

# Wadebridge School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

Registration number: 07999988

# Wadebridge School

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# Wadebridge School

## Reference and Administrative Details

<b>Members</b>	Mrs V Crabb Mr I Thurtle Mrs N Brooks (resigned 6 December 2016) Mrs K Holmes Miss T Yardley
<b>Trustees</b>	Mr I Thurtle, (Chairman) Mrs V Crabb Mr P Bower (Resigned 16 December 2016) Mrs N Brooks (Resigned 6 December 2016) Mr D Constance Mrs R Franks Mrs K Holmes Miss T Yardley Mr D Abbiss Mrs L Hanson Mr C Sims Mr H McCreadie Dr A Phippen (Resigned 5 September 2016) Mr W Ubhi (appointed 14 December 2016 and resigned 31 August 2017) Mr D Barton (Appointed 14 December 2016) Mr S Williams (Appointed 14 December 2016) Miss C Hume (Appointed 9 February 2017)
<b>Company Secretary</b>	Mr C Wilson
<b>Senior Management Team</b>	Miss T Yardley, Head Teacher Mr S Williams, Deputy Head Teacher Mr L Bateman, Assistant Head Teacher Mr P Glynn, Assistant Head Teacher Mrs K Roft, Assistant Head Teacher Mrs D Talling, Assistant Head Teacher Mr P Luke, Business Manager - Premises Mr C Wilson, Business Manager - Finance
<b>Registered Office</b>	Wadebridge School Gonvena Hill Wadebridge Cornwall PL27 6BU

## **Wadebridge School**

### **Reference and Administrative Details (continued)**

**Bankers**                      Lloyds Bank PLC  
                                     1 City Road East  
                                     Manchester  
                                     M15 4PU

**Company**                      07999988  
**Registration Number**

**Auditors**                      PKF Francis Clark  
                                     Statutory Auditor  
                                     Lowin House  
                                     Tregolls Road  
                                     Truro  
                                     TR1 2NA

**Solicitors**                      Browne Jacobson  
                                     1 Manor Court  
                                     Dix's Field  
                                     Exeter  
                                     EX1 1UP

# **Wadebridge School**

## **Trustees' Report for the Year Ended 31 August 2017**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in Wadebridge and Padstow and surrounding villages. It has a pupil capacity of 1229 and had a roll of 1159 in the school census on January 2017.

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

#### ***Constitution***

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Wadebridge School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Wadebridge 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***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

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

The Governing body is made up of 12 trustees of which 7 are Member appointed, 2 parent trustees, 2 staff trustees and 1 co-opted trustee. There is also 1 associate governor. Parent and staff trustees are appointed by election. Member appointed and co-opted trustees either approach the governing body or are identified by other trustees before being appointed by the Members or the full governing body respectively.

# **Wadebridge School**

## **Trustees' Report for the Year Ended 31 August 2017**

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

New trustees receive a welcome from the Chair of Trustees and a tour of the school. They receive and sign a Code of Practice which lays out their responsibilities and how they should act, together with a declaration of interests, a trustees' statement, a copy of the academy's Funding Agreement with the DfE plus a Governor's Handbook, Academies Financial Handbook and the Charity Commission Guide to being an academy school governor.

Trustees are allocated one or more curriculum or school areas as their Link trustee. They are expected to come into school at least twice a year; and meet with curriculum lead in both the autumn and spring terms. In addition they complete a short summary of each meeting and an annual summary.

The governing body regularly receives guidance and training via presentations from members of the Senior Leadership Team. Individual trustees regularly attend training sessions organised by Cornwall Learning or via the local governor's network. In the past year trustees have continued to receive the benefit of membership of the National Governors Association.

### ***Organisational structure***

The governing body's role in the school is, essentially a strategic one. Acting on the advice of the head teacher the governing body sets aims and objectives for the school and policies and targets which will achieve these aims and objectives. It also monitors the progress of the school towards achievement of the aims and objectives. The governing body reviews the strategic framework it has established in light of progress against the aims and objectives.

To facilitate the working of the governing body some of its functions are delegated to committees, the head teacher (as accounting officer) and the school leadership team. The committees are: Resource Committee (incorporating Buildings, Finance and Staffing) and Audit Committee.

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

The pay of the head teacher is set by the trustees following annual performance management reviews by the chair and vice chair of trustees together with an independent external school improvement advisor. The salary band applied to the head teacher is within the nationally agreed leadership scale and the specific pay range is relevant to the size and type of school. The remaining members of the leadership team are subject to annual performance management reviews undertaken by the head teacher with pay recommendations being submitted to the governing body for ratification. The members of the leadership team on the teachers' pay grade are also paid on the leadership scale against the specific pay range relevant for the size of school. The remaining members of the leadership team are on local government terms and conditions and the roles have been subject to evaluation by the schools human resources advisors. Both roles are also subject to annual performance management reviews by the head teacher with pay recommendations being submitted to the governing body for ratification.

Key management personnel are considered to be the trustees and senior management team.

### ***Related parties and other connected charities and organisations***

There are no related parties or connections with other charities or organisations.

# Wadebridge School

## Trustees' Report for the Year Ended 31 August 2017

### Objectives and activities

#### *Objects and aims*

The Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Wadebridge School aims to create a caring and stimulating environment in which high standards of learning and teaching are promoted and in which all students can achieve success.

