new entity at their carrying value.

26. FIRST TIME ADOPTION OF FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		4,711,193	4,634,794
Total funds reported under FRS 102		<u>4,711,193</u>	<u>4,634,794</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(39,399)
Change in recognition of LGPS interest cost	A	(17,000)
Net movement in funds reported under FRS 102		<u>(56,399)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £17,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.