

Company Registration No. 07724342 (England and Wales)

FORMBY HIGH SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020



FORMBY HIGH SCHOOL

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FORMBY HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Bocker
N Foley
F Grieveson
A Harris
P Bell

Governors

D Mackenzie (Headteacher and Accounting Officer)
C Adams (Co-opted Governor)
N Adshead (Parent Governor)
D Bennett (Parent Governor)
Mr M Duckworth (Parent Governor) (Appointed 11 February 2020)
F Grieveson (Chair, Community Governor)
A Harris (Community Governor) (Resigned 17 November 2019)
A Harrison-Forsyth (Staff Governor)
G Heatherington (Staff Governor) (Resigned 7 November 2019)
S Jones (Co-opted Governor)
I Jordan (Parent Governor)
M Lucas (Parent Governor)
Ms C McNamara (Parent Governor) (Appointed 11 February 2020)
A Mitchell (Community Governor) (Resigned 2 February 2020)
F Murphy (Community Governor)
K Ridings (Community Governor) (Resigned 21 July 2020)
K Smith (Community Governor)
Ms K Stark (Staff Governor) (Appointed 7 November 2019)

Senior management team

- Headteacher	D Mackenzie
- Deputy Headteacher	K Blanchard
- Senior Assistant Headteacher	S Cook
- Assistant Headteacher	G Parkinson
- Assistant Headteacher	P Slater
- Associate Senior Leader	A Wake

Company secretary

L Forster

Company registration number

07724342 (England and Wales)

Registered office

Freshfield Road
Formby
L37 3HW

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

FORMBY HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

FORMBY HIGH SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the accounts and auditor's report of the School for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The School operates an academy for pupils aged 11-18, serving a catchment area in Formby, Hightown, Crosby, Southport and Ainsdale. It has a planned admission number (PAN) of 186 (increased from 166 in September 2017) and had 1185 students on roll as at September 2020.

Structure, governance and management

Constitution

Formby High School (the School) converted to an Academy Trust on 1 September 2011. The School is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the School.

The Academy Trust was incorporated on 1 August 2011 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

The Governors act as the trustees for the charitable activities of the School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Formby High School. Details of the Governors who served throughout the year, except as noted, 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.

Governors' indemnities

The School has entered into the ESFA's Risk Protection Arrangement (RPA) and, through this, indemnity insurance is provided to protect governors and officers from claims arising in connection with School business. The insurance provides cover of up to £10,000,000.

Method of recruitment and appointment or election of Governors

The Governors are appointed by the following:

Parent Governors	Elected by parents of the students of the School
Staff Governors	Elected by staff of the School
Community Governors	Appointed by Governing Body
Co-opted Governors	Appointed by Governing Body

Policies and procedures adopted for the induction and training of Governors

All Governors are provided with a copy of the School's Governor Handbook produced alongside the Governance Handbook from the Department for Education. Governors are members of the National Governors Association (NGA) and subscribe to their online guidance. Governors are also subscribed to The Key for School Governors, an online support network for Governors. The NGA and NFER (National Foundation for Education Research) conducted an external review of Governance in June 2016 and deemed governance to be effective. Governors are actively enrolled on the NGA Learning Link which enables them to access online training modules on all key areas of Governance. All Governors were required upon registration to the Learning Link to complete the Induction and Strategic Governance modules and are asked to complete further modules as their time permits or as directed during the course of the academic year to support meeting or strategic objectives. On-going training is provided through meetings of the Full Governing Body and at the annual Governor Development Day, using expertise from within school and external providers as appropriate.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The School is governed by its Governing Body, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the School consists of four levels of leadership: the Governing Body, The Headteacher, the Senior Leadership Team and the School's Middle Leaders.

During 2019/20 the following Governor Committees existed: (i) Buildings and Finance, (ii) Curriculum and Staffing (iii) Strategic Review, (iv) Audit and (v) Remuneration and Benefits. A panel of three Governors (Chair, Vice Chair of Governors and the Chair of Buildings and Finance) conducted the Headteacher's appraisal, comprising a planning meeting (in the presence of a consultant), two monitoring meetings and a review meeting. In addition the Student Discipline Committee (ad hoc selection of three members) was convened when student disciplinary matters require. All Parent, Co-opted and Community Governors act as link governors for different areas of the School; however, during 2019/20 only one limited visit took place prior to closure and the annual link meetings with subject areas (typically held in the summer term) did not take place due to school closure. The Governing Body provides the strategic direction for the School, including setting the annual budget and defining the parameters in which the Headteacher and the Senior Leadership Team make decisions about the day to day running of the School. The Headteacher is the Accounting Officer who is responsible for all day-to-day financial matters, and is accountable to the Governing Body for ensuring propriety, as well as efficient and effective use of available resources.

The Senior Leadership Team comprises the Headteacher, one Deputy Headteacher, one Senior Assistant Headteacher and two Assistant Headteachers. An Associate Senior Leader was appointed on a temporary contract in Summer 2019. The Headteacher has overall responsibility for teaching and support staff. The Headteacher, Deputy Headteacher, Senior Assistant Headteacher, two Assistant Headteachers and the Associate Senior Leader are collectively responsible for the line management of all middle leaders within the teaching and support staff structures. Each Curriculum Area is led by a Curriculum Leader and the subject areas fall under the leadership of Subject Leaders. Year groups are overseen by Climate for Learning Leaders and the Sixth Form has a separate leadership structure comprising a Director of Sixth Form and two Progress Leaders. There are a number of Support Managers who lead the different support departments throughout the School, including ICT Network Manager, Finance Manager, Pastoral Support Manager, Premises & Facilities Manager and Examinations & Data Manager.

Arrangements for setting pay and remuneration of key management personnel

In 2019/20 all members of the Senior Leadership Team were paid in accordance with the School Teachers' Pay and Conditions Document. The Headteacher's salary is set on the Leadership Pay Scale and was initially determined by the Leadership Group to which the School belongs. This is reviewed annually by the panel of Governors who carry out the Headteacher's appraisal and any recommendation for pay progression is approved by the Remuneration & Benefits Committee. The Deputy Headteacher's salary is determined by a five point range on the Leadership Pay Scale. The Senior Assistant Headteacher's and two Assistant Headteachers' salaries are determined by a five point range on the Leadership Pay Scale. The Associate Senior Leader is also paid at a point on the Leadership scale. No remuneration is provided to the trustees of the School for fulfilling their role as trustees.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£ 2,185
Total pay bill	4,816,251
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Related parties and other connected charities and organisations

There are no connected organisations.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The main objects of the School as set out in its governing document are:

- To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

In addition the School aims to:

- Promote, for the benefit of individuals living in Formby, Ainsdale, Southport, Crosby, Hightown and the surrounding areas, who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances, or for the public at large, the provision of facilities for recreation or other leisure time activities in the interest of social welfare and with the object of improving the condition of the life of the said individuals.

Objectives, strategies and activities

The main objectives for the period were to:

- Maintain high achievement at GCSE (Progress 8 Score of at least +0.25) and initiate a highly focused Year 11 Raising Achievement Plan (RAP) that identifies students at risk of under-achievement and ensures suitable interventions are introduced and their impact is monitored.
- Maintain good achievement and progression for the Pupil Premium cohort (Progress 8 score of at least -0.05 and all students secured viable post-16 pathways).
- Make improvements in subjects identified as underachieving following a review of GCSE and other Level 2 qualifications results (Mathematics, Engineering and Modern Languages).
- To develop the quality of curriculum, teaching and support for students on the SEN register to ensure they make good progress and are well-prepared for life beyond school.
- Undertake a comprehensive review of Key Stage 3 curriculum maps and knowledge organisers, and schemes of work at Key Stages 3 and 4.
- Further develop students' literacy skills, vocabulary acquisition and enjoyment of reading through the on-going development of teaching and the full incorporation of the library into the curriculum and extra-curriculum.
- Develop the quality of teaching and learning through relentless focus on the principles and priorities set out in the Blueprint for Teaching and Learning.
- Develop the quality and effectiveness of assessment across the curriculum and all Key Stages through quality assurance and promotion of the sharing of best practice.
- Improve attendance to 96.5% for all students and strengthen measures to address persistent absenteeism and poor punctuality.
- Develop and embed student routines and expectations, monitoring their implementation through the interpretation of data and gathering feedback from stakeholders, and acting on it accordingly.
- Reducing, through effective identification, intervention and staff training, the frequency of behaviour incidents for the very small proportion of persistently poorly behaved students, particularly those with special educational needs.
- Strengthen the RESPECT and careers curriculum to ensure students are fully educated to make informed decisions on a wide range of issues and further promote parental engagement and awareness of these issues.
- Develop a character programme for students in Year 7 and promote cultural capital for students across all year groups with focus on the Pupil Premium cohort.
- Develop middle leadership through a planned programme of CPD.
- Continue to develop effective governance.
- Implement an action plan in response to the recent external Pupil Premium review and incorporate into the Pupil Premium Strategy.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- Audit the current well-being of staff and students, and, where further work is required, develop and initiate a well-being action plan.
- Continue to embed data protection compliance and best practice across the whole school and buy-in from all stakeholders.
- Raise achievement at A Level (positive L3VA score and ALPS Quality Indicator score of 4) and continue to improve performance in the reformed BTEC qualifications (L3VA of +0.20 and ALPS Quality Indicator score of 3).
- Make improvements through clear and specific action plans in subjects identified as underachieving following a review of A Level and BTEC results.
- Develop wider expectations, provision and support for students in Sixth Form.
- Ensure full compliance with ESFA guidance regarding the identification and management of risk and ensure clear policies and procedures exist for the management of all risks.
- Continue to develop and improve the school campus through the implementation of the site development plan and applications for capital funding.