We aim to develop in all students a sense of self-esteem, responsibility, enterprise and mutual respect. In a rapidly changing world we aim to equip each student with a range of adaptable skills and the ability to make informed decisions.

We aim to work innovatively with local business and community partners in a spirit of mutual need, support and benefit.

In order to achieve these aims we will:

- Work in partnership with parents, students and the wider community
- Encourage hard work, recognise achievement and celebrate success
- Promote the spiritual, moral, physical and cultural development of each student
- Develop in each student an enquiring mind and encourage a desire for life-long learning
- Enrich and extend learning by encouraging economic and business understanding throughout the curriculum, supported by genuine business and community links
- Imbue our students with real entrepreneurship through activities and events that promote problem solving, leadership, team working, decision-making, creativity and communication
- Offer equality of opportunity and access to all parts of a broad and balanced curriculum
- Offer a range of activities designed to educate our young people for leisure
- Develop a sense of pride in being part of our school community
- Create pleasant and secure surroundings in which purposeful work can be enjoyed

# **Wadebridge School**

## **Trustees' Report for the Year Ended 31 August 2017**

### ***Objectives, strategies and activities***

The staff of the school aim to produce not only success within traditional subject areas but also to develop transferable skills and positive attitudes to society.

The organisation of the school's curriculum follows on from the Objects and Aims of the school above. We are concerned with all aspects of our pupils' development and aim to provide a broad and balanced range of courses. The curriculum and timetable are constantly under review and are sensitive to change. Many changes have been made in recent years to ensure that courses offered not only match the demands of the National Curriculum but go beyond. Further innovations are now being made to ensure that the young people of this area benefit fully from the changes to the National Curriculum, gain vocational experiences, and develop important key skills such as those within Information and Communication Technology.

The schools ongoing self-evaluation continues to identify the following priorities. These were also the priorities identified following the 'Good' Ofsted Judgement arising from the full inspection that took place in December 2014:-

Priority 1: Improving the attainment and achievement of disadvantaged pupils compared to other pupils nationally.

Priority 2: Increase the proportion of teaching that is outstanding.

Full details of these priorities together with the action plan and strategies for delivering can be found in the School Improvement Plan 2017/18 available upon request.

### ***Public benefit***

Wadebridge School provides educational services to children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.



# Wadebridge School

## Trustees' Report for the Year Ended 31 August 2017

### Strategic Report

#### Achievements and performance

##### *Key performance indicators*

The policies of the school ensure it is able to adequately monitor and measure financial and non-financial performance against key national and local indicators which also includes benchmark data. These key financial performance indicators (KFPIs) are framed around those currently provided by Cornwall Council, The Department for Education and the Audit Commission as well as ones devised by the school that look at the wider resources of the school comparing with results.

In the last accounting period both the Senior Leadership Team and Trustees have used KFPIs to help inform judgments and decisions on matters of value for money, employee remuneration, budget planning and strategic financial planning. The use of KFPIs continues to play an essential part of all forward resource planning within the school.

The Senior Leadership Team and Trustees receive and review monthly financial management reports which provide them with an accurate projection of the performance and management of the current financial budget, capital spending and forecast level of balances.

Students joining the school in Year 7 have Key Stage 2 results which are broadly in line with national averages, when they finish Year 11 their performance is consistently above national averages and pupils make good progress from their different starting points. The school uses a wide range of baseline data to judge its performance including RAISEonline, Fischer Family Trust, DfE performance tables, Advanced Level Performance System (ALPS) and Level 3 Value Added.

In 2016 the DfE introduced new Performance Indicators for schools: Attainment 8 and Progress 8.

Attainment 8: the average point score across 8 subjects that must include English, Maths, Science, Geog/History/Languages and three others (NB. English and Maths are double weighted). A pupil gaining 8 A\* grades in the right subjects would have an Attainment 8 score of 80, a pupil gaining 8 C grades would score 50.

Progress 8: the average score in Attainment 8 compared to pupils' expected scores based on their KS2 prior attainment (0.00 means actual attainment = expected attainment).

Further details can be accessed via the Department for Education:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/285990/P8\\_factsheet.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285990/P8_factsheet.pdf)

A school's Attainment 8 and Progress 8 indicators take account of all pupils' performance across a broad range of subjects, placing equal importance on pupils who gain A\* grades and those achieving lower grades.

Wadebridge School's Attainment 8 for 2015 and 2016 are shown below along with the provisional figures for 2017 (National Averages are not available at the time of writing). The national figures for 2015 and 2016 are included for comparison. As reformed GCSEs are phased in across the country the points system for calculating a school's Attainment 8 score changes and comparisons should not be made for 2017 with previous years.

