



SOUTHPORT LEARNING TRUST
(FORMERLY GREENBANK HIGH SCHOOL)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

Company Limited by Guarantee
Registration Number:
7790934 (England and Wales)

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Reference and Administrative Details

Trustees

Mr Ian Raikes (Accounting Officer)
Mr Stuart Bellerby
Mrs Moria Bowen (Resigned 1 September 2017)
Mr Richard Cottier
Dr Richard Hadji (Chair of Trustees)
Mrs Victoria Keeley (Resigned 1 September 2017)
Mr Kenneth Myerscough (Resigned 1 September 2017)
Mr Christopher Pritchard (Resigned 1 September 2017)
Miss Carol Sharman
Mr Ian Swift (Resigned 22 May 2017)
Mrs Andrea Woods (Resigned 1 September 2017)
Mrs Sara Duxbury
Mrs Anna Smith (Appointed 18 September 2017)
Mr Peter Miles (Appointed 24 May 2017 and resigned 15 September 2017)
Ms Claire Buck (Appointed 14 October 2016 and resigned 1 September 2017)
Mr Graham Hill (Appointed 14 October 2016 and resigned 1 September 2017)
Ms Ruth Williams (Appointed 1 September 2017)
Mrs Nicola Hurst (Appointed 6 November 2017 and resigned 27 November 2017)

Members

Mr Ian Raikes (Resigned as Member on 22 May 2017)
Ms Kate Webb
Dr Richard Hadji
Mrs Michelle Dow (Appointed on 24 May 2017)

Senior management team

Mr Ian Raikes (Headteacher of Greenbank High School, Executive Headteacher of Southport Learning Trust from 24 May 2017)
Mr Neil Moore (Deputy Headteacher, seconded to Stanley High School from 31 October 2016)
Mrs Katy Robinson (Assistant Headteacher, appointed to acting Deputy Headteacher from 31 October 2016)
Mrs Elizabeth Russell (Assistant Headteacher, appointed to acting Deputy Headteacher from 31 October 2016)
Miss Christina Cullen MBE (Assistant Headteacher)
Mrs Adele Gent-Jones (Assistant Headteacher)
Mrs Siobhan Whittaker (Acting Assistant Headteacher from 31 October 2016)
Mr Peter Miles (Director of Finance & Business Operations, resigned 15 September 2017)
Mrs Anna Smith (Director of Finance & Business Operations from 18 September 2017)

Company registration number

07790934 (England and Wales)

Registered office

Hastings Road
Southport
PR8 2LT

Independent auditor

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

Bankers

HSBC
Lord Street
Southport
PR8 1NJ

RBS
Lord Street
Southport
PR8 1PH

Lloyds
23 London Street
Southport
PR9 OUX

Solicitors

Eversheds
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES
England

Browne Jacobson
Ground Floor
3 Piccadilly Place
Manchester
M1 3BN

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for female pupils aged 11 to 16 serving Southport and the wider area within Sefton. It has a pupil capacity of 1,030 and had a roll of 991 in the census of October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (registration no. 07790934) and is an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Southport Learning Trust (trading as Greenbank High School).

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased Professional Indemnity Cover to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This cover has been purchased through the EFA Risk Protection Arrangement. The cover is unlimited and the cost for the period ended 31 August 2017 cannot be separately identified from the overall cover expense in the Financial Statements.

Principal Activities

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of trustees

The governors are directors of the Academy Trust for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The term trustees, governors and directors is therefore used interchangeably in this report.

Trustees' terms of office are for four years unless agreed otherwise, except for the Headteacher.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The arrangement for the appointment of new governors (trustees) is specifically set down in the Articles of Association. In summary, these are that:

1. Up to two governors may be appointed by the Members.
2. The members may appoint Staff Governors through such process as they may determine, provided that the number of governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of trustees.
3. The Local Authority may appoint the Local Authority Governor.
4. The Headteacher is appointed as an ex-officio Governor.
5. A minimum of two and a maximum of 7 Parent Governors may be appointed through election by the parents of registered pupils of the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. If the number of parents standing for election is less than the number of vacancies, then the Governing Body shall appoint.
6. The Governors may appoint up to three Co-opted Governors.
7. The Secretary of State for Education may appoint additional Governors as deemed appropriate.

Policies and procedures adopted for the induction and training of trustees

During the period under review the Governors held five Full Governor Panel meetings. In addition, there was a full day's facilitated training event covering Governors' responsibilities. The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on relevant educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. 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 Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

The Academy also subscribes to a number of Governor Information Services. Governors also have access to training throughout their term of office, both from internal and from external parties.

Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy's use of budgets, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Managers/Senior Leadership Team during the academic year of this report were the Headteacher, the Deputy Headteacher, four Assistant Headteachers, and the Director of Finance and Business Operations. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits for approval being set down in the Academy's Finance and Business Manual.