Public benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the period.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance (including KPIs)

2019/20 was the School's ninth year as an Academy, having converted to Academy status on 1 September 2011. The School purchases services from external providers and has set up a number of service level agreements for curriculum and non-curriculum related services. In doing so, the School seeks value for money and a high standard of support. Staffing levels have been monitored closely and the School is appropriately resourced for an organisation of this size. The School carries an unrestricted reserve figure of £251,275 into 2020/21. The free reserves have dipped below the Reserves Policy of £300,000 but the £251,275 takes into account the full liability for two capital loans of £43,170, repayable to the ESFA over the next four years, transferred from GAG and unrestricted reserves to the Fixed Asset reserve.

The Headteacher (appointed September 2012) has now been in post for eight years. A new senior leadership structure was implemented in July 2019 and is now fully embedded. This new structure allowed for the expansion of the Senior Leadership Team to generate additional capacity through the creation of an Associate Senior Leader role and this has allowed whole school leadership to be distributed more widely. The School continues to promote leadership development opportunities for its employees. For example, one teacher is currently enrolled on the National Professional Qualification for Middle Leadership, another is currently completing an apprenticeship programme in Senior Leadership, funded through the Apprenticeship Levy and a cohort of five teachers are enrolled on the SSAT's Lead Practitioner Programme which is being delivered across 2019/20 and 2020/21. In addition, the Headteacher has recently commenced the National Professional Qualification for Executive Leadership which will be completed in Autumn 2021.

During 2019/20 extensive improvements were made to the buildings and facilities. In order to create additional classroom capacity, a two classroom extension was made to P Building at a cost of approximately £160,000. In time, the building of these new teaching spaces will allow for the demolition of the two mobile classrooms at the front of the campus. During the school closure period, improvements were made to the mobile classrooms, ensuring they remain fit for purpose as teaching spaces and providing confidence that they can continue to be utilised in the medium term. In readiness for reopening the school to staff and students in September 2020 after a five months period of closure, two toilet blocks were refurbished and a new toilet block was created, an outdoor eating area was created to the rear of the Dining Room and several classrooms and other areas of the school were decorated. In addition to this, new furniture and mobile interactive screens were purchased and installed in temporary teaching spaces that have been created to accommodate children in Covid-19 secure year group 'bubbles' around the campus. The additional and unforeseen outlay of approximately £70,000 has brought about significant improvements to the fabric of the buildings and learning environment, and will have a lasting effect.

The School used £922,000 of the ESFA's Condition Improvement Fund to replace failing roofs around the School site. This has enabled the upgrading of roofs in A Building, L Building and S Building, improving thermal efficiency and water tightness, and providing an aesthetically pleasing finish. This project was successfully delivered on time and within budget with only minor disruption to teaching and learning during the 2019/20 school year. A further £792,000 has been secured through Condition Improvement Funds to enable essential fire safety work to be carried out in 2020/21. This will include upgrading the fire alarm system, replacing fire doors and fire safety lighting and ensuring fire-stopping is installed in areas of the school where it requires upgrading. This project will be delivered during 2020/21 with completion expected to be by March 2021. Disappointingly, the School was unsuccessful in securing funds from the ESFA to replace the further roofs (the remainder of S Building and P Building). However, the School is committed to submitting a further application to secure these much needed funds in the next Condition Improvement Fund round.

The Governors took the decision in March 2020 to reduce Published Admission Number (PAN) to 166 as a consequence of not securing funds to build a new eight classroom teaching block. The reduced PAN will come into effect from 1 September 2021 and careful medium and long term planning took place during 2019/20 to ensure the School is well-equipped to deal with the reduced income that will occur as a result of the numbers of students on roll diminishing over the course of the next five years.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

A robust and successful Raising Achievement Plan (RAP) was in place for the 2019/20 cohort of Year 11 students to support them in working towards challenging GCSE targets. The RAP included the implementation of additional Mathematics teaching, a wide range of intervention and support offered by all Curriculum Areas, individual mentoring and monitoring by the Senior Leadership Team of a small group of students, the hosting of a support evening for Year 11 parents and the provision of online resources to support revision. Further activities were also planned and engagement from students and parents was very positive. However, the good work was cut short by the need for school to close from 23 March 2020 and the cancellation of GCSE examinations as a consequence of the Coronavirus global pandemic. Students were disappointed to miss the opportunity to sit their GCSE examinations and demonstrate their excellent knowledge, skills and understanding as well as their very positive work ethic and attitude to learning. Instead, and after much indecision and confusion from the Government, Ofqual and the examination boards, students received Centre Assessed Grades.

Teachers entered into the process of determining Centre Assessed Grades with great care, understanding the importance of following the guidance provided to schools which stated that grades should be a fair reflection of what students would have achieved had they sat the examinations but should be in line with the historic performance of previous cohorts in each subject. The stringent approach adopted by the School's Senior Leadership Team meant that there was very little grade inflation in 2020 in comparison with previous years and when compared with results nationally.

86% of students gained at least a grade 4 in their English and Mathematics GCSEs with 61% attaining at least a grade 5 in both subjects. 74% of all grades awarded were at grade 5+ and 88% were at grade 4+. This is an increase of 6% at grade 5+ compared with the School's average for 2018 and 2019, and an increase of 3% at grade 4+ when compared with the 2018 and 2019 average. Nationally, the increase in GCSE entries awarded grade 5+ was 8% between 2019 and 2020, and the increase nationally in GCSEs awarded 4+ was 9% during the same period. In comparison with GCSE results nationally, students at Formby High School did not benefit from such sharp increases in grades. They did, however, receive very positive results that fairly reflected their effort and endeavour throughout the duration of their GCSE studies. The proportion of students who achieved the E-Bacc measure of GCSE passes at grade 5 or above was 19% and the School's E-Bacc points score of 4.77 evidences how strongly students achieved in the E-Bacc subjects. Most pleasing was the progress of the Pupil Premium cohort in 2019/20. The gap between the progress of disadvantaged and non-disadvantaged remained very narrow as a consequence of ongoing very targeted and supportive measures. On the basis of their Centre Assessed Grades, the progress for this group of students was positive and their attainment was in line with the school's non-Pupil Premium cohort. A very high proportion of students from last year's Year 11 have opted to continue their post-16 studies at Formby High School in 2020/21 and are joined by 40 students from other schools.

A Level results, like GCSEs, were determined by Centre Assessed Grades and were very solid. There was a 100% pass rate and 62% of all entries were graded A*-B. The increase in the percentage of grades awarded A*/A, A*-B and A*-C between 2019 and 2020 were very similar to the increases witnessed nationally. 14 students completed the Extended Project Qualification (EPQ) and achieved excellent results with 64% attaining an A*/A grades. The performance in Vocational and Technical Qualifications (VTQs) such as Level 3 BTEC qualifications was very good with 60% of entries awarded Distinction* or Distinction. The improvements in results in VTQs from the previous year was particularly pleasing as the grades students received were determined mainly by performance in examinations and internally marked assignments that they had completed prior to school closure in March 2020.

