

Registration number: 07511610

Fairfield High School for Girls  
(A company limited by guarantee)  
Annual Report and Financial Statements  
for the Year Ended 31 August 2018

# Fairfield High School for Girls

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# **Fairfield High School for Girls**

## **Reference and Administrative Details**

### **Members**

Mr R Lingard  
Mr P Shackleton  
Mr B Hesketh  
Ms B Derbyshire  
Ms B Worthington

### **Governors and Trustees (Directors)**

Mr B Hesketh  
Mr R Lingard  
Mr P Shackleton  
Ms B Derbyshire  
Ms B Worthington  
Ms L Richards  
Mr A Sever  
Ms A Eyre  
Ms A Mutter  
Ms R Rasul  
Ms S Birtles  
Reverend P Cooper  
Ms A McGarry  
Ms H Weston  
Mr T Doyle  
Mr N Gallagher  
Ms E Rowland

### **Company Secretary**

Ms J Murphy

### **School Business Manager**

Ms J Herbertson

### **Senior Management Team**

Mr B Hesketh, Headteacher  
Ms S Bateman, Deputy Headteacher  
Ms J Mawdsley, Assistant Headteacher  
Ms Lealman, Assistant Headteacher

Mr J Beckett, Assistant Headteacher

**Principal and  
Registered Office**

Fairfield Avenue  
Droylsden  
Manchester  
M43 6AB

# Fairfield High School for Girls

## Reference and Administrative Details (continued)

### **Company Registration Number**

07511610

### **Auditors**

Beever and Struthers  
Chartered Accountants and Statutory Auditors  
215 - 219 Chester Road  
Manchester  
M15 4JE

### **Bankers**

Lloyds Bank  
91 Old Street  
Ashton Under Lyne  
Lancashire  
OL6 7RU

### **Solicitors**

Eversheds  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

## **Fairfield High School for Girls**

### **Trustees' Report for the Year Ended 31 August 2018**

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

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Tameside. It has a pupil capacity of 975 and had a roll of 974 in the Autumn census of 2017.

#### **Structure, governance and management**

##### ***Constitution***

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07511610.

The governors act as the trustees for the charitable activities of Fairfield High School for Girls and are also the directors of the charitable company for the purposes of company law.

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.

##### ***Trustees' indemnities***

Under The Companies Act 2006 section 236 the Directors confirm there are no third party indemnity provisions in operation.

##### ***Method of recruitment and appointment or election of Trustees***

The Governors are appointed under the terms of the Articles of Association. The term of office for any Governor is usually four years. The Headteacher's term of office runs parallel with his contract of employment. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re-elected.

##### ***Policies and procedures adopted for the induction and training of Trustees***

During the period under review the Governors held six meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors are given a tour and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees of the charitable company.

## Fairfield High School for Girls

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### *Organisational structure*

The Governing Body of the Academy have delegated the day-to-day running of the academy trust to the headteacher and the Academy's Senior Leadership Team:

Brendan Hesketh - Headteacher  
Stephanie Bateman - Deputy Headteacher  
James Beckett - Assistant Headteacher  
Jane Mawdsley - Assistant Headteacher  
Fiona Lealman - Assistant Headteacher

Financial considerations over £15,000 are referred to the Building & Finance Committee and, where considered necessary, comprise at least three quotations.

#### *Arrangements for setting pay and remuneration of key management personnel*

Pay and remuneration for all staff, including all Key Management Personnel, is set by the Personnel Committee annually and is based on the nationally agreed pay scales (teaching and non-teaching).

#### **Objectives and activities**

##### *Objects and aims*

Education at Fairfield High School for Girls is a transformational experience, which is realised through daily personal and academic excellence.

##### Mission:

- Successful learners who enjoy learning, make outstanding progress, achieve outstanding academic results and are ready to meet the challenges of lifelong learning and the world of work
- Confident individuals who are fully engaged in the life of the school and are able to live safe, healthy and fulfilling lives
- responsible citizens who are able to make a positive contribution to life in modern Britain and beyond.