The Senior Leadership Team is as described in the previous paragraph. The Directors of Learning are responsible for the day-to-day teaching within the Academy, in particular organising the teaching staff, facilities and students. The Progress Leaders, in liaison with the Personal Tutors, are responsible for the overall progress and general welfare of the pupils.

Arrangements for setting pay and remuneration of key management personnel

The School has a Pay Policy in place which follows, as far as is practical, the Teachers Pay and Conditions Document for Teachers and NJC for support staff. This sets out the arrangement for setting pay and remuneration for all personnel. The pay and remuneration of the Headteacher is determined by the board of Governors following the guidelines set in the Pay Policy. This is independently reviewed.

Related parties and co-operation with other organisations

Trustees and key personnel declare any interests or related party disclosures and these are recorded in the register of interests. During the year there are two related party transactions which are disclosed separately in this report.

OBJECTIVES AND ACTIVITIES

The principal object and activity of the charitable company is the operation of Greenbank High School and to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

In accordance with the articles of association the Academy Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn (if any), and that the curriculum should comply with the substance of the national curriculum with an emphasis on languages.

The main objectives of the Academy during the period ended 31 August 2017 are summarised below:

- Strive, through high expectations, for all girls to make exceptional progress from their starting point at school through an inspirational and caring learning community;
- Develop pupils as lifelong independent learners;
- Ensure all pupils, parents and staff are engaged, happy and proud of being part of Greenbank High School;
- Be a 'can do' school that overcomes all barriers to learning and enriches the lives of girls of all abilities and backgrounds;
- Develop and celebrate the outstanding opportunities we provide on a daily basis to nurture girls;
- Develop key employability skills including high standards of literacy and numeracy to ensure all pupils have a chance of achieving long term economic wellbeing;
- Equip girls to lead an active healthy lifestyle;
- Be at the heart of the local, national and global community as an International School;
- Challenge gender stereotypes, and embrace equality and diversity;
- Develop the leaders and active citizens of tomorrow;
- Engage in collaboration with partners to improve outcomes for pupils.

The Academy's main strategy is encompassed in the school motto, 'Inspire, Care & Achieve'. To this end the activities provided include:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications;
- Training opportunities for all staff;
- A programme of sporting, after school, leisure and international opportunities for all students.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

STRATEGIC REPORT

Achievements and performance

Total students in the year ended 31st August 2017 numbered 946. The Academy is a very popular choice for parents. The Academy has an agreed PAN of 206 students in each year group and does have places available in most year groups.

Examination results for 2017 were excellent with a Progress 8 score of +0.19. At GCSE, 78% gained an A*-C in English and Mathematics. The percentage of pupils achieving the English Baccalaureate was 44%, which is 20% above the national average. Pupils eligible for Pupil Premium has improved due to effective use of the funding achieving expected progress. Recognition by the DFE in February 2017 and SSAT in March 2017 for outstanding academic achievement.

To ensure that standards are continually raised the Academy operates a programme of developmental observation of lessons; curriculum reviews, Quality Assurance protocols, visits by external advisers, and undertakes a rigorous comparison of results from entry to Key Stage 3 to GCSE.

Other achievements include:

- Approval as a DFE Academy sponsor in January 2017 and supporting and sponsoring Stanley High School from 1 September 2017, leading to significantly improved outcomes at the school.
- The prestigious NACE (National Able Children in Education) Challenge Award in recognition of our provision and outcome for More Able Gifted and Talented (MAGT) children
- Excellence in PE teaching and engagement in sport for all and competitive success led to Greenbank achieving the PE Quality Mark Distinction from the Association for PE and Sport and being recognised as Sefton Sports School of the Year for 2017 ;
- Re-designation as a British Council International School until 2018 in recognition of our continued work in promoting the global dimension;
- Development as a strategic partner of North Sefton Coastal Teaching School Alliance;
- The extensive range of pupil leadership opportunities developed through the Greenbank Leadership Academy;
- Awarded the Secondary Quality Mark for Geography by The Geographical Association for 2016-19;
- Supported schools in Languages, Geography and Music through The Leading Edge Programme and as a lead school in The Edge Hill Leadership Academy delivering the NPQML and NPQSL to middle and senior leaders;
- Developing physics engagement and impact with girls in partnership with the Institute of Physics;
- Becoming a licensee for The Duke of Edinburgh Award Scheme with 121 pupils achieving either the Bronze or Silver Award.

Key Performance Indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

In the most recent inspection in November 2010, Ofsted concluded that Greenbank High School was an 'Outstanding' school. Greenbank High School is an OFSTED good practice school for Geography.