Over two thirds of the cohort are starting university degree courses this Autumn, with 81% of students who have opted to follow the university route securing a place at a Russell Group or other prestigious universities. This year one student successfully gained a place at Cambridge University to study Geography and a further two students have progressed to university to study Medicine or Veterinary Science. Furthermore, in an exciting development in terms of post-18 opportunities, two students have progressed to Degree Apprenticeships, one with the University of Warwick / Jaguar Land Rover and the other with Laing O'Rourke / Liverpool John Moores University.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The impact of lockdown and school closure on the School community was significant yet an impressive approach to maintaining students' education as well as providing ongoing pastoral care and support, particularly for the most vulnerable, was adopted. Through Remote Classroom, students were able to access high quality learning resources provided by their teachers who developed their technology skills to take advantage of a wide range of digital resources to provide important teaching input. This extended to some lessons for students in Sixth Form being delivered online via MS Teams. The school ensured all students had access to suitable technology at home to enable them to access and complete the work set by their teachers. This involved the delivery of approximately 40 laptop computers as well as learning resources in hard copy to enable students to complete work. In addition to this, an effective system for remote pastoral care for all students and individualised support for students with Special Educational Needs was adopted. Students entitled to Free School Meals continued to receive important financial support through the School's engagement with the national vouchers scheme. Through Open School, the School was able to maintain daily provision for children of key workers and disadvantaged students. This was a successful programme, supporting those parents who work for the National Health Service and providing vital continuity for many young people. By the end of the school year the numbers attending Open School had increased to approximately 40 students per day. The positive feedback from parents on the strategies put in place to support students' learning and welfare during lockdown was overwhelming and the School was pleased to welcome back students in Years 10 and 12 when they returned to school in small numbers during June and July 2020. In readiness for reopening in June 2020 and for full reopening in September 2020, the School undertook a full and thorough risk assessment and developed a comprehensive reopening plan. Finally, lockdown and remote working provided the School's employees with an opportunity to develop their ICT skills, particularly through the use of Office 365 and MS Teams as the medium for file management and communication, providing much needed impetus to the Formby High School Digital Strategy.

The School has continued to develop robust self-evaluation procedures and the implementation of SISRA Analytics across all year groups has considerably enhanced the School's progress tracking systems. Version Three of the 'Blueprint for Teaching and Learning' was introduced in September 2019 as a guide for all teachers. This has provided a clear framework within which senior and middle leaders carry out regular quality assurance activities (lesson observations, learning walks, work scrutiny and student and parent voice) to enable leaders to evaluate the quality of teaching throughout the School. Alongside this, considerable work was undertaken by middle and senior leaders to audit the School's curriculum and develop in line with the National Curriculum to ensure it provides sufficient breadth and depth of learning. The work undertaken to review and improve the curriculum across all key stages has better enabled the delivery of the School's curriculum vision that is set out in the Curriculum Statement.

The School regularly engages with parents and seeks feedback on many aspects of School life through the regular Parent Questionnaires that are completed during Parent Consultation Evenings throughout the School year. Overwhelmingly, the views of parents towards their child(ren)'s education are positive and the Senior Leadership Team uses this feedback it receives to shape future decisions about the running of the School. Whilst the opportunity to survey parents across all year groups was not possible in 2019/20, the views of those parents who were able to complete the survey were very complimentary, presenting a considerably more positive picture than the national Ofsted Parent View survey results with which the School draws comparison.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Pupil Premium funding in financial year 2019/20 was an additional £935 for each eligible student and £300 for service children. This resulted in a grant of £147,195 for the academic year. Funding was directed towards a wide variety of support mechanisms, including additional teaching sessions for English and Mathematics (Years 7 to 11), support for Year 11 students with GCSE revision, one-to-one tuition for selected students and the provision of a Personalised Learning Coordinator to oversee personalised pathways and work related learning programmes. Funding has also supported the appointment of a Pupil Premium Coach who provides careers guidance and learning mentoring to Pupil Premium students, a Pastoral Support Worker who supports Pupil Premium students to improve attendance and develop a positive attitude to learning and the purchase of services from a private counsellor to help students where well-being concerns exist. A reduced curriculum pathway was offered to an identified cohort of Key Stage Four students that includes extra support with literacy, numeracy and the provision of vocational courses and some Pupil Premium funding was also allocated towards supporting expenses for students to participate in extra-curricular activities and provided individual students with resources to support their learning or counselling where appropriate. As a result of this additional support and the high priority given to the Pupil Premium cohort, the improvements made in the engagement and progress of the disadvantaged cohort in 2018/19 have been sustained in 2019/20.

The School continues to set ambitious targets for attendance, enjoying typically low absence rates. For the first half of the 2019/20 school year until the forced closure in March 2020 the absence rate was 4.7% for Years 7 to 11 which, although higher than usual due to high levels of absence as a result of ill health during the second half of Autumn term, is below the national rate of 5.4%. Furthermore, it was on an improving trajectory and would likely have diminished to historic levels had school remained open. The ambition to maintain high attendance was set out in a newly drafted Attendance Policy and Sixth Form Attendance and Punctuality Policy that were approved by Governors in 2018/19 which came into effect in 2019/20. The impact of this was to improve attendance, bringing it nearly in line with attendance for Years 7 to 11.

The School continues to enjoy very low staff turnover which is a major contributor to the sustained levels of academic achievement and strong reputation of exceptional pastoral care. Despite increasing financial pressures, levels of staffing have been largely maintained to enable the on-going maintenance of seven tutor groups and teaching groups per subject in each year group, contributing to smaller than average class sizes at both Key Stages Three and Four. The Governors resolved to increase the School's Published Admissions Number (PAN) in September 2017 and this has led to an increase of 20 additional places per year, currently affecting Years 7, 8 and 9. This has created the additional challenge of accommodating and managing more children in school and the Governing Body and Senior Leadership Team established an Expansion Strategy to manage increasing numbers on roll. Central to this strategy was an application for funding to build a new teaching block of eight classrooms that would have allowed for two existing dilapidated classrooms to be demolished and create a further six new teaching spaces. The application, and subsequent appeal, was unsuccessful and this led the Governing Body to take the decision in February 2020 to reduce the School's PAN to 166 for September 2021 admission. In total, 507 children applied for a place at the School for September 2020 (for 186 available places). Average class sizes in Year 7 remain at 27 students and the School will seek to preserve this desirable teacher:student ratio in the future as it is considered particularly beneficial to students during the transition from primary school.

The School is committed to providing wider enrichment opportunities to its students, both through the extra-curricular programme and school trips. In 2019/20, an extensive sports and performing arts enrichment programme was offered and many students represented the School in a range of activities on a regular basis. The quality of extra-curricular sport and performing arts is excellent and was further enhanced through the High Performance Academy, allowing students access to a wider range of activities at a small cost to parents. Regrettably, as a consequence of Coronavirus and its impact on school trips, students lost out on the opportunity to participate in a range of planned residential trips, including the ski trip to Italy, Year 7 residential trip to London and Sixth Form culture visit to Krakow. Whilst disappointing for those participating, families were fully reimbursed through the ESFA's risk protection scheme.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Despite limited revenue funding and the global pandemic, good progress has been made during 2019/20 in terms of improving the School environment and opportunities for students, developing aspects of teaching and classroom practice, and improving systems and policies. The Governors and Senior Leadership Team are very mindful that, despite additional support in recent years through increased per student revenue funding, the Teachers' Pay Grant and the Teachers' Pension Grant, financial pressures remain as a consequence of squeezed real terms budget allocations and additional costs. With this in mind, the School has sought to put itself in a healthy financial position in order to navigate the ongoing uncertainties that future years will bring.

Going concern

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

Financial review

The School's total incoming resources during the period were £7,026,876 (2019: £6,751,048). The majority of the School's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the period was £6,144,835 (2019: £5,621,307) and further details are provided in note 5 to the accounts.

Total outgoing resources for the period were £7,523,376 (2019: £6,589,949) the majority of which related to the direct provision of educational operations (£7,481,702) and further details are provided in note 8 to the accounts.

The in year surplus on restricted general funds (excluding pension reserve) and unrestricted funds was £39,915 (2019: £99,923).

At the period end the School's total reserves were £7,807,631 (2019: £8,384,131) details of which are included on page 13.

On conversion in 2011 the School inherited a deficit of £956,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased to £3,515,000 by 31 August 2020, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The School is currently paying contributions of approximately £75,000 towards the deficit, funded out of GAG. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

At 31 August 2020 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

Reserves policy

The Governors review the level of free reserves regularly and have agreed that it is appropriate to retain a minimum level of free reserves of 6% of the School's annual budget for GAG income which equates to approximately £300,000. The School aims to maintain this level of reserve to provide an element of security and ensure sustainability of the School against the uncertainty of future funding and in the event of reductions in pupil numbers, the impact of additional staff on-costs that are likely to be incurred in future years or unexpected increases in expenditure.

In addition, it provides a 'rainy day' fund to enable the School to address any unforeseen issues, particularly in relation to buildings maintenance and health and safety as they may arise. The reserves held enable the School to respond to opportunities and implement the longer term strategic plan.

FORMBY HIGH SCHOOL

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

At 31 August 2020 the School held the following reserves.