In furtherance of the academy trust's principal activity, the academy trust may exercise the following:

- to operate bank accounts in the name of the academy trust.
- to acquire, alter, improve and to charge or otherwise dispose of property.
- to employ such staff as are necessary for proper pursuit of our principal activity and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants.
- to co-operate with other Academies, independent and maintained schools, and statutory authorities and to exchange information and advice with them.
- to establish, maintain, carry on, manage and develop the academy at Fairfield Avenue, Droylsden, Manchester M43 6AB
- to offer prizes and awards to pupils and otherwise to encourage and assist pupils
- to provide educational facilities and services to girls within the age group 11 - 16
- to carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the academy and to its approach to curriculum development and delivery
- subject to such consents as may be required by law, to borrow and raise money for the furtherance of its principal activity in such manner and on such security as the academy trust may think fit
- to deposit or invest any funds of the academy trust not immediately required for the furtherance of our principal activity subject to the terms and conditions as detailed in the Memorandum and Articles of Association
- to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of our principal activity

## **Fairfield High School for Girls**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### ***Public benefit***

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

# Fairfield High School for Girls

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Strategic Report

#### Achievements and performance

The academy trust has performed very well against its aims and objectives during the period under review. Some examples are detailed below under the heading 'Key Performance Indicators.'

#### *Key performance indicators*

- An Ofsted Outstanding school
- 78% Grade 4 or better in English and Mathematics
- 56% achieving Grade 5 or above in English and Mathematics
- 45% achieving English Baccalaureate Standard Pass
- 32% achieving English Baccalaureate Strong Pass
- Attainment 8 Score 54.3
- Progress 8 Score 0.55 (top 14% of schools nationally)
- IAG Gold Accreditation
- Inclusion Quality Mark – Flagship Status

#### *Going concern*

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

#### Financial review

During the period under review the academy trust received CIF totalling £411,103 to complete two building projects; one was a partial re-wire and the other was a full fire alarm installation. Both projects are to be completed between July 2018 and February 2019 and both will improve energy efficiency considerably.

#### *Reserves policy*

The level of reserves held takes into account the nature of income and expenditure streams, the need to match these with commitments, including future capital projects, and the nature of reserves. The Governors will keep this level of reserves under review.

Any reserves held over and above what is reasonably required to ensure the in-year financial stability of the academy trust will be transferred to a high interest savings account following the approval of the Buildings and Finance Committee. A transfer of this type would only usually take place with a specific capital or extraordinary project planned for the future.

#### *Investment policy*

The Academy's Investment Policy was agreed by the Governing Body on 27th November 2012:

- Regularly monitor cash flow and bank balances to ensure immediate financial commitments can be met and that the bank accounts have adequate balances to meet forthcoming commitments. In practice a working balance of around £200,000 is likely to be maintained.
- Periodically, to identify funds surplus to immediate cash requirements and consider transferring to an appropriate savings account bearing a higher interest rate.
- Periodically review interest rates and compare with other investment opportunities.
- The Academy Trust's current policy is to only invest funds in risk free and immediately accessible deposit accounts.
- Any future change in policy requires the approval of the Building & Finance Committee.

## **Fairfield High School for Girls**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### *Principal risks and uncertainties*

Governors regularly review risk management systems. This is summarised in the two documents; Risk Management Strategy and Risk Register.

## **Fairfield High School for Girls**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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

The Academy Trust does not presently hold any funds as a custodian of others.

#### **Auditor**

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on ..... and signed on its behalf by:

.....  
Mr R Lingard  
Member

# Fairfield High School for Girls

## Governance Statement

### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Mr B Hesketh, 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 Fairfield High School for Girls and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr B Hesketh	6	6
Mr R Lingard	5	6
Mr P Shackleton	6	6
Ms B Derbyshire	6	6
Ms B Worthington	4	6
Ms S Birtles	6	6
Reverend P Cooper	4	6
Mr T Doyle	6	6
Ms A Eyre	6	6
Mr N Gallagher	4	6
Ms A McGarry	2	3
Ms A Mutter	6	6
Ms R Rasul	2	2
Ms L Richards	5	6
Ms E Rowland	5	6
Mr A Sever	4	6
Ms H Weston	3	6

**Fairfield High School for Girls**  
**Governance Statement (continued)**

The Governing Body has delegated various roles to the following sub-committees:

**Building & Finance Committee (Quorum three Directors)**

To assist the decision making of the charitable company, by enabling more detailed consideration to be given to the best means of fulfilling the charitable company's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

The Building & Finance Committee has formally met seven times during the year. Attendance during the year at meetings of the Building & Finance Committee was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr B Hesketh	7	7
Mr R Lingard	6	7
Mr P Shackleton	7	7
Mr T Doyle	7	7
Ms A Eyre	7	7
Mr N Gallagher	3	7
Ms A McGarry	1	2
Ms A Mutter	7	7
Ms R Rasul	1	2
Ms E Rowland	4	6
Mr A Sever	4	7
Ms H Weston	1	1