Ofsted Inspection Judgements

Overall effectiveness: how good is the school?	1
The school's capacity for sustained improvement	2
<u>These are the grades for pupils' outcomes</u>	
Pupils' achievement and the extent to which they enjoy their learning	2
· Taking into account: Pupils' attainment ¹	2
· The quality of pupils' learning and their progress	2
· The quality of learning for pupils with special educational needs and/or disabilities and their progress	2
The extent to which pupils feel safe	2
Pupils' behaviour	1
The extent to which pupils adopt healthy lifestyles	2
The extent to which pupils contribute to the school and wider community	1
The extent to which pupils develop workplace and other skills that will contribute to their future economic well-being	1
· Taking into account: Pupils' attendance ¹	1
The extent of pupils' spiritual, moral, social and cultural development	1
<u>These are the grades for the quality of provision</u>	
The quality of teaching	2
· Taking into account: The use of assessment to support learning	2
The extent to which the curriculum meets pupils' needs, including, where relevant, through partnerships	1
The effectiveness of care, guidance and support	1
<u>These are the grades for leadership and management</u>	
The effectiveness of leadership and management in embedding ambition and driving improvement	2
· Taking into account: The leadership and management of teaching and learning	2
The effectiveness of the governing body in challenging and supporting the school so that weaknesses are tackled decisively and statutory responsibilities met	1
The effectiveness of the school's engagement with parents and carers	2
The effectiveness of partnerships in promoting learning and well-being	1
The effectiveness with which the school promotes equality of opportunity and tackles discrimination	1
The effectiveness of safeguarding procedures	2
The effectiveness with which the school promotes community cohesion	1
The effectiveness with which the school deploys resources to achieve value for money	1

Note: Grade 1 is 'Outstanding' and Grade 2 is 'Good'.

Other External reviews:

The Academy is also monitored through the completion and submission of:

- Budgetary submissions to the ESFA;
- Condition Improvement Fund Monitoring Returns.

These were completed successfully.

Financial review

The Academy's financial objectives are:

- to maintain a balanced budget;
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances;
- to generate sufficient levels of income to support the asset base of the Academy;
- to ensure that the income from lettings produces a net surplus;
- to fund continued capital investment.

These objectives were achieved in the period ending 31st August 2017.

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy also receives income from the letting of its facilities for community and sport use.

The Academy operates a non-trading account for the management of educational activities, trips and events including the receipt of contributions from parents and pupils.

During the period ended 31 August 2017, total expenditure of £6,177k was covered by recurrent grant funding from the ESFA together with other incoming resources and brought forward reserves. The excess of income over expenditure for the period (excluding capital funding, depreciation and the movement on the valuation of the defined benefit pension scheme) was £406k.

At 31 August 2017, the net book value of fixed assets was £16,624k and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

During the year the School, was subject to a restatement of the Local Government Pension Scheme fund which resulted in an actuarial gain of £412k. Note 19 to the accounts gives a more detailed explanation.

A significant one off benefit of income from the R&A for the 2017 Golf Open using the premises of Greenbank High School.

Stanley High School brings a reserves surplus into the Trust. Budgets and forecasts for the newly enlarged Multi Academy Trust have been reviewed by the Trustees and are satisfactory.

Financial and risk management objectives and policies

Risk Management

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Principal Risks and Uncertainties

The Academy has undertaken significant work to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on the Academy's objectives, the Resources Committee will undertake a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy.

The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

Financial and Risk Management Objectives and Policies

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

Government funding

The Academy has considerable reliance on continued government funding through the ESFA. In 2016/7, over 86% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS102 section 28. More detailed explanation is provided in note 19.

Reserves policy

The Governors have reviewed the reserve levels of the Academy. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of available reserves should normally be equivalent to approximately £200K. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, but also taking into account any future anticipated funding. The Academy's current level of reserves (total funds less the amount held in fixed assets and the pension reserve) is £401k. Overall reserves are in line with requirements.

Financial position

The Academy held fund balances at 31 August 2017 of £14,847k comprising £16,627k of restricted funds, a pension reserve deficit of £2,178k, and unrestricted funds of £398k.

Investment policy

The current investment policy is solely to invest funds in deposit accounts of major UK banks. Should a bona fide and safe investment opportunity present itself the Governors would consider it on its merits.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students continue in successfully in further education once they leave.

The Academy aims in the future to provide the opportunity for high quality education to a greater number of students.

AUDITOR

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

Statement as to disclosure of information to auditor

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

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 13 December 2017 and signed on its behalf by:



Dr Richard Hadji
Chair of Trustees

Governance Statement

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Southport Learning Trust (formerly Greenbank 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 board of trustees has delegated the day-to-day responsibility to the principal, 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 Southport Learning Trust (Formerly Greenbank High School) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance – Greenbank High School

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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
Mr S. Bellerby	5	5
Mrs M Bowen	3	5
Mrs C. Buck	2	5
Mr R. Cottier	4	5
Mrs S. Duxbury	3	5
Mr G. Hill	4	5
Dr R. Hadji (Chair)	5	5
Mrs V. Keeley	3	5
Mr K. Myerscough	2	5
Mr C. Pritchard	5	5
Mr I. Raikes	5	5
Miss C. Sharman	5	5
Mr I. Swift	1	3
Mrs A. Woods	5	5

A review of Governance is held annually ensuring the board has the necessary skillset to support the strategic aims of the schools. Parent governors are instrumental to this and two new governors have been elected with skills in safeguarding and higher education.