# Wadebridge School

## Trustees' Report for the Year Ended 31 August 2017

### Strategic Report

Key Performance Indicator	Pupil Group	2015 School	2015 National	2016 School	2016 National	2017 School (provisional)
Attainment 8	All	53.00	48.06	51.2	49.3	46.4
	Boys	49.91	45.92	49.7	47.1	44.1
	Girls	55.98	50.30	52.6	51.7	49.0
	Disadvantaged	43.9		40.4		31.6
	Other pupils	54.68	51.46	53.4	52.6	50.7
	SEN(no EHCP)	42.75	48.06*	36.3	49.3*	33.7
	No SEN	53.81	51.56	54.6	52.5	49.7
	Low PA	39.24	25.61	29.6	28.4	27.0
	Middle PA	49.21	46.52	49.7	48.9	40.2
	High PA	62.74	62.65	65.9	64.2	57.1

\*National average for all pupils

As you will see pupils from Wadebridge School achieved Attainment 8 scores are well above the national averages in 2015 and 2016 and it is anticipated that this will be the case again in 2017 (National Averages are yet to be published).

#### A Level - Key attainment and achievement indicators over time:

Advanced Level Performance System (ALPS) analysis of A level performance over three years 2014-2017 gives the school 3 year T score of 3 (judged as 'excellent' by ALPS). In 2015 and 2016 the single year T scores were both 2 (judged as 'outstanding' by ALPS). Similar ALPS analysis of the schools post 16 vocational courses (BTEC) gives an overall 3 year T score of 4 (judged as 'very good' by ALPS). In both 2015 and 2016 the single year T scores were both 3 (judged as 'excellent' by ALPS).

The provisional DfE Value Added measures for 2016 are also positive at +0.17 for level 3 value added, +0.20 for academic value added. In 2017 similarly positive provisional L3VA figures again showed that progress in the Sixth Form is significantly positive.

#### Going concern

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

# **Wadebridge School**

## **Trustees' Report for the Year Ended 31 August 2017**

### **Strategic Report**

#### **Financial review**

The main sources of funding for the school are the General Annual Grant from the ESFA and payment from Cornwall Council in support of special educational needs, although recent changes to the local funding formula have seen the value of the special needs funding drop significantly as schools have to absorb more and more responsibilities into the base funding. The income the school receives is used to provide education for students as well as furthering its wider charitable aims. As a principle the trustees aim to operate within the resources received however in recent years it has been necessary to draw on reserves to meet known commitments. In considering the medium term financial strategy (2017/18) trustees have again decided to utilise reserves to support the financial plans of the school whilst it implements strategies to reduce expenditure.

The target set by trustees is to operate within income received by 2018/19 recognising the need to retain a reserve to assist in the management of risk. It is hoped by this time the long awaited national review of school funding will have been completed and the outcomes implemented which in turn will help the school to support the areas of development that it has as priorities.

#### ***Financial and risk management objectives and policies***

Wadebridge School has limited exposure to major financial risks given the funding arrangements for academy schools although there are risks associated with changes to the level of funding received. At any point in time exposure to trade debtors and creditors is relatively low as most of the school's expenditure is on staffing (70%). The school does now self-insure against staff sickness absence rather than buy into an insurance scheme. This change of policy followed steep rises in annual premiums. The experience from the last accounting period shows that this decision did deliver value for money compared to continuing with the insurance premiums.

The Trust has taken on the deficit of the Local Government Pension Scheme in respect of its non teaching staff on conversion. The deficit is incorporated within the Statement of Financial Activities and Balance Sheet with details in Note 23 to the financial statements.

#### ***Reserves policy***

The Trustees have determined that the appropriate level of reserves is considered to be between 5% and 7% of income which is approximately £300k to £400k. This is considered a suitable level to allow for:

- Any unplanned unexpected financial pressure that may arise during the year.
- Any cash flow issues to fund large scale capital projects that may transcend financial years.

As at the 31 August 2017 the school's total funds as audited were £19,760,062 of which £765,187 were unrestricted funds. Refer to note 16 for more detail. This reserve is presently held in different accounts at the school's bank that attracts different rates of interest depending on the longevity of the investment. In agreeing the medium term financial strategy trustees have set out the planned use of reserves in 2017/18.

#### ***Investment policy***

Wadebridge School presently has a range of investments with its bank to maximise the interest receivable. The returns vary depending on the longevity of the investment made. Careful cash flow monitoring is undertaken to ensure the school can operate whilst optimising the interest earned from investments. The investments of the school are reviewed regularly to ensure best returns are maintained.

# Wadebridge School

## Trustees' Report for the Year Ended 31 August 2017

### Strategic Report

#### *Principal risks and uncertainties*

Wadebridge School has a risk register that records and monitors the identified risks that it faces. The risk register is updated and reviewed by the school leadership team and is reported to the audit committee when it meets throughout the school year. The main risks facing the school are:-

- Falling number on role
- Reduction in academy funding
- Changing curriculum requirements
- Unforeseen staff absenteeism

Within the risk register are the mitigating actions that are being taken to reduce the risk to an acceptable level.

The net liability due to the Academy's participation in the Local Government Pension scheme (LGPS) amounts to £1,011,000. The impact of the deficit position of the pension scheme is that the Academy Trust is paying higher employer's pension contributions over a period of years. The higher employer's pension contributions currently stand at £69,100 per year and are being met by the Academy Trust's budgeted annual income.

#### *Plans for future periods*

The key driver for the whole of Wadebridge School is to enhance the educational experience and outcomes of the students. The head teacher, trustees and all staff at the school are dedicated to achieving this. The school leadership team constantly monitor its outcomes benchmarked against similar schools and looks to improve where improvement is needed. The aim is to continually increase the 'life chances' of all our young people. The school improvement plan is a key document that captures in one place all the improvement aims and objectives for the year ahead.