**Curriculum & Standards Committee (Quorum three Directors)**

The Curriculum & Standards Committee has formally met two times during the year. Attendance during the year at meetings of the Curriculum & Standards Committee was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr B Hesketh	1	2
Mr R Lingard	1	2
Ms S Birtles	2	2
Mr T Doyle	2	2
Mr N Gallagher	0	2
Ms L Richards	2	2
Ms E Rowland	2	2
Ms H Weston	2	2
Ms B Worthington	2	2

## **Fairfield High School for Girls**

### **Governance Statement (continued)**

#### **Review of value for money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each Academic Year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

#### **The 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 the academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of Internal Control has been in place at Fairfield High School for Girls for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

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

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Building & Finance Committee of reports which indicate financial performance against forecasts and other 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 Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees continue to appoint Mr. Anthony Sever, a Director, as 'Responsible Officer'.

The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchasing systems
- testing of control account/bank reconciliations

On a termly basis, the reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

## Fairfield High School for Girls

### Governance Statement (continued)

#### Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of other members of senior staff within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on ..... and signed on its behalf by:

.....  
Mr R Lingard  
Member

## **Fairfield High School for Girls**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Fairfield High School for Girls I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

.....  
Mr B Hesketh  
Accounting officer

Date:.....

## Fairfield High School for Girls

### Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on ..... and signed on its behalf by:

.....  
Mr R Lingard  
Member

## **Fairfield High School for Girls**

### **Independent Auditor's Report on the Financial Statements to the Members of Fairfield High School for Girls**

#### **Opinion**

We have audited the financial statements of Fairfield High School for Girls "the academy trust" for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **Fairfield High School for Girls**

### **Independent Auditor's Report on the Financial Statements to the Members of Fairfield High School for Girls (continued)**

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 15], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.

## Fairfield High School for Girls

### Independent Auditor's Report on the Financial Statements to the Members of Fairfield High School for Girls (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the academy trust'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 academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Andrew McLaren (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor

Chartered Accountants and Statutory Auditors  
215 - 219 Chester Road  
Manchester  
M15 4JE

Date:.....

## **Fairfield High School for Girls**

### **Independent Reporting Accountant's Report on Regularity to Fairfield High School for Girls and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 21 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fairfield High School for Girls during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 23 March 2011 and the Academies Financial Handbook extant from 1 September 2014, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 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 2017 to 2018 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of control
- Sample testing of transactions
- Discussions with management

**Fairfield High School for Girls**

**Independent Reporting Accountant's Report on Regularity to Fairfield High School for Girls and the Education & Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....

Andrew McLaren

For and on behalf of Beever and Struthers, Chartered Accountants

Chartered Accountants and Statutory Auditors

215 - 219 Chester Road

Manchester

M15 4JE

Date:.....

## Fairfield High School for Girls

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	329	791
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,120	-	5,190
Other trading activities	4	116	-	-	130
Investments	5	1	-	-	2
<b>Total</b>	<b>117</b>	<b>5,120</b>	<b>329</b>	<b>5,566</b>	<b>6,113</b>
<b>Expenditure on:</b>					
Raising funds	6	110	-	-	95
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	5,588	452	6,040
<b>Total</b>	<b>110</b>	<b>5,588</b>	<b>452</b>	<b>6,150</b>	<b>5,790</b>
Net income/(expenditure)	7	(468)	(123)	(584)	323
Transfers between funds	(11)	11	-	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	-	374	-	706
Net movement in (deficit)/funds	(4)	(83)	(123)	(210)	1,029
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017	102	(576)	17,058	16,584	15,555
Total funds/(deficit) carried forward at 31 August 2018	98	(659)	16,935	16,374	16,584

**Fairfield High School for Girls**  
**(Registration number: 07511610)**  
**Balance Sheet as at 31 August 2018**

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Tangible assets	11	16,834	16,389
<b>Current assets</b>			
Investments		8	8
Debtors	13	192	352
Cash at bank and in hand		404	706
		<u>604</u>	<u>1,066</u>
Creditors: Amounts falling due within one year	14	<u>(405)</u>	<u>(53)</u>
<b>Net current assets</b>		<u>199</u>	<u>1,013</u>
<b>Total assets less current liabilities</b>		<u>17,033</u>	<u>17,402</u>
<b>Net assets excluding pension liability</b>		17,033	17,402
Pension scheme liability	23	<u>(659)</u>	<u>(818)</u>
<b>Net assets including pension liability</b>		<u>16,374</u>	<u>16,584</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		-	242
Restricted fixed asset fund		16,935	17,058
Restricted pension fund		<u>(659)</u>	<u>(818)</u>
		16,276	16,482
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>98</u>	<u>102</u>
<b>Total funds</b>		<u>16,374</u>	<u>16,584</u>