	2020	2019
Total reserves	7,807,631	8,384,131
Add back Pension reserve	3,515,000	3,242,000
Less reserves attributable to Fixed assets	<u>(10,998,869)</u>	<u>(11,342,284)</u>
Unrestricted and general restricted funds	323,762	283,847
Less restricted general funds	<u>(72,487)</u>	<u>(63,560)</u>
Free reserves	<u>251,275</u>	<u>220,287</u>

As noted on page 8, the unrestricted free reserves available for educational and general purposes of £251,275 take account of the full liability for two capital loans of £43,170 already transferred to fixed assets. The Trust reviews the level of reserves throughout the year as part of management reporting. The balance of free reserves of £251,275 is currently below the minimum reserve set by the Governors; however the School is continually reviewing for cost savings and income opportunities to bring the available reserves in line with the policy.

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The School does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy, occasional moving surplus funds into a higher interest savings account that are accessible within 30 days.

Principal risks and uncertainties

The Governors have assessed the major risks to which the School is exposed, including those relating to teaching, health and safety, school trips, child protection and finances. These risks are reviewed regularly and policies and procedures are in place to mitigate risk and ensure issues can be quickly identified and responded to. To support this process, in 2019/20 the School invested in the EVERY system that is used to maintain the Risk Register that is reviewed regularly by the Governing Body's Audit Committee. This is supplemented by Internal Scrutiny visits that are carried out by an external consultant in accordance with the Academies Financial Handbook, the reports and associated actions for which are reviewed by the Audit Committee. Through this process, checks on financial controls and procedures have been performed during the year and recommendations raised have been reported back to the Headteacher, Finance Manager and Governing Body's Audit Committee for implementation.

The internal financial systems are based on the Academies Financial Handbook and are documented in the School's Financial Procedures Manual. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to the Headteacher on a monthly basis and is provided to the Governors' Buildings and Finance Committee at each meeting during the school year. In addition, this information is posted each month on the Governor drive.

In September 2019 employer contributions for the Teachers' Pension Scheme increased to 23.68% with the increase in costs to schools being funded in full by the Department for Education. This additional funding (Teachers' Pension Grant), along with the Teachers' Pay Grant that has been provided to schools since September 2018 to support them in meeting the costs of the teachers' annual pay award, is being incorporated into the General Annual Grant from September 2021, providing a degree of security that will enable the School to continue to meet its financial obligations to its employees.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The School has undertaken two types of fundraising during 2019/20. Firstly, funds have been raised to support local and national charities, including Children in Need, local foodbanks and the Whitechapel Centre, Liverpool. Traditional approaches to fundraising have been used, including non-uniform days, cake sales, sale of other items and collections. All funds are collected by the School's Finance Department and are paid to the relevant charity via BACS payment.

Secondly, funds have been raised by the Friends of Formby High School (FoFHS), the School's Parent Teacher Association. These funds are used to improve the quality of the school environment, most notably through the purchase of new furniture for the outdoor eating area. Fundraising initiatives undertaken by the FoFHS in 2019/20 included a quiz night, raffles and events for families of Year 7 students as part of the transition arrangements.

All fundraising activities are monitored by the School's Senior Leadership Team and are undertaken in accordance with regulations. The School does not work with professional fundraisers or commercial participators and has received no complaints in relation to fundraising.

Plans for future periods

The School sets out its plans for the future and how they will be achieved in the annual School Improvement and Development Plan. A summary of the key plans for the future are set out below:

Quality of Education: Outcomes (impact)

- Maintain high achievement at GCSE (Progress 8 Score of at least +0.25) and initiate a highly focused Year 11 Raising Achievement Plan (RAP) that identifies students at risk of under-achievement and ensures suitable interventions are introduced and their impact is monitored.
- Maintain good achievement and progression for the Pupil Premium cohort (Progress 8 score of at least -0.05 and all students secured viable post-16 pathways).
- To utilise the Government 'catch up' funds to effectively target those students who will benefit most from engagement with a 'catch up' curriculum.
- To develop the quality of curriculum, teaching and support for students on the SEN register to ensure they make good progress and are well-prepared for life beyond school.

Quality of Education: Curriculum (intent and implementation) and Assessment

- Develop and embed the 'Discovery Curriculum' for students in Year 9, ensuring all new courses are well-planned with the associated curriculum maps and schemes of work.
- Considering potential learning loss during closure, to consolidate and strengthen students' literacy skills, vocabulary and reading through the on-going development of teaching and the further incorporation of the library into the curriculum and extra-curriculum.
- Building on the experience of Remote Classroom, to review and develop the school's approach to homework to ensure it effective in supporting catch up and provides meaningful and well-planned learning opportunities, taking advantage of teachers' newly developed technology skills.
- Develop the quality and effectiveness of assessment across the curriculum and all Key Stages through quality assurance and promotion of the sharing of best practice. (To include baseline assessment of new Year 7, focus on quality formative assessment in light of closure, ARR).

Behaviour and Attitudes

- Maximise attendance for all students and strengthen measures to address persistent absenteeism and poor punctuality where it exists.
- Following a long period of absence from school, quickly develop and embed student routines and expectations from the outset, monitoring their implementation through the interpretation of data and feedback, and acting on it accordingly.
- Develop clear Standard Operating Procedures for all students and staff to follow to maintain conduct in accordance with the School's Risk Assessment in the event of students being organised into 'bubbles' for the new school year.

FORMBY HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Personal Development

- Following a long period of absence from school, ensure the effective implementation and delivery of a recovery curriculum for students, using the RESTORE approach, including, where necessary, identifying and addressing the well-being needs of individual students.
- Adapting to the current climate, ensure students, particularly those who are disadvantaged, have opportunities to engage in a meaningful extra-curricular programme and participate in activities that promote cultural capital.

Leadership and Management

- Review existing procedures for teaching and support staff appraisal, and implement and embed any newly developed systems.
- Continue to develop effective governance.
- Implement an action plan in response to the Summer 2019 external Pupil Premium review and incorporate into the Pupil Premium Strategy.
- Initiate a well-being action plan, including reviewing elements of workload to ensure teachers and support staff are able to focus on the essentials during this 'catch up' year.

Sixth Form

- Implement a clear and focused development plan for Sixth Form that will build on the improvements of 2019-20 (that were not fully realised) and support the raising of achievement at A Level (positive L3VA score and ALPS Quality Indicator score of 4) continue to strengthen performance in the reformed BTEC qualifications (L3VA of +0.20 and ALPS Quality Indicator score of 3), and fully develop and embed wider expectations, provision and support for students in Sixth Form.

Environment and Infrastructure

- Independently review all elements of the School's health & safety compliance framework to ensure statutory requirements are met.
- Continue to develop and improve the School campus through the implementation of the site development plan and applications for capital funding.

Funds held as custodian trustee on behalf of others

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

Auditor

In so far as the Governors are aware:

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the Charitable Company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Governing Body, being the Board of Trustees and Company Directors, on 17 November 2020 and signed on its behalf by:



F Grieveson
Chair, Community Governor

FORMBY HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Formby 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 Formby 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 seven times during the year.

Although the Governing Body has met seven times in the year, the School has various sub-committees of the Governing Body, as detailed in the organisational structure on page 4, that meet throughout the year and inform the Governing Body. As a result of these the Governing Body maintains effective oversight of funds.

Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
D Mackenzie (Headteacher and Accounting Officer)	7	7
C Adams (Co-opted Governor)	4	7
N Adshead (Parent Governor)	6	7
D Bennett (Parent Governor)	5	7
Mr M Duckworth (Parent Governor) (Appointed 11 February 2020)	5	5
F Grieveson (Chair, Community Governor)	7	7
A Harris (Community Governor) (Resigned 17 November 2019)	2	2
A Harrison-Forsyth (Staff Governor)	7	7
G Heatherington (Staff Governor) (Resigned 7 November 2019)	1	1
S Jones (Co-opted Governor)	2	7
I Jordan (Parent Governor)	7	7
M Lucas (Parent Governor)	7	7
Ms C McNamara (Parent Governor) (Appointed 11 February 2020)	5	5
A Mitchell (Community Governor) (Resigned 2 February 2020)	2	2
F Murphy (Community Governor)	5	7
K Ridings (Community Governor) (Resigned 21 July 2020)	3	7
K Smith (Community Governor)	6	7
Ms K Stark (Staff Governor) (Appointed 7 November 2019)	6	7

**Professor K Ridings was unable to attend virtual platform meetings*

FORMBY HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In July 2020 Professor K Ridings stood down as a Community Governor after 15 years of loyal and outstanding service to the Governing Body. Professor Ridings had a life-long passion for education and was particularly skilled in his understanding of audit and the remit of the Governing Body to monitor the finances of the School. Very sadly, Professor Ridings passed away in October 2020 and will be sadly missed and affectionately remembered for his interest in the Creative Arts, attention to detail and wider contribution to the governance of Formby High School.