The Resources and Personnel Committee is a sub-committee of the main board of Governors. 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 academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

Trustee Meetings	Meetings Attended	Out of a Possible
Mrs M Bowen	2	4
Mr R. Cottier	2	4
Mrs S. Duxbury	1	4
Mr G. Hill	3	4
Dr R. Hadji	4	4
Mrs V. Keeley (Chair of Committee)	4	4
Mr K. Myerscough	1	4
Mr I. Raikes	3	4
Mr I. Swift	1	4
Mrs A. Woods	4	4

The Audit Committee was in attendance on 6th December 2016. Due to unforeseen circumstances, attendance at the Audit Committee meeting was not quorate. The Audit report and its findings were discussed at the next Full Governing Body Meeting held on 13th December 2016. The Trustees present were as follows;

Dr R. Hadji
 Mr S. Bellerby
 Mrs M. Bowen
 Mrs C. Buck
 Mrs S. Duxbury (Via a Video Conference Call)
 Mrs V. Keeley
 Mr G. Hill
 Mr K. Myerscough
 Mr I. Raikes
 Mr C. Pritchard
 Miss C. Sharman
 Mrs A. Woods

Apologies were received from Mr R. Cottier and Mr I. Swift for the meeting.

Governance – Southport Learning Trust

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Southport Learning Trust MAT Board of Trustees was formed on 24 May 2017. The MAT Board of Trustees met formally twice during the year. Attendance during the year at meetings of the MAT Board of Trustees was as follows:

MAT Trustee	Meetings Attended	Out of a Possible
Mr I Raikes	2	2
Mrs S. Duxbury	1	2
Dr R. Hadji (Chair of Trustees)	2	2
Mr S. Bellerby	2	2
Miss C. Sharman	5	2
Mr R. Cottier	4	2
Mr G. Hill	4	2

Review of value for money

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

The Accounting Officer considers how the 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 appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

73% of Greenbank pupils achieved 5 9-4 (GCSE grades including English and Mathematics) and 53% achieved the challenging 5 9-4 grades. Educational standards are very high at the Academy over a three year trend. Pupils make progress significantly above the national average. In the new Progress 8 measure Greenbank achieved +0.19 which gave it a percentile rank of 20 according to FFT (Fisher Family Trust) indicators when comparing with similar pupils in the country. The academy has a broad and balanced, primarily GCSE curriculum, where pupils attain significantly above the national average. The percentage of pupils achieving the English Baccalaureate is significantly above the national average. In February 2017 Greenbank was recognized as being in the top 100 non-selective state schools in the country for English Baccalaureate performance. Where a subject was underperforming against our challenging expectations extra resources were targeted which led to outstanding progress being made in this area.

Pupil Premium funding has provided Greenbank with a further opportunity to narrow the gap in achievement between pupils eligible for Free School Meals in the last seven years and pupils who are not eligible. The achievement gap due has narrowed considerably in English and Mathematics due to a variety of strategies included on the school impact statement which is available on the website. Pupils eligible for Pupil Premium funding make exceptional progress in English and good progress in Mathematics at the school. Pupil currently receiving Free School Meals make expected progress.

Greenbank continues to support more able pupils through intervention strategies and enrichment that aims to inspire, challenge and encourage independence. The school achieved the NACE (National Able Children in Education) Challenge Award in recognition of its provision and outcomes in this field. The vast majority of subjects achieved above the national average for girls attaining A/A* grades. Pupils with Special Educational Needs are supported appropriately and external agencies funded when needed and as a result make good progress. Pupils of all abilities are being supported through the high-profile school development priorities of differentiation in teaching and learning to ensure accessibility and challenge and marking for improvement to ensure pupils are central to their own assessment for learning. The vast majority of pupil groups make progress significantly above the national average.

Greenbank continues to focus on developing its pupils into leaders of tomorrow through The Greenbank Leadership Academy. Sport for all and competitive sport led to a highly successful year in this field. Greenbank was awarded The PE Quality Mark Distinction for its work in this field and was recognised as Sefton Sports School of the Year in 2017.

The Academy is in its second year as a license holder for The Duke of Edinburgh Award Scheme. 121 pupils either achieved the Bronze or Silver Award during this year.

The Arts continue to thrive at Greenbank. We held a successful GCSE Art and Textiles exhibition with pupils achieving highly in these areas. Music and Drama continue to be amongst the highest performing subjects with a large extra-curricular and tuition programme whilst also producing many performances throughout the year. This year saw our pupils achieve the Bronze and for the first time Silver Arts Award. Greenbank is working towards achieving Platinum Artsmark status, the highest that can be achieved.