A key component to the success of the students is the relationship between the school and parents and carers. Education does not start and stop at the school gate. The amount of time a student spends in school is such a small proportion to the time spent out of school which means the relationship with parents and carers is critical to ensure learning continues outside of school. Learning outside of school is not just down to curriculum subjects. A broad extra-curricular programme is a key objective for the school as well. Duke of Edinburgh award, annual residential trips, field trips, overseas trips, work experience are all key activities that enrich the learning opportunities for all students. Such extra-curricular activities are only possible through the hard work and support provided by dedicated staff which Wadebridge School is very lucky to have.

On the curriculum side the focus remains on English and Maths to help ensure all students have the very best life opportunities and to play a far more active role in society.

All these key drivers combined with the success of the students contributed to the 'good' Ofsted grade that was achieved when the school was inspected in December 2014.

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

There are no funds held as custodian trustee on behalf of others.

#### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

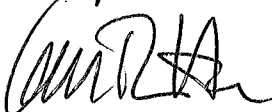
## Wadebridge School

### Trustees' Report for the Year Ended 31 August 2017

#### Strategic Report

- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees on 13/12/17 and signed on its behalf by:



Mr I Thurtle  
Chair of trustees

# Wadebridge School

## Governance Statement

### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Miss T Yardley, 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 Wadebridge School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

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

Director	Meetings attended	Out of a possible
Mr D Abbiss	6	6
Mr P Bower	1	3
Mrs N Brooks	2	2
Mr D Constance	4	6
Mrs V Crabb	4	6
Mrs R Franks	4	6
Mrs L Hanson	6	6
Mrs K Holmes	6	6
Mr H McCreadie	5	6
Mr C Sims	4	6
Mr I Thurtle	6	6
Miss T Yardley	6	6
Mr D Barton	4	4
Miss C Hume	3	3
Mr W Ubhi	3	4
Mr S Williams	4	4

The resources committee monitor the buildings, staffing and finance issues relating to the school making recommendations to the governing body as appropriate. The resources committee report to the governing body and works through the Accounting Officer and other school staff.

Attendance at meetings during the year was as follows:

# Wadebridge School

## Governance Statement (continued)

Members of the Committee	Meetings attended	Out of a possible
Mr D Abbiss	1	4
Mrs N Brooks	2	2
Mr D Constance	3	4
Mrs V Crabb	4	4
Mrs L Hanson	1	4
Mrs K Holmes	3	4
Miss T Yardley	4	4
Mr D Barton	2	2
Mr H McCreadie	2	4
Mr I Thurtle	2	4

### Review of value for money

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

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

- Following a change to the terms and conditions on the school bank account the amount of interest payable on the deposit account was significantly reduced. In order to obtain better value for money from the reserves held by the school the school now invests in fixed term deposit accounts that are reviewed at the end of each term with the money being reinvested on an appropriate time period to maximise the income to the school. The deposit accounts are no risk to the capital invested.
- Following a review of the use of interactive white boards and overhead projectors the school is trialling in a number of areas the use of touch screen devices that over the lifetime of the asset prove cheaper than the old technology. In addition the new touch screen devices offer considerably more versatility and functionality than the equipment it replaces. Feedback from the trial will be used to inform the future use of these devices.
- The final phase of the re-roofing of all flat roofed areas of the school was completed in the summer holidays 2017. The work was much the same as the work undertaken in the previous summer although a smaller area and the school managed to secure the same tender rates as used in 2016 with all price rises borne by the contractor and the material manufacturer. Normally there is an increase in rates for reduced area and an uplift for labour and material costs. This did not apply for this phase. The only concession the school made in exchange for holding the price at 2016 rates was for the contractor to commence the work during the term time with the inconvenience of some noise and disruption.

# Wadebridge School

## Governance Statement (continued)

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Wadebridge School for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### **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 Governing Body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed County Local Finance Services as responsible officer (RO).

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

- Testing of payroll systems and processes
- Testing of purchase systems and processes
- Testing of control account and bank reconciliations
- Testing of compliance with the finance policy and scheme of delegation within the school
- Reviewing budget monitoring processes and reporting
- Testing tendering process for compliance with relevant legislation and testing value for money achieved

On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.



# Wadebridge School

## Governance Statement (continued)

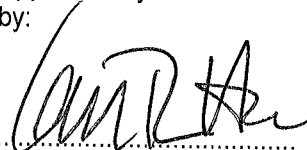
### Review of effectiveness

As Accounting Officer, Miss T Yardley (head teacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

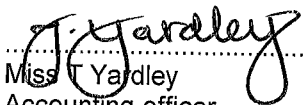
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 13/12/17 and signed on its behalf by:



Mr I Thurtle  
Trustee



Miss T Yardley  
Accounting officer  
Trustee

## Wadebridge School

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Wadebridge School I have considered my responsibility to notify the Academy Trust Governing Body 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 Governing Body 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 Governing Body and ESFA.