All Governors are required to complete annual skills audits to monitor the coverage of key skills and experience to support the work of the Governing Body; these audits also inform future training and / or recruitment of Governors, ensuring 'skills gaps' are addressed. The Governor Development Steering Group (GDSG) working party is charged with progressing recruitment, training and development activities for the Governing Body. The GDSG met in March 2020 to review the progress to date of the Governor Development Plan and address outstanding action points:

Governance Structure – Governors completed a review of the structure of governance and organisation of meetings to ensure the Governing Body can most efficiently discharge its duties and assure compliance with the more robust DfE requirements. As a result of the review, Buildings & Finance and Curriculum & Staffing Committee meetings were reduced from four to three per academic year (termly) and Strategic Review Committee reduced from three to two meetings (Autumn and Spring). In addition, a bespoke Audit Committee was appointed, independent of the Buildings & Finance Committee, charged with oversight of the school's risk management and internal audit activities. The Audit Committee met twice to review the School's risk register and audit priorities.

Succession Planning – the GDSG addressed the development of leadership in governance and how to manage the key barriers to candidates stepping up to more senior roles. The core barrier being time (Governing Body predominantly made up of working professionals), it was agreed to address imminent recruitment priorities seeking retired professionals to redress this balance. A new Vice Chair candidate was also identified and the process initiated for succession in 2020/21.

Recruitment Strategy – two Staff Governors and two Parent Governors were successfully elected to the board and a highly skilled independent member was recruited to the Audit Committee to strengthen the independent scrutiny and oversight of this new Committee. Recruitment priorities were discussed during the school closure with agreement to begin work on these in earnest in the new academic year once school reopened.

External Review of Governance – an independent review of governance was planned for Summer 2020 and was deferred due to the pandemic. The aim is to complete this during Spring term 2021.

Training and Development – with the available time very limited for Governors who are predominantly working professionals, it was agreed that the Clerk would define target training modules on the NGA Learning Link for Governors to complete remotely. The aim would be to complete one per half term and the module to support the areas of work for upcoming meetings/topics. Due to the disruption caused by the pandemic, this system was interrupted and will resume in the new academic year. The annual Governor Development Day was successfully held in January supporting Governors with updated safeguarding, curriculum, and interactive school knowledge activities.

With the onset of the Covid-19 pandemic in March 2020, Governors quickly sought to ensure that effective governance and oversight could continue, despite the challenges the pandemic presented. In order to move governance to a virtual platform, the Clerk worked closely with the IT Network team to establish a secure and effective platform to conduct Governor meetings. Microsoft Teams was deployed and all Governors were provided with bespoke Governor credentials within the School's Outlook 365 environment, providing them with secure email and OneDrive (cloud storage) facilities as well as access to a bespoke Governor Team. A Virtual Meetings Protocol was adopted by Governors in early April along with a Contingency Delegation and Urgent Decisions protocol, which assured the School was fully supported during the period of closure whilst appropriate oversight ensured. The Governor Planner (defining business and agendas for meetings) was adapted to enable governance to concentrate on business critical items as advised by the NGA and DfE. From school closure on 23 March to the end of the Academic year a total of four Governing Body meetings (including two Extraordinary Meetings), and five Committee meetings were held.

FORMBY HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In addition, the Student Discipline Committee met virtually to complete a review of a permanent exclusion decision by the School (made prior to school closure in March 2020). The Governing Body adapted swiftly and effectively to the new working environment, enabling business critical oversight and decision making to continue uninterrupted.

The unprecedented challenges presented by the pandemic and school closure were met with a robust school response plan, based on solid risk assessment and collaborative leadership of the School. The School's closure and re-opening plans developed by the Senior Leadership Team were comprehensive and considered – facilitating the appropriate support and challenge by the Governing Body.

Throughout the year, Governors have been required to undertake very detailed and thorough financial monitoring with the School's leadership to ensure that the challenges faced within this tough financial climate and, latterly, with management of the Covid-19 pandemic and the School's response.

The decision to reduce the School PAN to 166 from September 2021 admission was taken by the Governing Body in September 2019. Governors were disappointed that the School's expansion funding was declined, despite the strong evidence presented for need (sustained demand on places) and physical capacity to expand. Whilst the impact of this reduction may not be felt until approximately 2022/23, the approach to budget planning and expenditure has been rigorous to ensure that the School approaches this period in the strongest possible financial health. The key pressures on the School's finances prior to closure remained the demands of an ageing estate, increased staffing 'on-costs' and the ongoing impact of curriculum and qualification changes.

The onset of the pandemic, with business closure (except for provision for children of key workers and disadvantaged students) and associated costs to meet the required DfE guidelines for partial reopening (June) and full reopening in September, has meant that the School has incurred additional unforeseen costs. The investment that has been required in adapting the School site and ensuring adequate technology in newly created teaching spaces has, though, been undertaken with a long term view and will have benefits for the students and staff of Formby High School way beyond the end of the Coronavirus pandemic. Furthermore, the additional expenditure has, to a degree, been offset by reduced operating costs during the second half of the 2019/20 financial year. For example, reduced expenditure on utilities, staff lunch duties and examination invigilators have enabled unexpected savings to be made in 2019/20.

The Buildings and Finance Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the School's finances and resources, including proper planning, monitoring and probity. In addition, the Committee provides support and guidance for the Headteacher on all matters relating to the School premises and grounds, security and health and safety.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
D Mackenzie (Headteacher and Accounting Officer)	3	3
N Adshead (Parent Governor)	3	3
F Grieveson (Chair, Community Governor)	3	3
A Harris (Community Governor) (Resigned 17 November 2019)	0	1
A Harrison-Forsyth (Staff Governor)	3	3
M Lucas (Parent Governor)	3	3
F Murphy (Community Governor)	3	3
K Ridings (Community Governor) (Resigned 21 July 2020)	1	3
K Smith (Community Governor)	3	3

FORMBY HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Audit Committee is also a sub-committee of the main Governing Body. Its purpose is to take delegated responsibility on behalf of the Governing Body for examining and reviewing all systems and methods of internal control, both financial and otherwise, including risk analysis and risk management; and for ensuring the School is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.

The School uses the 'Every' system to develop, monitor and maintain the Risk Register in line with the Risk Management Policy. The system enables the Audit Committee to view, interrogate and explore the Risk Register using a dynamic electronic dashboard. The system has proved an invaluable tool for the School in addressing and prioritising the management of risks (all sectors) at the School.

The School has an independent Committee Member and Chair for the audit committee, A Campbell, who attended 1 out of 2 possible meetings. The Governors attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
D Bennett (Parent Governor)	2	2
M Lucas (Parent Governor)	2	2
K Ridings (Community Governor) (Resigned 21 July 2020)	1	2

Review of value for money

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

Quality of Education

Albeit through different means, the students of Formby High School achieved good academic results in GCSE A Level and VTQs in 2020. Further considerable work has been undertaken in 2019/20 to develop the curriculum in line with the changing accountability framework, ensuring it provides a valuable and broad learning experience for students, preparing them well for the next stage of their lives, and can be delivered cost effectively. The overall educational offer to students is one that represents good value for money, particularly with an extensive range of extra-curricular opportunities, school trips that are inclusive and accessible to all families and high quality pastoral provision that meets the welfare need needs of every student in school. The School's Governing Body and Senior Leadership Team routinely reflect on all elements of provision to determine whether they can be improved or delivered in a more cost effective manner.

Financial Governance and Oversight

Under its terms of reference, the Governors' Buildings and Finance Committee reviews the School's monthly management accounts. Reporting to the Governing Body is in accordance with ESFA requirements. The School regularly updates its Financial Procedures Manual, to ensure compliance with the Academies Financial Handbook. The Governing Body has been responsible for taking important strategic decisions about expenditure to bring about capital and infrastructure improvements throughout the School. For example, the Buildings and Finance Committee supported the unforeseen investment in additional toilet facilities and ICT equipment to ensure the site was capable of accommodating Covid-19 secure year group 'bubbles' for 2020/21. Covid-19 related expenditure amounted to approximately £70,000. Financial governance and oversight is a particular strength of the Governing Body and is paramount in the current economic climate and with the School operating with a considerably reduced budget and increased staffing costs.

FORMBY HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Purchasing

The School adopts a range of strategies to promote best value when purchasing goods and services. For example, to ensure that competitive prices are acquired for the purchase of goods and services, the School's Financial Procedures Manual determines that multiple quotations are sought above a certain value. In addition, at the point of renewal, the School evaluates the effectiveness of long-term contracts for goods and services, challenges current suppliers' costs and renegotiates / seeks alternative providers if necessary. For example, the School tendered the cleaning contract in July 2020 and was able to secure a saving of £7,000 per annum with a new contractor. In addition, to capitalise on record low wholesale gas prices, the School has secured a three year gas purchasing arrangement using a broker which will commence in April 2021 and is forecast to save £3,000 per annum based on the current gas contract rate and usage levels. The School has benefitted financially from entering into the ESFA's Risk Protection Arrangements scheme and this was pivotal in recovering all trips costs for excursions which were cancelled due to Covid-19. The School works with other local schools on joint procurement of services where feasible.