The Academy remains an active member of the LINC's (Leadership in North and Central Sefton) collaborative which provides support and platform for joint development for Middle and Senior Leaders. A programme of external quality assurance is facilitated through the collaborative. Greenbank is a Leading Edge School which enables Greenbank to access expertise at a national Level. The Southport Learning Partnership, consisting of Primary and Secondary Headteachers, has driven curriculum projects related to student voice, social enterprise, literacy and community engagement. Greenbank continues to deliver training for primary school teachers and primary visits as part of our commitment to developing languages in the community. The Academy has formed successful partnerships with a range of post16 providers. Greenbank is the lead school for the delivery of the National Professional Qualification for Senior Leaders (NPQSL) and is a leadership partner for The Edge Hill University Leadership Academy.

2016/17 saw Greenbank continue to fund impartial careers information advice and guidance that could meet the needs of its own pupils. This was particularly successful with our chosen supplier providing advice that has led to all pupils engaging in education, employment or training and pupils accessing a wider number of post 16 providers and courses to meet their aspirations.

Pupil numbers closed at 946 as at 31 August 2017 with Greenbank proving a popular choice of school for parents.

The Governors and Accounting Officer regularly review, support and challenge financial governance in the Academy through regular meetings and reports. They play an active part in assessing the effectiveness of income and expenditure and in particular the feasibility and outcomes for major capital spend.

The purchasing procedure has been improved during the year through the further development of electronic purchase order processing controlled through a hierarchy of budgets and budget holder approvals.

The traditional tender process continues to be challenged and reviewed.

Working with the ESFA we completed two major capital projects – the second phase of the replacement of roofs and a new boiler. We have achieved a safer environment for our pupils and staff and will achieve substantial energy savings.

The Academy shares financial and purchasing best practices with other academies and utilises this knowledge and experience when reviewing contracts and service level agreements.

Greenbank High School is very much at the heart of the community and we are pleased to be able to share our facilities with a number of local diverse community groups. As well as building strong relationships with our community this also brings in additional income to the Academy.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Southport Learning Trust (Formerly Greenbank High School) for the period 1 September 2016 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 period 1 September 2016 to 31 August 2017 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 finance and general purposes 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed RSM UK, the external auditor, to perform additional checks.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. The Headteacher's review of the effectiveness of the system of internal control is informed by:

- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Academy's financial statements auditors and any appointed funding auditors in their management letters and other reports.

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

Approved by order of the Board of Trustees on 13 December 2017 and signed on its behalf by:



Mr Ian Raikes
Accounting Officer



Dr Richard Hadji
Chair of Trustees

Statement of Regularity, Propriety and Compliance

As accounting officer of Southport Learning Trust (Formerly Greenbank High School) I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 Ian Raikes
Accounting Officer

Statement of Trustees Responsibilities

The trustees, who are also the directors of Southport Learning Trust (Formerly Greenbank High School) for the purposes of company law, are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 13 December 2017 and signed on its behalf by:



Dr Richard Hadji
Chair of Trustees

Independent Auditor's Report to the Members of Southport Learning Trust (Formerly Greenbank High School)

Opinion on financial statements

We have audited the financial statements of Southport Learning Trust (Formerly Greenbank High School) (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 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 charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and 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 by the charitable company, 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 19, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Karen Musgrave (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Date: 21/12/17

Statement of Financial Activities including Income and Expenditure Account for the Year Ended 31 August 2017

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	20	20	649
Charitable activities:						
- Funding for educational operations	4	279	4,955	-	5,234	4,897
Other trading activities	5	519	-	-	519	87
Total		<u>798</u>	<u>4,955</u>	<u>20</u>	<u>5,773</u>	<u>5,633</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	231	5,251	695	6,177	5,907
Total	6	<u>231</u>	<u>5,251</u>	<u>695</u>	<u>6,177</u>	<u>5,907</u>
Net income/(expenditure)		567	(296)	(675)	(404)	(274)
Transfers between funds		(189)	131	58	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	412	-	412	(907)
Net movement in funds		378	247	(617)	8	(1,181)
Reconciliation of funds						
Total funds brought forward		23	(2,425)	17,241	14,839	16,020
Total funds carried forward		<u>401</u>	<u>(2,178)</u>	<u>16,624</u>	<u>14,847</u>	<u>14,839</u>

Balance Sheet as at 31 August 2017

	Notes	2017		2016	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		16,624		16,644
Current assets					
Debtors	12	218		669	
Cash at bank and in hand		562		376	
		<u>600</u>		<u>1,045</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(368)		(581)	
Net current assets			412		464
Total assets less current liabilities			<u>17,036</u>		<u>17,308</u>
Creditors: amounts falling due after more than one year	14		(11)		(14)
Net assets excluding pension liability			<u>17,025</u>		<u>17,294</u>
Defined benefit pension scheme liability	19		(2,178)		(2,455)
Net assets			<u>14,847</u>		<u>14,839</u>
Funds of the academy trust:					
Restricted funds	15				
- Restricted fixed asset funds			16,624		17,241
- Restricted income funds			-		30
- Pension reserve			(2,178)		(2,455)
Total restricted funds			<u>14,446</u>		<u>14,816</u>
Unrestricted income funds	15		401		23
Total funds			<u>14,847</u>		<u>14,839</u>