The financial statements on pages 21 to 41 were approved by the Trustees, and authorised for issue on ..... and signed on their behalf by:

.....  
Mr R Lingard  
Member

## Fairfield High School for Girls

### Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
<b>Cash flows from operating activities</b>			
Net cash inflow/(outflow) from operating activities	19	264	(233)
<b>Cash flows from investing activities</b>	20	<u>(567)</u>	<u>669</u>
<b>Change in cash and cash equivalents in the year</b>		(302)	438
<b>Cash and cash equivalents at 1 September</b>		<u>706</u>	<u>268</u>
<b>Cash and cash equivalents at 31 August</b>	21	<u>404</u>	<u>706</u>

# Fairfield High School for Girls

## Notes to the Financial Statements for the Year Ended 31 August 2018

### 1 Accounting policies

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

#### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

#### **Sponsorship income**

Sponsorship income provided to the academy trust 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.

# Fairfield High School for Girls

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### *Donations*

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

#### *Other income*

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

#### *Donated goods, facilities and services*

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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

#### *Donated fixed assets*

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

#### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

#### *Expenditure on raising funds*

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

#### *Charitable activities*

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

# Fairfield High School for Girls

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Buildings	50 years
Fixtures, fittings and equipment	10 years
ICT equipment	4 years
Other equipment	10 years

#### Liabilities

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

#### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

#### Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

# Fairfield High School for Girls

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### Investments

The Academy's shareholding in the wholly owned subsidiary, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

#### Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 as detailed in note [X]. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes [X]. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

# Fairfield High School for Girls

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

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

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

#### Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education & Skills Funding Agency/Department for Education/sponsor/other 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 & Skills Funding Agency/Department for Education.

#### Critical accounting estimates and areas of judgement

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

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

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

#### 2 Donations and capital grants

	<b>Restricted fixed asset funds £ 000</b>	<b>2017/18 Total £ 000</b>	<b>2016/17 Total £ 000</b>
Capital grants	329	329	791

#### 3 Funding for the Academy Trust's educational operations

	<b>Restricted funds £ 000</b>	<b>2017/18 Total £ 000</b>	<b>2016/17 Total £ 000</b>
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	4,902	4,902	4,888
Local Authority Grants	60	60	15
Other DfE/EFA grants	158	158	287
	<u>5,120</u>	<u>5,120</u>	<u>5,190</u>

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 4 Other trading activities

	Unrestricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
Hire of facilities	2	2	4
Recharges and reimbursements	1	1	10
Other sales	113	113	116
	116	116	130

#### 5 Investment income

	Unrestricted funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
Interest Received	1	1	2
	1	1	2

#### 6 Expenditure

	Non Pay Expenditure			Total 2018 £ 000	Total 2017 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	110	110	95
<b>Academy's educational operations</b>					
Direct costs	3,849	452	456	4,757	4,641
Allocated support costs	933	194	156	1,283	1,054
	4,782	646	722	6,150	5,790

#### Net income/(expenditure) for the year includes:

	2017/18 £ 000	2016/17 £ 000
Operating leases - plant and machinery	22	30
Fees payable to auditor - audit	7	6
- other audit services	1	1
Depreciation of tangible fixed assets	452	486

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 7 Charitable activities

	<b>2017/18</b>	<b>2016/17</b>
	<b>£ 000</b>	<b>£ 000</b>
Direct costs - educational operations	4,757	4,641
Support costs - educational operations	1,283	1,054
	6,040	5,695
	<b>Educational</b>	
	<b>operations</b>	
	<b>£ 000</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>Total</b>	<b>Total</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Analysis of support costs</b>		
Support staff costs	933	776
Technology costs	3	2
Premises costs	194	160
Other support costs	153	119
Governance costs	-	(3)
	1,283	1,054
Total support costs	1,283	1,054

#### 8 Staff

##### Staff costs

	<b>2017/18</b>	<b>2016/17</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	3,635	3,557
Social security costs	366	355
Pension costs	764	608
	4,765	4,520
Supply teacher costs	17	2
	4,782	4,522

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 8 Staff (continued)

##### Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
<b>Charitable Activities</b>		
Teachers	63	62
Administration and support	42	44
Management	6	6
	111	112

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	2	2

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £458,123 (2017: £443,838).