Income Generation

Income is generated through the hire of facilities to the local community during the evenings and weekends, including the sports hall and dance / drama studios. The School has a considerable portfolio of regular letting customers and actively seeks opportunities to enhance this income stream. Unfortunately lettings ceased for the financial year in March 2020 due to Covid-19 guidelines which lead to only £18,000 of a forecast £32,000 of income being realised. The School has worked closely with an Architectural Services company to generate bids for Condition Improvement Funding (CIF) and has been successful in securing over £2.8 million of capital funding over the last five years that has brought about considerable site improvements and efficiency savings. Most recently, enhanced thermal efficiency has been realised through replacing the roofs on three campus buildings with a project cost of £922,000. A further £792,000 has been secured to enable essential fire safety work to be carried out in the coming year. Revenue has also been secured through applications for grant funding; for example, the £25,000 received from the Wolfson Foundation to fund the IT equipment in the library facility. Further income generation has taken place through increasing student numbers which has included a drive to maintain healthy numbers of Sixth Form students which continues to pay dividends.

Controls and Managing Risks

The School has continued to develop its procedures for recording and reporting financial information, including refining the monthly management accounts that are used by the Senior Leadership Team and Governing Body to monitor expenditure and manage the budget. In addition, there is a clear system of accountability with a member of the Senior Leadership Team, Finance Manager or appropriate middle leaders having responsibility for each budget line. The Governing Body has agreed a reserves policy and the School is working towards maintaining a reserve in accordance with the policy. The School maintains an effective working relationship with MHA Moore and Smalley Accountants who audit the Annual Accounts. The School has a dynamic Risk Register which is reviewed by the Audit Committee. This ensures the actions of those responsible for managing the identified risks are appropriately monitored and enable real-time, focused reporting to both the Senior Leadership Team and the Governing Body. The Audit Committee is responsible for defining the scope of Internal Scrutiny reports and all findings are reported to the Governing Body.

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 School's 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 Formby High School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. During the Covid-19 School closure there were no significant changes made to the financial controls and processes.

FORMBY HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Capacity to handle risk

The Governing Body has reviewed the key risks to which the School 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 School's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

The risk and control framework

The School'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 Buildings and 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 Audit Committee report to the Governing Body and have oversight of all areas of financial and other compliance. During 2019/20 the Audit Committee requested that internal scrutiny visits were to be performed by an independent organisation and were to focus on financial and governance compliance in addition to payroll and human resources processes. No material control issues were identified and all recommendations for minor improvements to systems and controls are being addressed. During 2019/20 the internal scrutiny function was performed by MHA Moore and Smalley; however, this will change for 2020/21 in line with the Academies Financial Handbook.

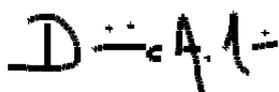
Review of effectiveness

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 External Auditor;
- Systems and procedures report testing the Financial processes and controls;
- Regular review of the monthly management accounts by the Building and Finance Committee;
- Review of the Department of Education's benchmarking reports by the Building and Finance Committee;
- The work of the Headteacher and Finance Manager within the School 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 Buildings and Finance Committee to ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 17 November 2020 and signed on its behalf by:



D Mackenzie
Headteacher and Accounting Officer



F Grieveson
Chair, Community Governor

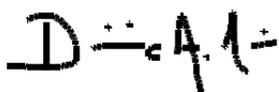
FORMBY HIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Formby High School, I have considered my responsibility to notify the School Governing Body 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 School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



D Mackenzie
Accounting Officer

17 November 2020

FORMBY HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who act as trustees for Formby High School and are also the directors of Formby High School for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law, the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 accounts 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 Governors 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 Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 17 November 2020 and signed on its behalf by:



F Grieveson
Chair, Community Governor

FORMBY HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORMBY HIGH SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Formby High School for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 accounts' section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the School'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 accounts are authorised for issue.

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

FORMBY HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORMBY HIGH SCHOOL (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the School'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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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.

FORMBY HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORMBY HIGH SCHOOL (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.



Tracey Johnson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

23/11/2020
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FORMBY HIGH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 29 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Formby High School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Formby High School's funding agreement with the Secretary of State for Education dated 10 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes consideration of governance issues and an evaluation of the control environment of the School together with enquiry, analytical review and substantive testing of transactions.

FORMBY HIGH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

23/11/2020
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FORMBY HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	4	-	15,320	805,040	820,360	1,035,724
Charitable activities:						
- Funding for educational operations	5	17,124	6,127,711	-	6,144,835	5,621,307
Other trading activities	6	59,092	1,485	-	60,577	93,561
Investments	7	1,104	-	-	1,104	456
Total income and endowments		77,320	6,144,516	805,040	7,026,876	6,751,048
Expenditure on:						
Raising funds	8	27,846	13,828	-	41,674	49,943
Charitable activities:						
- Educational operations	9	25,411	7,082,145	374,146	7,481,702	6,540,006
Total expenditure	8	53,257	7,095,973	374,146	7,523,376	6,589,949
Net income/(expenditure)		24,063	(951,457)	430,894	(496,500)	161,099
Transfers between funds		6,925	767,384	(774,309)	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	20	-	(80,000)	-	(80,000)	(876,000)
Net movement in funds		30,988	(264,073)	(343,415)	(576,500)	(714,901)
Reconciliation of funds						
Total funds brought forward		220,287	(3,178,440)	11,342,284	8,384,131	9,099,032
Total funds carried forward	18	251,275	(3,442,513)	10,998,869	7,807,631	8,384,131

FORMBY HIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		10,267,929		10,431,152
Current assets					
Debtors	14	827,889		1,156,129	
Cash at bank and in hand		619,495		298,765	
		<u>1,447,384</u>		<u>1,454,894</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(351,878)		(206,058)	
Net current assets			1,095,506		1,248,836
Total assets less current liabilities			<u>11,363,435</u>		<u>11,679,988</u>
Creditors: amounts falling due after more than one year	16		(40,804)		(53,857)
Net assets before defined benefit pension scheme liability			<u>11,322,631</u>		<u>11,626,131</u>
Defined benefit pension scheme liability	20		(3,515,000)		(3,242,000)
Total net assets			<u><u>7,807,631</u></u>		<u><u>8,384,131</u></u>
Funds of the School:					
Restricted funds	18				
- Fixed asset funds			10,998,869		11,342,284
- Restricted income funds			72,487		63,560
- Pension reserve			(3,515,000)		(3,242,000)
Total restricted funds			<u>7,556,356</u>		<u>8,163,844</u>
Unrestricted income funds	18		<u>251,275</u>		<u>220,287</u>
Total funds			<u><u>7,807,631</u></u>		<u><u>8,384,131</u></u>

The accounts on pages 29 to 52 were approved by the Governors and authorised for issue on 17 November 2020 and are signed on their behalf by:



F Grieveson
Chair, Community Governor

Company Number 07724342

FORMBY HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(509,143)		(103,180)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,104		456	
Capital grants from DfE Group		1,051,143		71,780	
Purchase of tangible fixed assets		(209,759)		(34,032)	
Proceeds from sale of tangible fixed assets		233		-	
		<hr/>		<hr/>	
Net cash provided by investing activities			842,721		38,204
Cash flows from financing activities					
Repayment of other loan		(12,848)		(11,824)	
		<hr/>		<hr/>	
Net cash used in financing activities			(12,848)		(11,824)
			<hr/>		<hr/>
Net increase/(decrease) in cash and cash equivalents in the reporting period			320,730		(76,800)
Cash and cash equivalents at beginning of the year			298,765		375,565
			<hr/>		<hr/>
Cash and cash equivalents at end of the year			619,495		298,765
			<hr/> <hr/>		<hr/> <hr/>

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Formby High School is a charitable company. The School is a company limited by guarantee and incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts of the School, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Formby High School meets the definition of a public benefit entity under FRS102. The financial accounts are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. The Governors have considered the impact of the Government response to Covid-19 on the activity of the School in terms of both increased costs of compliance with guidelines and catch up in learning and also the potential of reduced income. The Governors have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the School's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

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

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

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the School which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long Leasehold and Buildings	Over lease term/2% - 10%
Assets under construction	Not depreciated
Computer equipment	14.3% - 33.3%
Fixtures, fittings & equipment	5% - 20%
Motor vehicles	20%

Assets in the course of construction are included at cost. 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.