The financial statements on pages 23 to 46 were approved by the Board of Trustees and authorised for issue on 13 December 2017 and are signed on their behalf by:



Dr Richard Hadji
Chair of Trustees

Statement of Cash Flows for the Year Ended 31 August 2017

	Notes	2017		2016	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	17		661		(492)
Cash flows from investing activities					
Capital grants from DfE and ESFA		-		630	
Capital funding from sponsors and others		20		19	
Purchase of tangible fixed assets		(475)		(286)	
Net cash (used in)/provided by investing activities			(455)		363
Cash flows from financing activities					
Repayment of other loan		-		17	
Net cash (used in)/provided by financing activities			-		17
Net increase/(decrease) in cash and cash equivalents in the reporting period			206		(112)
Cash and cash equivalents at beginning of the year			376		469
Cash and cash equivalents at end of the year			582		376

Notes to the Financial Statements for the Year Ended 31 August 2017

1 Accounting policies

General information

Southport Learning Trust (Formerly Greenbank High School) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

Going concern

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

Income

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

Grants

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

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

1 Accounting policies (Continued)

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.

Donations

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

Other income

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

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 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 academy trust's accounting policies.

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

1 Accounting policies (Continued)

Charitable activities

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

Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	40 years straight line
Leasehold improvements	10 years straight line
Computer equipment	4 years straight line
Fixtures, fittings and equipment	4 - 5 years straight line
Asset under construction	No depreciation charged

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Financial instruments

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

1 Accounting policies (Continued)

Financial assets and liabilities

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

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

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

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

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1 Accounting policies (Continued)

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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other 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 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 Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	20	20	649

The income from donations and capital grants was £20,000 (2016: £649,000) of which £20,000 was restricted fixed assets (2016: £649,000).

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	4,597	4,597	4,350
Other DfE / ESFA grants	-	322	322	194
	<u>-</u>	<u>4,919</u>	<u>4,919</u>	<u>4,544</u>
Other government grants				
Special educational projects	-	36	36	53
	<u>-</u>	<u>36</u>	<u>36</u>	<u>53</u>
School Fund income	259	-	259	276
Other incoming resources	20	-	20	24
	<u>279</u>	<u>-</u>	<u>279</u>	<u>300</u>
	<u>279</u>	<u>4,955</u>	<u>5,234</u>	<u>4,897</u>

The income from funding for educational operations was £5,234,000 (2016: £4,897,000) of which £279,000 was unrestricted (2016: £300,000) and £4,955,000 was restricted (2016: £4,597,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	519	-	519	67

The income from other trading activities was £519,000 (2016: £67,000) of which £519,000 was unrestricted (2016: £67,000).

6 Expenditure

	Non Pay Expenditure		Total 2017 £'000	Total 2016 £'000
	Staff costs £'000	Premises £'000		
Academy's educational operations				
- Direct costs	3,164	685	596	4,685
- Allocated support costs	752	255	415	1,222
	<u>4,216</u>	<u>950</u>	<u>1,011</u>	<u>5,907</u>
Total support costs	<u>4,216</u>	<u>950</u>	<u>1,011</u>	<u>5,907</u>

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Depreciation of tangible fixed assets	695	635
Net interest on defined benefit pension liability	50	56
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	8	6
- Other services	7	5
	<u>7</u>	<u>5</u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	231	4,524	4,755	4,685
Support costs - educational operations	-	1,422	1,422	1,222
	<u>231</u>	<u>5,946</u>	<u>6,177</u>	<u>5,907</u>

The expenditure on educational operations was £6,177,000 (2016: £5,907,000) of which £231,000 was unrestricted (2016: £306,000), £5,251,000 was restricted (2016: £4,964,000) and £695,000 was restricted fixed assets (2016: £635,000).

	2017 £'000	2016 £'000
Analysis of support costs		
Support staff costs	752	618
Technology costs	54	47
Premises costs	255	198
Other support costs	330	326
Governance costs	31	31
	<u>1,422</u>	<u>1,222</u>

8 Staff

Staff costs

Staff costs during the year were:

	2017 £'000	2016 £'000
Wages and salaries	3,247	3,161
Social security costs	306	257
Operating costs of defined benefit pension schemes	597	483
Apprenticeship levy	6	-
	<u>4,156</u>	<u>3,901</u>
Total staff costs	4,156	3,901
Supply staff costs	60	78
	<u>4,216</u>	<u>3,979</u>

8 Staff (Continued)

Staff numbers

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

	2017 Number	2016 Number
Teachers	58	55
Administration and support	33	35
	<u>91</u>	<u>90</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>2</u>	<u>2</u>

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 £586,882 (2016: £95,279).