Approved by order of the members of the Governing Body on 13/12/17 and signed on its behalf by:

  
Accounting Officer T YARDLEY

# Wadebridge School

## Statement of Trustees' Responsibilities

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

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

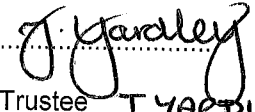
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 13/12/17... and signed on its behalf by:

  
Trustee T YARDLEY

# Wadebridge School

## Independent Auditor's Report on the Financial Statements to the Members of Wadebridge School

### Opinion

We have audited the financial statements of Wadebridge School (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

### Use of our report

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

### Conclusions relating to going concern

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

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

### Other information

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

# Wadebridge School

## Independent Auditor's Report on the Financial Statements to the Members of Wadebridge School (continued)

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 matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees Report.

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

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

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 17], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

## Wadebridge School

### Independent Auditor's Report on the Financial Statements to the Members of Wadebridge School (continued)

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

*PKF Francis Clark*

Darren Perry BA(Hons) ACA DChA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Lowin House  
Tregolls Road  
Truro  
TR1 2NA

Date: 13/12/17

## **Wadebridge School**

### **Independent Reporting Accountant's Assurance Report on Regularity to Wadebridge School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wadebridge 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.

This report is made solely to Wadebridge School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Wadebridge 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 Wadebridge School and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Wadebridge School's Accounting Officer and the reporting Accountant**

The Accounting Officer is responsible, under the requirements of Wadebridge School's funding agreement with the Secretary of State for Education dated 18 April 2012 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.

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

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## Wadebridge School

### Independent Reporting Accountant's Assurance Report on Regularity to Wadebridge School and the Education and Skills Funding Agency (continued)

#### Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 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.

*PKF Francis Clark*

Darren Perry BA(Hons) ACA DChA  
PKF Francis Clark  
Chartered Accountants

Lowin House  
Tregolls Road  
Truro  
TR1 2NA

Date: 13/12/17.....



# Wadebridge School

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	77	5,787	152,130	157,994
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	164,268	5,743,759	-	5,908,027
Other trading activities	4	159,791	20,360	-	180,151
Investment income	5	6,657	-	-	6,657
Total		<u>330,793</u>	<u>5,769,906</u>	<u>152,130</u>	<u>6,252,829</u>
<b>Expenditure on:</b>					
Raising funds	6	136,646	5,049	-	141,695
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>187,983</u>	<u>6,052,747</u>	<u>456,893</u>	<u>6,697,623</u>
Total		<u>324,629</u>	<u>6,057,796</u>	<u>456,893</u>	<u>6,839,318</u>
Net income/(expenditure)		6,164	(287,890)	(304,763)	(586,489)
Transfers between funds		-	(17,811)	17,811	-
<b>Other recognised gains and losses</b>					
Actuarial gain / (loss) on defined benefit pension schemes	23	<u>-</u>	<u>840,000</u>	<u>-</u>	<u>840,000</u>
Net movement in funds		6,164	534,299	(286,952)	253,511
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2016		<u>759,023</u>	<u>(1,222,570)</u>	<u>19,970,098</u>	<u>19,506,551</u>
Total funds carried forward at 31 August 2017		<u>765,187</u>	<u>(688,271)</u>	<u>19,683,146</u>	<u>19,760,062</u>

# Wadebridge School

## Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	167	11,363	219,000	230,530
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	172,527	5,827,138	-	5,999,665
Other trading activities	4	164,821	13,765	-	178,586
Investment income	5	14,642	-	-	14,642
Total		<u>352,157</u>	<u>5,852,266</u>	<u>219,000</u>	<u>6,423,423</u>
<b>Expenditure on:</b>					
Raising funds	6	117,987	3,232	-	121,219
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>172,527</u>	<u>6,057,373</u>	<u>467,785</u>	<u>6,697,685</u>
Total		<u>290,514</u>	<u>6,060,605</u>	<u>467,785</u>	<u>6,818,904</u>
Net income/(expenditure)		61,643	(208,339)	(248,785)	(395,481)
Transfers between funds		-	(64,636)	64,636	-
<b>Other recognised gains and losses</b>					
Actuarial gain / (loss) on defined benefit pension schemes	23	<u>-</u>	<u>(916,000)</u>	<u>-</u>	<u>(916,000)</u>
Net movement in funds/(deficit)		61,643	(1,188,975)	(184,149)	(1,311,481)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2015		<u>697,380</u>	<u>(33,595)</u>	<u>20,154,247</u>	<u>20,818,032</u>
Total funds carried forward at 31 August 2016		<u>759,023</u>	<u>(1,222,570)</u>	<u>19,970,098</u>	<u>19,506,551</u>

# Wadebridge School

## (Registration number: 07999988) Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	19,619,158	19,896,718
<b>Current assets</b>			
Debtors	12	136,286	95,791
Cash at bank and in hand		<u>1,418,475</u>	<u>1,590,899</u>
		1,554,761	1,686,690
Creditors: Amounts falling due within one year	13	<u>(317,107)</u>	<u>(266,045)</u>
Net current assets		<u>1,237,654</u>	<u>1,420,645</u>
Total assets less current liabilities		20,856,812	21,317,363
Creditors: Amounts falling due after more than one year	14	<u>(85,750)</u>	<u>(103,812)</u>
Net assets excluding pension liability		20,771,062	21,213,551
Pension scheme liability	23	<u>(1,011,000)</u>	<u>(1,707,000)</u>
Net assets including pension liability		<u><u>19,760,062</u></u>	<u><u>19,506,551</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		322,729	484,430
Restricted fixed asset fund		19,683,146	19,970,098
Restricted pension fund		<u>(1,011,000)</u>	<u>(1,707,000)</u>
		18,994,875	18,747,528
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>765,187</u>	<u>759,023</u>
Total funds		<u><u>19,760,062</u></u>	<u><u>19,506,551</u></u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue on 13 Dec 17 and signed on their behalf by:



Mr I Thurtle  
Chair of Trustees



Miss T Yardley  
Accounting Officer

## Wadebridge School

### Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	(137,440)	(206,611)
Cash flows from investing activities	20	(20,546)	(188,205)
Cash flows from financing activities	19	<u>(14,438)</u>	<u>33,625</u>
Change in cash and cash equivalents in the year		(172,424)	(361,191)
Cash and cash equivalents at 1 September		<u>1,590,899</u>	<u>1,952,090</u>
Cash and cash equivalents at 31 August	21	<u><u>1,418,475</u></u>	<u><u>1,590,899</u></u>

# Wadebridge School

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

### 1 Accounting policies

#### Statement of accounting policies

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

#### Basis of preparation

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

Wadebridge School meets the definition of a public benefit entity under FRS 102.

#### Going concern

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

#### Income

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

#### Grants

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

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

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

# **Wadebridge School**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **1 Accounting policies (continued)**

#### ***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 the receipt is probable and it can be measured reliably.

#### ***Donations***

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

#### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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'.

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

#### ***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

#### ***Expenditure on raising funds***

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

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 1 Accounting policies (continued)

#### *Charitable activities*

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

#### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

#### **Asset class**

Leasehold land & buildings  
Furniture & equipment  
Motor vehicles  
Computer equipment

#### **Depreciation method and rate**

Straight line over 50 years  
Straight line over 5 years  
Straight line over 5 years  
Straight line over 4 years

Assets (other than leasehold land and buildings) transferred on conversion are depreciated based on the original cost as this charge best reflects the remaining useful life when transferred.

#### **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.

#### **Leased assets**

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

#### **Financial Instruments**

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

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 1 Accounting policies (continued)

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### 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.

### Pension benefits

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.



# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 1 Accounting policies (continued)

#### Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust has not used any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 25.

#### Fund accounting

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

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

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

#### Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Capital grants	-	-	152,130	152,130	219,000
Other donations	77	5,787	-	5,864	11,530
	<u>77</u>	<u>5,787</u>	<u>152,130</u>	<u>157,994</u>	<u>230,530</u>

### 3 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	5,324,999	5,324,999	5,339,471
Year 7 catch up grant	-	18,341	18,341	17,500
Pupil premium funding	-	191,161	191,161	180,679
	<u>-</u>	<u>5,534,501</u>	<u>5,534,501</u>	<u>5,537,650</u>
<b>Other government grants</b>				
SEN funding	-	18,684	18,684	12,959
Nursery funding	-	14,046	14,046	32,583
Other revenue grants	-	-	-	500
	<u>-</u>	<u>32,730</u>	<u>32,730</u>	<u>46,042</u>
<b>Non-government grants and other income</b>				
Other income	-	-	-	1,133
Educational trips	-	176,528	176,528	242,313
Catering income	164,268	-	164,268	172,527
	<u>164,268</u>	<u>176,528</u>	<u>340,796</u>	<u>415,973</u>
Total grants	<u>164,268</u>	<u>5,743,759</u>	<u>5,908,027</u>	<u>5,999,665</u>

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	10,089	-	10,089	9,267
Nursery income	93,023	-	93,023	73,726
Recharges and reimbursements	130	-	130	216
Other sales	56,549	20,360	76,909	95,377
	<u>159,791</u>	<u>20,360</u>	<u>180,151</u>	<u>178,586</u>

### 5 Investment income

	Unrestricted funds £	Total 2017 £	2016 £
Bank Interest Receivable	<u>6,657</u>	<u>6,657</u>	<u>14,642</u>

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	110,853	-	30,842	141,695	121,219
<b>Academy's educational operations</b>					
Direct costs	4,024,471	-	566,248	4,590,719	4,715,879
Allocated support costs	924,570	822,375	359,959	2,106,904	1,981,806
	<u>4,949,041</u>	<u>822,375</u>	<u>926,207</u>	<u>6,697,623</u>	<u>6,697,685</u>
	<u>5,059,894</u>	<u>822,375</u>	<u>957,049</u>	<u>6,839,318</u>	<u>6,818,904</u>

### Net incoming/outgoing resources for the year include:

	2017 £	2016 £
Fees payable to auditor - audit	3,300	3,200
- other audit services	6,221	5,270
Depreciation	<u>453,522</u>	<u>467,785</u>

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 7 Charitable activities

		<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Direct costs - educational operations</b>		4,590,719	4,715,879
<b>Support costs - educational operations</b>		<u>2,106,904</u>	<u>1,981,806</u>
		<u>6,697,623</u>	<u>6,697,685</u>
	<b>Educational operations £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Analysis of support costs</b>			
Support staff costs	924,570	924,570	826,397
Depreciation	453,522	453,522	467,785
Premises costs	368,853	368,853	357,043
Other support costs	350,359	350,359	321,662
Governance costs	<u>9,600</u>	<u>9,600</u>	<u>8,919</u>
Total support costs	<u>2,106,904</u>	<u>2,106,904</u>	<u>1,981,806</u>

### 8 Staff

	<b>2017 £</b>	<b>2016 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	3,888,437	3,857,368
Social security costs	365,266	309,283
Pension costs	735,184	647,449
Apprenticeship levy	1,845	-
Supply teacher costs	69,162	71,716
Staff restructuring costs	<u>-</u>	<u>9,000</u>
	<u>5,059,894</u>	<u>4,894,816</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £9,000).