1.6 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 School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leased assets

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

1.8 Financial instruments

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the School 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 School.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the School 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the School 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Agency Arrangements

The School acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments are received from the 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 School can use up to 5% of the allocation towards its own administrative costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 28.

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 School 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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 125 years is applied to land, 50 years for buildings, 10 years for building improvements, 3 to 7 years for computer equipment, 5 to 20 years for fixtures, fittings and equipment and 5 years for motor vehicles.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The School's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the School's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2012 on behalf of the Department for Education by DTZ. This valuation was adjusted to take account of depreciation in the period after conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the School was not subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next.

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donated fixed assets	-	1,395	1,395	-
Capital grants	-	803,645	803,645	994,229
Other donations	-	15,320	15,320	41,495
	-	820,360	820,360	1,035,724

The income from donations and capital grants was £820,360 (2019: £1,035,724) of which £- was unrestricted (2019: £1,062), £15,320 was restricted (2019: £40,433) and £805,040 was restricted fixed assets (2019: £994,229).

5 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,268,686	5,268,686	5,038,781
Other DfE / ESFA grants	-	498,171	498,171	202,250
	-	5,766,857	5,766,857	5,241,031
Other government grants				
Local authority grants	-	147,723	147,723	120,879
Other funds				
Other incoming resources	17,124	213,131	230,255	259,397
Total funding	17,124	6,127,711	6,144,835	5,621,307

The income from funding for educational operations was £6,144,835 (2019: £5,621,307) of which £17,124 was unrestricted (2019: £4,266) and £6,127,711 was restricted (2019: £5,617,041).

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	18,083	-	18,083	34,640
Other income	41,009	1,485	42,494	58,921
	<u>59,092</u>	<u>1,485</u>	<u>60,577</u>	<u>93,561</u>

The income from other trading activities was £60,577 (2019: £93,561) of which £59,092 was unrestricted (2019: £92,320) and £1,485 was restricted (2019: £1,241).

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,104	-	1,104	456

The income from funding for investment income was £1,104 (2019: £456) of which £1,104 was unrestricted (2019: £456).

8 Expenditure

	Staff costs £	Non-pay expenditure		Total 2020 £	Total 2019 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	41,674	41,674	49,943
Academy's educational operations					
- Direct costs	4,370,338	16,989	352,495	4,739,822	4,267,224
- Allocated support costs	724,180	1,721,274	296,426	2,741,880	2,272,782
	<u>5,094,518</u>	<u>1,738,263</u>	<u>690,595</u>	<u>7,523,376</u>	<u>6,589,949</u>

The expenditure on raising funds was £41,674 (2019: £49,943) of which £27,846 was unrestricted (2019: £35,898) and £13,828 was restricted (2019: £14,045).

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2020	2019
	£	£
Fees payable to auditor for:		
- Audit	8,900	8,600
- Other services	5,130	3,700
Operating lease rentals	46,101	47,998
Depreciation of tangible fixed assets	374,379	389,922
Gain on disposal of fixed assets	(233)	-
Net interest on defined benefit pension liability	57,000	56,000
	<u> </u>	<u> </u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	19,154	4,720,668	4,739,822	4,267,224
Support costs				
Educational operations	6,257	2,735,623	2,741,880	2,272,782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	25,411	7,456,291	7,481,702	6,540,006
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The expenditure on charitable activities was £7,481,702 (2019: £6,540,006) of which £25,411 was unrestricted (2019: £25,351), £7,082,145 was restricted (2019: £6,124,733) and £374,146 was restricted fixed assets (2019: £389,922).

	2020	2019
	£	£
Analysis of support costs		
Support staff costs	724,180	753,978
Depreciation	357,157	376,109
Premises costs	1,339,745	734,239
Other support costs	306,768	396,177
Governance costs	14,030	12,279
	<u> </u>	<u> </u>
	2,741,880	2,272,782
	<u> </u>	<u> </u>

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,874,644	3,459,346
Social security costs	341,850	333,422
Pension costs	872,125	858,513
	<hr/>	<hr/>
Staff costs - employees	5,088,619	4,651,281
Agency staff costs	5,899	14,573
Staff restructuring costs	-	8,000
	<hr/>	<hr/>
Total staff expenditure	5,094,518	4,673,854
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Severance payments	-	8,000
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2020 Number	2019 Number
Teachers	71	66
Administration and support	49	47
Management	6	6
	<hr/>	<hr/>
	126	119
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

Key management personnel

The key management personnel of the School comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £563,230 (2019: £479,452).

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the School. The Headteacher and other 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.

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

D Mackenzie (Headteacher)

Remuneration £100,000 - £110,000 (2019: £100,000 - £110,000)

Employer's pension contributions £15,000 - £20,000 (2019: £15,000 - £20,000)

A Harrison-Forsyth (Staff Governor)

Remuneration £45,000 - £50,000 (2019: £40,000 - £45,000)

Employer's pension contributions £10,000 - £15,000 (2019: £5,000 - £10,000)

G Heatherington (Staff Governor) - Resigned November 2019

Remuneration £nil to £5,000 (2019: £25,000 - £30,000)

Employer's pension contributions £nil - £5,000 (2019: £nil - £5,000)

K Stark (Staff Governor) - Appointed November 2019

Remuneration £5,000 to £10,000 (2019: £nil - £5,000)

Employer's pension contributions £nil - £5,000 (2019: £nil - £5,000)

Other Governors did not receive any payments from the School in respect of their role as Governors.

During the year no travel and subsistence payments (2019: £nil) were reimbursed to Governors for their role as Governors.

Other related party transactions involving the Governors are set out within the related parties note.

12 Insurance for Governors and officers

The School has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Long Leasehold and construction Buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	11,090,685	13,984	191,523	1,396,158	18,500	12,710,850
Transfer	13,984	(13,984)	-	-	-	-
Additions	148,541	-	18,978	30,135	13,500	211,154
Disposals	-	-	-	-	(18,500)	(18,500)
At 31 August 2020	11,253,210	-	210,501	1,426,293	13,500	12,903,504
Depreciation						
At 1 September 2019	1,615,493	-	142,968	502,737	18,500	2,279,698
On disposals	-	-	-	-	(18,500)	(18,500)
Charge for the year	273,306	-	16,989	81,607	2,475	374,377
At 31 August 2020	1,888,799	-	159,957	584,344	2,475	2,635,575
Net book value						
At 31 August 2020	9,364,411	-	50,544	841,949	11,025	10,267,929
At 31 August 2019	9,475,192	13,984	48,555	893,421	-	10,431,152

The net book value of land and buildings comprises:

	2020 £	2019 £
Long leaseholds (over 50 years)	9,364,411	9,475,192

14 Debtors

	2020 £	2019 £
VAT recoverable	15,926	63,717
Other debtors	933	13,282
Prepayments and accrued income	811,030	1,079,130
	827,889	1,156,129

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other loans	13,052	12,847
Trade creditors	43,191	34,261
Other taxation and social security	160	83
EFA creditors	6,364	6,364
Other creditors	34,338	27,559
Accruals and deferred income	254,773	124,944
	<u>351,878</u>	<u>206,058</u>

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	40,804	53,857
	<u>40,804</u>	<u>53,857</u>
	2020	2019
	£	£
Analysis of loans		
Not wholly repayable within five years by instalments	-	4,110
Wholly repayable within five years	53,856	62,594
	<u>53,856</u>	<u>66,704</u>
Less: included in current liabilities	(13,052)	(12,847)
	<u>40,804</u>	<u>53,857</u>
	<u>40,804</u>	<u>53,857</u>
Loan maturity		
Debt due in one year or less	13,052	12,847
Due in more than one year but not more than two years	13,263	13,052
Due in more than two years but not more than five years	25,077	36,695
Due in more than five years	2,464	4,110
	<u>53,856</u>	<u>66,704</u>
	<u>53,856</u>	<u>66,704</u>

Included within other loans are two loans from Salix for £6,250 and £36,920. Both loans are repayable over eight years with no interest charged on the loans. The first loan started repayments in March 2015 and the second started to be repaid in March 2019.

A loan of £36,920 from the ESFA under the Condition Improvement Fund is also included within other loans. The loan will be repaid over eight years and commenced in September 2016. Interest is charged at 2.34% per annum and £975 was paid in the year.

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	89,034	44,149
Deferred income at 1 September 2019	44,149	20,976
Released from previous years	(44,149)	(20,976)
Resources deferred in the year	89,034	44,149
Deferred income at 31 August 2020	89,034	44,149

At the balance sheet date the School was holding funds received in advance for SEN funding and school trips taking place in the 2020/21 academic year.