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an 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 services as trustees.

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

I Raikes (Head teacher):

- Remuneration £80,000 - £90,000 (2016: £70,000 - £80,000)
- Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000)

A Woods (Trustee):

- Remuneration £20,000 - £30,000 (2016: £20,000 - £30,000)
- Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

C Sharman (Trustee):

- Remuneration £10,000 - £20,000 (2016: £10,000 - £20,000)
- Employer's pension contributions £0 - £5,000 (2016: £nil)

C Pritchard (Trustee):

- Remuneration £40,000 - £50,000 (2016: £40,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

P Miles (Trustee from 13 June 2017):

- Remuneration £10,000 - £20,000
- Employer's pension contributions £0 - £5,000

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

10 Trustees and officers insurance

In accordance with normal commercial practice the Academy has purchased Professional Indemnity Cover to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This cover has been purchased through the EFA Risk Protection Arrangement. The cover is unlimited and the cost for the period ended 31 August 2017 cannot be separately identified from the overall cover expense in the financial statements.

11 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2016	17,337	1,524	161	223	233	19,498
Transfer on completion	-	708	-	-	(708)	-
Additions	-	-	-	-	475	475
At 31 August 2017	17,337	2,232	161	223	-	19,973
Depreciation						
At 1 September 2016	2,118	258	120	158	-	2,654
Charge for the year	410	220	27	38	-	695
At 31 August 2017	2,528	478	147	196	-	3,349
Net book value						
At 31 August 2017	14,809	1,754	34	27	-	16,624
At 31 August 2016	15,219	1,266	61	65	233	16,844

Capital commitments in respect of the assets under construction total £nil at the year end (2016: £492,000).

12 Debtors

	2017 £'000	2016 £'000
Trade debtors	4	36
VAT recoverable	70	207
Other debtors	1	15
Prepayments and accrued income	143	411
	218	669

13 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Other loans	6	3
Trade creditors	123	215
Other creditors	162	173
Accruals and deferred income	77	190
	368	581

14	Creditors: amounts falling due after more than one year				2017	2016
					£'000	£'000
	Other loans				11	14
					<u>11</u>	<u>14</u>
	Analysis of loans					
	Wholly repayable within five years				17	17
	Less: included in current liabilities				(6)	(3)
					<u>11</u>	<u>14</u>
	Amounts included above				<u>11</u>	<u>14</u>
15	Funds					
		Balance at			Gains,	Balance at
		1 September	Income	Expenditure	losses and	31 August
		2016	£'000	£'000	transfers	2017
		£'000	£'000	£'000	£'000	£'000
	Restricted general funds					
	General Annual Grant	30	4,597	(4,758)	131	-
	Other DfE / ESFA grants	-	322	(322)	-	-
	Other government grants	-	36	(36)	-	-
	Pension reserve	(2,455)	-	(135)	412	(2,178)
		<u>(2,425)</u>	<u>4,955</u>	<u>(5,251)</u>	<u>543</u>	<u>(2,178)</u>
	Restricted fixed asset funds					
	Transferred on conversion	15,415	-	-	-	15,415
	DfE / ESFA capital grants	1,047	20	(695)	56	430
	Capital expenditure from unrestricted	779	-	-	-	779
		<u>17,241</u>	<u>20</u>	<u>(695)</u>	<u>56</u>	<u>16,624</u>
	Total restricted funds	<u>14,816</u>	<u>4,975</u>	<u>(5,946)</u>	<u>601</u>	<u>14,446</u>
	Unrestricted funds					
	General funds	-	539	(231)	(169)	119
	Other funds	23	259	-	-	282
		<u>23</u>	<u>798</u>	<u>(231)</u>	<u>(169)</u>	<u>401</u>
	Total funds	<u>14,839</u>	<u>5,773</u>	<u>(6,177)</u>	<u>412</u>	<u>14,847</u>

15 Funds (Continued)

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

Fixed Asset fund

These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the School Building Project.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

15 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 €'000	Income €'000	Expenditure €'000	Gains, losses and transfers €'000	Balance at 31 August 2016 €'000
Restricted general funds					
General Annual Grant	-	4,350	(4,659)	339	30
Other DfE / ESFA grants	-	194	(194)	-	-
Other government grants	-	53	(53)	-	-
Pension reserve	(1,490)	-	(58)	(907)	(2,455)
	<u>(1,490)</u>	<u>4,597</u>	<u>(4,964)</u>	<u>(568)</u>	<u>(2,425)</u>
Restricted fixed asset funds					
Transferred on conversion	15,415	-	-	-	15,415
DfE / ESFA capital grants	1,033	649	(635)	-	1,047
Capital expenditure from GAG	745	-	-	34	779
	<u>17,193</u>	<u>649</u>	<u>(635)</u>	<u>34</u>	<u>17,241</u>
Total restricted funds	<u>15,703</u>	<u>5,246</u>	<u>(5,599)</u>	<u>(534)</u>	<u>14,816</u>
Unrestricted funds					
General funds	317	111	(55)	(373)	-
Other funds	-	276	(253)	-	23
	<u>317</u>	<u>387</u>	<u>(308)</u>	<u>(373)</u>	<u>23</u>
Total funds	<u>16,020</u>	<u>5,633</u>	<u>(5,907)</u>	<u>(907)</u>	<u>14,839</u>