#### 9 Related party transactions - trustees' remuneration and expenses

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

Mr B Hesketh (Headteacher):

Remuneration: £85,000 - £90,000 (2017 - £80,000 - £85,000)

Employer's pension contributions: £15,000 - £20,000 (2017 - £10,000 - £15,000)

Ms A Eyre (Staff Governor):

Remuneration: £30,000 - £35,000 (2017 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2017 - £5,000 - £10,000)

Ms K Chappell (Staff Governor, resigned 31/8/17):

Remuneration: £Nil (2017 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 9 Related party transactions - trustees' remuneration and expenses (continued)

Ms A Mutter (Staff Governor):

Remuneration: £15,000 - £20,000 (2017 - £30,000 - £35,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

Ms R Rasul (Staff Governor, resigned 31/8/17):

Remuneration: (2017 - £45,000 - £50,000)

Employer's pension contributions: (2017 - £5,000 - £10,000)

Ms E Rowland (Staff Governor):

Remuneration: £35,000 - £40,000 (2017 - )

Employer's pension contributions: £5,000 - £10,000 (2017 - )

Other related party transactions involving the trustees are set out in note 24.

#### 10 Trustees' and officers' insurance

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

#### 11 Tangible fixed assets

	Freehold land and buildings £ 000	Other equipment £ 000	Plant and equipment £ 000	Land & Buildings under construction £ 000	Fixtures and fittings £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2017	17,899	296	507	106	683	19,491
Additions	873	-	-	-	23	896
Transfers	106	-	-	(106)	-	-
At 31 August 2018	18,878	296	507	-	706	20,387
<b>Depreciation</b>						
At 1 September 2017	1,884	261	275	-	682	3,102
Charge for the year	368	29	51	-	3	451
At 31 August 2018	2,252	290	326	-	685	3,553
<b>Net book value</b>						
At 31 August 2018	16,626	6	181	-	21	16,834
At 31 August 2017	16,015	35	232	106	1	16,389

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 12 Investments

	Investments £ 000
<b>Cost</b>	
At 1 September 2017	8
<b>Provision</b>	
At 31 August 2018	-
<b>Net book value</b>	
At 31 August 2018	8
At 31 August 2017	8

#### 13 Debtors

	2018 £ 000	2017 £ 000
VAT recoverable	14	39
Prepayments	1	7
Accrued grant and other income	177	306
	<u>192</u>	<u>352</u>

#### 14 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Trade creditors	21	53
Other creditors	102	-
Accruals	282	-
	<u>405</u>	<u>53</u>

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15

#### Restricted general funds

General Annual Grant  
Other EFA / DfE grants  
Local Authority Grants

#### Restricted pension funds

Pension Fund

#### Total restricted general funds

#### Restricted fixed asset funds

DfE / EFA grants  
Capital Expenditure from GAG

#### Total restricted funds

#### Unrestricted funds

Unrestricted general funds

#### Total funds

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

	<b>Balance at 1 September 2016 £ 000</b>	<b>Incoming resources £ 000</b>	<b>Resources expended £ 000</b>	<b>Gains, losses and transfers £ 000</b>	<b>Balance at 31 August 2017 £ 000</b>
<b>Restricted general funds</b>					
General Annual Grant	157	4,888	(4,803)	-	242
Other EFA / DfE grants	-	287	(287)	-	-
Local Authority Grants	-	15	(15)	-	-
	157	5,190	(5,105)	-	242
<b>Restricted fixed asset funds</b>					
DfE / EFA grants	15,146	791	(486)	-	15,451
Capital Expenditure from GAG	1,607	-	-	-	1,607
	16,753	791	(486)	-	17,058

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15

#### Restricted pension funds

Pension Fund

Total restricted funds

#### Unrestricted funds

Unrestricted general funds

Total funds

A current year 12 months and prior year 12 months combined position is as follows:

	<b>Balance at 1 September 2016 £ 000</b>	<b>Incoming resources £ 000</b>	<b>Resources expended £ 000</b>	<b>Gains, losses and transfers £ 000</b>	<b>Balance at 31 August 2018 £ 000</b>
<b>Restricted general funds</b>					
General Annual Grant	157	9,790	(9,958)	11	-
Other EFA / DfE grants	-	445	(445)	-	-
Local Authority Grants	-	75	(75)	-	-
	157	10,310	(10,478)	11	-
<b>Restricted fixed asset funds</b>					
DfE / EFA grants	15,146	1,120	(938)	-	15,328
Capital Expenditure from GAG	1,607	-	-	-	1,607
	16,753	1,120	(938)	-	16,935
<b>Restricted pension funds</b>					
Pension Fund	(1,420)	-	(319)	1,080	(659)
Total restricted funds	15,490	11,430	(11,735)	1,091	16,276
<b>Unrestricted funds</b>					
Unrestricted general funds	65	249	(205)	(11)	98
Total funds	15,555	11,679	(11,940)	1,080	16,374

#### 16 Commitments under operating leases

##### *Operating leases*

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

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 16 Commitments under operating leases (continued)

	<b>2018</b>	<b>2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts due within one year	22	22
Amounts due between one and five years	63	85
	85	107

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	<b>Unrestricted funds £ 000</b>	<b>Restricted general funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total funds £ 000</b>
Tangible fixed assets	-	-	16,834	16,834
Investments	-	8	-	8
Current assets	98	397	101	596
Current liabilities	-	(405)	-	(405)
Pension scheme liability	-	(659)	-	(659)
Total net assets	98	(659)	16,935	16,374

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

	<b>Unrestricted funds £ 000</b>	<b>Restricted general funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total funds £ 000</b>
Tangible fixed assets	-	-	16,389	16,389
Investments	-	8	-	8
Current assets	102	287	669	1,058
Current liabilities	-	(53)	-	(53)
Pension scheme liability	-	(818)	-	(818)
Total net assets	102	(576)	17,058	16,584

#### 18 Capital commitments

	<b>2018</b>	<b>2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Contracted for, but not provided in the financial statements	193	664
	193	664

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 19 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2018 £ 000	2017 £ 000
Net (expenditure)/income	(584)	323
Depreciation	451	486
Capital grant from DfE and other capital income	(329)	(791)
Interest receivable	(1)	(2)
Defined benefit pension scheme cost less contributions payable	192	74
Defined benefit pension scheme finance cost	23	30
Decrease/(increase) in debtors	160	(331)
Increase/(decrease) in creditors	352	(22)
Net cash inflow/(outflow) from operating activities	<u>264</u>	<u>(233)</u>

#### 20 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(896)	(122)
Capital funding received from sponsors and others	329	791
Net cash (used in)/provided by investing activities	<u>(566)</u>	<u>671</u>

#### 21 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	404	706
Total cash and cash equivalents	<u>404</u>	<u>706</u>

#### 22 Members' liability

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

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 23 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 23 Pension and similar obligations (continued)

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust 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 contribution made for the year ended 31 August 2018 was £182,000 (2017 - £94,000, of which employer's contributions totalled £135,000 (2017 - £70,000) and employees' contributions totalled £47,000 (2017 - £24,000).

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

#### Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.20	3.20
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	2.80	2.50

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	21.50	21.50
Females retiring today	24.10	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	26.20	26.20

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

	2018 £ 000	2017 £ 000
Equities	2,139	2,078
Corporate bonds	503	455
Property	220	171
Cash and other liquid assets	283	142
Total market value of assets	3,145	2,846

## Fairfield High School for Girls

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 23 Pension and similar obligations (continued)

The actual return on scheme assets was £159k (2017 - £309k).

#### Amounts recognised in the statement of financial activities

	2017/18 £ 000	2016/17 £ 000
Current service cost	(327)	(144)
Interest income	73	53
Interest cost	(96)	(83)
Total amount recognised in the SOFA	(350)	(174)

#### Changes in the present value of defined benefit obligations were as follows:

	2017/18 £ 000	2016/17 £ 000
At start of period	3,664	3,897
Current service cost	327	144
Interest cost	96	83
Employee contributions	47	24
Actuarial (gain)/loss	(288)	(450)
Benefits paid	(42)	(34)
At 31 August	3,804	3,664

#### Changes in the fair value of academy's share of scheme assets:

	2017/18 £ 000	2016/17 £ 000
At start of period	2,846	2,477
Interest income	73	53
Actuarial gain/(loss)	86	256
Employer contributions	135	70
Employee contributions	47	24
Benefits paid	(42)	(34)
At 31 August	3,145	2,846

#### 24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

**Fairfield High School for Girls**

**Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

**24 Related party transactions (continued)**