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	57,328	5,268,686	(6,051,498)	774,076	48,592
Other DfE / ESFA grants	749	498,171	(498,406)	-	514
Other government grants	-	147,723	(147,723)	-	-
Other restricted funds	5,483	229,936	(205,346)	(6,692)	23,381
Pension reserve	(3,242,000)	-	(193,000)	(80,000)	(3,515,000)
	(3,178,440)	6,144,516	(7,095,973)	687,384	(3,442,513)
Restricted fixed asset funds					
Inherited on conversion	8,080,183	-	(177,408)	-	7,902,775
DfE group capital grants	2,780,084	803,645	(107,534)	(906,421)	2,569,774
Capital expenditure from GAG	462,416	-	(81,390)	132,112	513,138
Private sector capital sponsorship	19,601	1,395	(7,814)	-	13,182
	11,342,284	805,040	(374,146)	(774,309)	10,998,869
Total restricted funds	8,163,844	6,949,556	(7,470,119)	(86,925)	7,556,356
Unrestricted funds					
General funds	220,287	77,320	(53,257)	6,925	251,275
Total funds	8,384,131	7,026,876	(7,523,376)	(80,000)	7,807,631

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Educational Needs of £118,152, which was fully expended in the year and other LEA grants of £29,571, all of which was spent at the year end.

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	5,038,781	(5,304,496)	323,044	57,329
Other DfE / ESFA grants	801	202,250	(202,302)	-	749
Other government grants	-	120,879	(120,879)	-	-
Other restricted funds	1,944	296,805	(286,101)	(7,166)	5,482
Pension reserve	(2,141,000)	-	(225,000)	(876,000)	(3,242,000)
	(2,138,255)	5,658,715	(6,138,778)	(560,122)	(3,178,440)
Restricted fixed asset funds					
Transfer on conversion	8,257,591	-	(177,408)	-	8,080,183
DfE group capital grants	2,231,535	994,229	(106,680)	(339,000)	2,780,084
Capital expenditure from GAG	549,992	-	(95,710)	8,134	462,416
Private sector capital sponsorship	16,990	-	(10,124)	12,735	19,601
	11,056,108	994,229	(389,922)	(318,131)	11,342,284
Total restricted funds	8,917,853	6,652,944	(6,528,700)	(878,253)	8,163,844
Unrestricted funds					
General funds	181,179	98,104	(61,249)	2,253	220,287
Total funds	9,099,032	6,751,048	(6,589,949)	(876,000)	8,384,131

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	10,267,929	10,267,929
Current assets	251,275	454,483	741,626	1,447,384
Creditors falling due within one year	-	(350,234)	(1,644)	(351,878)
Creditors falling due after one year	-	(31,762)	(9,042)	(40,804)
Defined benefit pension liability	-	(3,515,000)	-	(3,515,000)
Total net assets	251,275	(3,442,513)	10,998,869	7,807,631

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	10,431,152	10,431,152
Current assets	220,287	311,145	923,462	1,454,894
Creditors falling due within one year	-	(204,414)	(1,644)	(206,058)
Creditors falling due after one year	-	(43,171)	(10,686)	(53,857)
Defined benefit pension liability	-	(3,242,000)	-	(3,242,000)
Total net assets	220,287	(3,178,440)	11,342,284	8,384,131

20 Pension and similar obligations

The School'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 The Merseyside Pension Scheme. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

The academy has prepaid deficit contributions of £43,213 (2019: £45,383) to the LGPS pension scheme for the year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £679,125 (2019: £445,652).

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

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 18.5% for employers and 5.5-12.5% for employees. The deficit contributions paid in the year were £77,400.

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.

Total contributions made	2020	2019
	£	£
Employer's contributions	199,000	188,000
Employees' contributions	43,000	41,000
Total contributions	<u>242,000</u>	<u>229,000</u>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.4	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	20.9	22.2
- Females	24	25.0
Retiring in 20 years		
- Males	22.5	25.2
- Females	25.9	27.9

Sensitivity analysis at 31 August 2020:

	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 + 0.1% p.a. pay 1 growth £000	Sensitivity 4 1 year increase in life expectancy £000
Liabilities	5,711	5,607	5,817	5,724	5,884
Assets	(2,196)	(2,196)	(2,196)	(2,196)	(2,196)
Deficit/(surplus)	3,515	3,411	3,621	3,528	3,688
Projected Service Cost for next year	293	286	300	303	303
Projected Net Interest Cost for next year	61	63	63	64	64

Sensitivity analysis at 31 August 2019:

	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 + 0.1% p.a. pay 1 growth £000	Sensitivity 4 1 year increase in life expectancy £000
Liabilities	4,999	4,896	5,104	5,020	5,090
Assets	(1,757)	(1,757)	(1,757)	(1,757)	(1,757)
Deficit/(surplus)	3,242	3,139	3,347	3,263	3,333
Projected Service Cost for next year	298	291	306	298	304
Projected Net Interest Cost for next year	57	58	59	57	59

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations	(Continued)	
The School's share of the assets in the scheme	2020	2019
	Fair value	Fair value
	£	£
Equities	1,069,000	898,000
Government bonds	55,000	179,000
Other bonds	303,000	97,000
Cash/liquidity	119,000	56,000
Property	198,000	158,000
Other assets	452,000	369,000
	<hr/>	<hr/>
Total market value of assets	2,196,000	1,757,000
	<hr/> <hr/>	<hr/> <hr/>
The actual return on scheme assets was £267,000 (2019: £82,000).		
Amount recognised in the Statement of Financial Activities	2020	2019
	£	£
Current service cost	299,000	211,000
Past service cost	32,000	143,000
Interest income	(33,000)	(48,000)
Interest cost	90,000	104,000
Administration expenses	4,000	3,000
	<hr/>	<hr/>
Total operating charge	392,000	413,000
	<hr/> <hr/>	<hr/> <hr/>
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	4,999,000	3,792,000
Current service cost	299,000	211,000
Interest cost	90,000	104,000
Employee contributions	43,000	41,000
Actuarial loss	314,000	910,000
Benefits paid	(66,000)	(202,000)
Past service cost	32,000	143,000
	<hr/>	<hr/>
At 31 August 2020	5,711,000	4,999,000
	<hr/> <hr/>	<hr/> <hr/>

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20	Pension and similar obligations	(Continued)		
	Changes in the fair value of the School's share of scheme assets			
		2020	2019	
		£	£	
	At 1 September 2019	1,757,000	1,651,000	
	Interest income	33,000	48,000	
	Actuarial gain	234,000	34,000	
	Employer contributions	199,000	188,000	
	Employee contributions	43,000	41,000	
	Benefits paid	(66,000)	(202,000)	
	Administration expenses	(4,000)	(3,000)	
		<hr/>	<hr/>	
	At 31 August 2020	2,196,000	1,757,000	
		<hr/> <hr/>	<hr/> <hr/>	
21	Reconciliation of net (expenditure)/income to net cash flow from operating activities			
		2020	2019	
		£	£	
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(496,500)	161,099	
	Adjusted for:			
	Capital grants from DfE and other capital income	(1,052,540)	(71,780)	
	Investment income receivable	(1,104)	(456)	
	Defined benefit pension costs less contributions payable	136,000	169,000	
	Defined benefit pension scheme finance cost	57,000	56,000	
	Depreciation of tangible fixed assets	374,379	389,922	
	Profit on disposal of fixed assets	(233)	-	
	Decrease/(increase) in debtors	328,240	(841,531)	
	Increase in creditors	145,615	34,566	
		<hr/>	<hr/>	
	Net cash used in operating activities	(509,143)	(103,180)	
		<hr/> <hr/>	<hr/> <hr/>	
22	Analysis of changes in net funds			
		1 September	Cash flows	31 August
		2019		2020
		£	£	£
	Cash	298,765	320,730	619,495
	Loans falling due within one year	(12,847)	(205)	(13,052)
	Loans falling due after more than one year	(53,857)	13,053	(40,804)
		<hr/>	<hr/>	<hr/>
		232,061	333,578	565,639
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FORMBY HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Contingent liabilities

There were no contingent liabilities at 31 August 2020 (2019: none).

24 Commitments under operating leases

At 31 August 2020 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	41,499	53,787
Amounts due in two and five years	54,405	88,303
	<u>95,904</u>	<u>142,090</u>

25 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	88,350	169,915
	<u>88,350</u>	<u>169,915</u>

26 Related party transactions

During the prior year income has been received for lettings from Firwood Waterloo FC where D Mackenzie, Headteacher, is a director. The lettings transactions totalling £nil (2019: £125) are hired out in line with all other School lettings.

No other related party transactions took place in the period of account other than certain Governors' remuneration and expenses already disclosed in note 11.

27 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.

28 Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for the ESFA. During the year the School received £21,467 (2019: £20,031) and disbursed £16,435 (2019: £16,779) from the fund. An amount of £34,338 (2019: £27,522) is included in other creditors relating to undistributed funds that is repayable to the ESFA.