16 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	16,624	16,624
Current assets	401	399	-	800
Creditors falling due within one year	-	(368)	-	(368)
Creditors falling due after one year	-	(11)	-	(11)
Defined benefit pension scheme liability	-	(2,178)	-	(2,178)
Total net assets	401	(2,178)	16,624	14,847

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	16,844	16,844
Current assets	23	625	397	1,045
Creditors falling due within one year	-	(581)	-	(581)
Creditors falling due after one year	-	(14)	-	(14)
Defined benefit pension scheme liability	-	(2,455)	-	(2,455)
Total net assets	23	(2,425)	17,241	14,839

17 Reconciliation of net expenditure to net cash flow from operating activities

	2017 £'000	2016 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(404)	(274)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(20)	(649)
Defined benefit pension scheme cost less contributions payable	85	2
Defined benefit pension scheme finance cost	50	56
Depreciation of tangible fixed assets	685	635
Movements in working capital:		
Decrease/(increase) in debtors	451	(450)
(Decrease)/increase in creditors	(196)	188
Net cash provided by operating activities	661	(492)

18 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.

19 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 Merger. Both are multi-employer defined benefit schemes.

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

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 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £385,000 (2016: £358,000).

19 Pension and similar obligations (Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below.

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 16 July 2013.

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	179	169
Employees' contributions	45	42
Total contributions	<u>224</u>	<u>211</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.7	3.3
Rate of increase for pensions in payment/inflation	2.2	1.9
Discount rate for scheme liabilities	2.4	2.1
Inflation assumption (CPI)	<u>2.2</u>	<u>1.8</u>

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	21.6	22.5
- Females	24.7	25.4
Retiring in 20 years		
- Males	24.2	24.9
- Females	<u>27.7</u>	<u>28.2</u>

19 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	1,108	904
Bonds	328	282
Cash	101	64
Property	169	141
Other assets	408	331
Total fair value of assets	<u>2,114</u>	<u>1,722</u>

The actual return on scheme assets was £206,000 (2016: £266,000).

Amount recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	260	168
Net interest cost	50	56
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	4	3
Total operating charge	<u>314</u>	<u>227</u>

Changes in the present value of defined benefit obligations	2017 £'000
At 1 September 2016	4,177
Current service cost	260
Interest cost	86
Employee contributions	45
Actuarial gain	(244)
Benefits paid	(34)
At 31 August 2017	<u>4,292</u>

19 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets	2017 £'000
At 1 September 2016	1,722
Interest income	36
Return on plan assets (excluding net interest on the net defined pension liability)	168
Employer contributions	179
Employee contributions	45
Benefits paid	(34)
Plan introductions, benefit changes, curtailments and settlements	(4)
At 31 August 2017	<u>2,114</u>

20 Related party transactions

The Headteacher, Mr Ian Raikes (also a trustee), is a director of Sefton Education Business Partnership. The Trust has purchased services during the year of £23,376 (2016: £13,200) from the partnership, with a balance owing at the year end of £12,163 (2016: £9,504). The services are for work related learning. Mr Raikes is not party to any decisions regarding the re-negotiation of the service level agreement.

Mr Stuart Bellerby, a trustee, is also a trustee of Birkdale High School. The trust has purchased services during the year of £9,661 (2016: £nil) from the school with a balance owing at the year end of £nil (2016: £nil). The services are for a shared Education Welfare Officer role. Mr Bellerby is not party to any decisions regarding the re-negotiation of the service level agreement.

Other related party transactions are certain trustees' remuneration and expenses, which are disclosed in note 9.

Independent Reporting Accountant's Assurance Report on Regularity to Southport Learning Trust (Formerly Greenbank High School) and the Education Skills Funding Agency

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 14 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Southport Learning Trust (Formerly Greenbank High School) during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Southport Learning Trust (Formerly Greenbank High School) in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Southport Learning Trust (Formerly Greenbank High School)'s accounting officer and trustees

The accounting officer is responsible, under the requirements of Southport Learning Trust (Formerly Greenbank High School)'s funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Southport Learning Trust (Formerly Greenbank High School) and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

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

This report is made solely to Southport Learning Trust (Formerly Greenbank High School) and the ESFA in accordance with the terms of our engagement letter dated 14 July 2017. Our work has been undertaken so that we might state to the Southport Learning Trust (Formerly Greenbank High School) and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Southport Learning Trust (Formerly Greenbank High School) and the ESFA, for our work, for this report, or for the conclusion we have formed.

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