### Staff numbers

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

## Wadebridge School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 8 Staff (continued)

	2017 No	2016 No
<b>Charitable Activities</b>		
Teachers	117	115
Administration and support	41	56
Management	8	8
	<u>166</u>	<u>179</u>

Included within administration and support are 8 sixth form students (2016: 17) that assist with occasional lunchtime supervision of students.

The number of employees whose emoluments (excludes pension contributions) fell within the following bands was:

	2017 No	2016 No
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

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 £614,321 (2016: £618,905).

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

One or more 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 role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

## Wadebridge School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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

Miss T Yardley (Head Teacher):

Remuneration: £85,000 - £90,000 (2016 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2016 - £10,000 - £15,000)

Mr D Abbiss (Staff Governor):

Remuneration: £40,000 - £45,000 (2016 - £40,000 - £45,000)

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

Miss C Hume (Staff Governor):

Remuneration: £10,000 - £15,000 (2016 - £Nil)

Employer's pension contributions: £0 - £5,000 (2016 - £Nil)

Mrs B Lyle (Staff Governor):

Remuneration: £Nil (2016 - £15,000 - £20,000)

Employer's pension contributions: £Nil (2016 - £0 - £5,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £115 (2016 - £Nil) were reimbursed or paid directly to 1 Trustee (2016 - 0).

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

#### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £511 (2016 - £920).

The cost of this insurance is included in the total insurance cost.

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	21,393,191	395,683	14,450	439,603	22,242,927
Additions	161,522	5,829	-	11,982	179,333
Disposals	-	-	-	(22,539)	(22,539)
At 31 August 2017	<u>21,554,713</u>	<u>401,512</u>	<u>14,450</u>	<u>429,046</u>	<u>22,399,721</u>
<b>Depreciation</b>					
At 1 September 2016	1,643,535	378,900	9,874	313,900	2,346,209
Charge for the year	385,389	7,794	2,890	57,449	453,522
Eliminated on disposals	-	-	-	(19,168)	(19,168)
At 31 August 2017	<u>2,028,924</u>	<u>386,694</u>	<u>12,764</u>	<u>352,181</u>	<u>2,780,563</u>
<b>Net book value</b>					
At 31 August 2017	<u>19,525,789</u>	<u>14,818</u>	<u>1,686</u>	<u>76,865</u>	<u>19,619,158</u>
At 31 August 2016	<u>19,749,656</u>	<u>16,783</u>	<u>4,576</u>	<u>125,703</u>	<u>19,896,718</u>

### 12 Debtors

	2017 £	2016 £
Trade debtors	2,343	3,630
Prepayments	44,684	1,586
Accrued grant and other income	41,901	30,586
VAT recoverable	<u>47,358</u>	<u>59,989</u>
	<u>136,286</u>	<u>95,791</u>



# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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

	2017 £	2016 £
Trade creditors	10,808	-
Other taxation and social security	93,320	90,810
Other creditors	28,377	14,313
Pension scheme creditor	85,635	80,280
Accruals	70,250	56,059
Deferred income	28,717	24,583
	<u>317,107</u>	<u>266,045</u>

Included above in deferred income is £25,246 (2016 - £20,112) in respect of monies held under what was previously known as the school's private fund when under local authority control.

	2017 £
<b>Deferred income</b>	
Deferred income at 1 September 2016	24,583
Resources deferred in the period	28,717
Amounts released from previous periods	<u>(24,583)</u>
Deferred income at 31 August 2017	<u>28,717</u>

The deferred income above relates to monies received in advance for funded projects, trips and tuition occurring in the following accounting period.

Included within Other Creditors is a loan of £11,250 from Salix which is provided on the following terms: Interest free and repayable over 5 years.

Included within Other Creditors is a loan of £7,750 from Salix which is provided on the following terms: Interest free and repayable over 8 years.

Included within Other Creditors is a loan of £2,813 from Salix which is provided on the following terms: Interest free and repayable over 8 years.

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

	2017 £	2016 £
Salix Loan	<u>85,750</u>	<u>103,812</u>

Included within Salix Loan is a loan of £26,250 from Salix which is Interest free and repayable over 5 years.

Included within Salix Loan is a loan of £42,625 from Salix which is Interest free and repayable over 8 years.

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 14 Creditors: amounts falling due after one year (continued)

Included within Salix Loan is a loan of £16,875 from Salix which is Interest free and repayable over 8 years.

	2017 £	2016 £
<b>After more than five years by instalments</b>		
Salix loan	<u>17,250</u>	<u>31,562</u>

### 15 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	400,768	5,324,999	(5,474,501)	(17,811)	233,455
Pupil Premium funding	53,738	191,161	(190,912)	-	53,987
SEN funding	-	18,684	(18,684)	-	-
Other restricted income including trips	7,430	194,135	(187,901)	-	13,664
Nursery funding	-	14,046	(14,046)	-	-
Other government grants	22,494	8,540	(9,411)	-	21,623
Year 7 catch up grant	-	18,341	(18,341)	-	-
	<u>484,430</u>	<u>5,769,906</u>	<u>(5,913,796)</u>	<u>(17,811)</u>	<u>322,729</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	1,058,027	141,721	(34,769)	-	1,164,979
Assets gifted from the local authority	18,678,196	-	(362,758)	-	18,315,438
Local authority capital grants	41,568	10,409	(13,308)	-	38,669
Capital expenditure from GAG	181,931	-	(40,660)	17,811	159,082
Other capital funding	5,064	-	(2,626)	-	2,438
Sixth form bursary	5,312	-	(2,772)	-	2,540
	<u>19,970,098</u>	<u>152,130</u>	<u>(456,893)</u>	<u>17,811</u>	<u>19,683,146</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(1,707,000)</u>	<u>-</u>	<u>(144,000)</u>	<u>840,000</u>	<u>(1,011,000)</u>
Total restricted funds	18,747,528	5,922,036	(6,514,689)	840,000	18,994,875
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>759,023</u>	<u>330,793</u>	<u>(324,629)</u>	<u>-</u>	<u>765,187</u>
Total funds	<u>19,506,551</u>	<u>6,252,829</u>	<u>(6,839,318)</u>	<u>840,000</u>	<u>19,760,062</u>

## Wadebridge School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 15 Funds (continued)

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

- The General Annual Grant (GAG) restricted fund relates to the funding received from the ESFA for the ongoing provision of education services to children from the age of eleven to eighteen.
- The Academy receives restricted Pupil Premium funding from the ESFA for the provision of education and training services to children from low income families.
- The Academy receives restricted SEN funding from the LA for the provision of education and training services to children with special needs.
- The Year 7 catch up funding is designated to support year 7 pupils who did not achieve at least level 4 in reading and/or maths at the end of key stage 2 (KS2). Income received in the year was fully spent in line with purpose.
- Restricted nursery funding represents income received by the Local Authority.
- The defined benefit pension fund represents the current deficit on the Local Government Pension Scheme.
- The Academy operates restricted fixed asset funds. Income that is received by the Academy for the purchase of specific capital items or projects is allocated to these funds.
- 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 forwards at 31 August 2017.

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	19,619,158	19,619,158
Current assets	765,187	606,945	182,629	1,554,761
Current liabilities	-	(284,216)	(32,891)	(317,107)
Creditors over 1 year	-	-	(85,750)	(85,750)
Pension scheme liability	-	(1,011,000)	-	(1,011,000)
Total net assets	<u>765,187</u>	<u>(688,271)</u>	<u>19,683,146</u>	<u>19,760,062</u>

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 17 Financial commitments

#### *Operating leases*

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	17,357	22,656
Amounts due between one and five years	901	16,599
	<u>18,258</u>	<u>39,255</u>

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

	2017 £	2016 £
Net expenditure	(586,489)	(395,481)
Depreciation	453,522	467,785
Capital grants from DfE and other capital income	(152,130)	(219,000)
Interest receivable	(6,657)	(14,642)
Defined benefit pension scheme cost less contributions payable	107,000	14,000
Defined benefit pension scheme finance cost	37,000	29,000
(Increase)/decrease in debtors	(40,495)	33,785
Increase/(decrease) in creditors	47,438	(122,058)
Loss on disposal	3,371	-
Net cash used in Operating Activities	<u>(137,440)</u>	<u>(206,611)</u>

### 19 Cash flows from financing activities

	2016 £	2016 £
Salix loan received	-	37,500
Salix loan repaid	<u>(14,438)</u>	<u>(3,875)</u>
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(14,438)</u>	<u>33,625</u>

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 20 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	6,657	14,642
Purchase of tangible fixed assets	(179,333)	(421,847)
Capital grants from DfE/ESFA	152,130	219,000
Net cash used in investing activities	<u>(20,546)</u>	<u>(188,205)</u>

### 21 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	<u>1,418,475</u>	<u>1,590,899</u>
Total cash and cash equivalents	<u>1,418,475</u>	<u>1,590,899</u>

### 22 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.

### 23 Pension and similar obligations

The Academy'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 Cornwall Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £85,635 (2016 - £80,280) were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 23 Pension and similar obligations (continued)

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

#### Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £448,000 (2015: £354,000).

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

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £264,000 (2016 - £257,000), of which employer's contributions totalled £213,000 (2016 - £208,000) and employees' contributions totalled £51,000 (2016 - £49,000). The agreed contribution rates for future years are 16.7 per cent and £69,100 for employers and 5.5 - 12.5 per cent for employees.

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

## Wadebridge School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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

##### Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	2.50	4.10
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	<u>2.50</u>	<u>2.10</u>

Commutation - An allowance is included for future retirements to elect to take a 40% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 70% of the maximum tax-free cash for post-April 2008 service.

##### Sensitivity analysis

	At 31 August 2017 £	At 31 August 2016 £
Discount rate -0.5%	495,000.00	592,000.00
Salary increase rate +0.5%	98,000.00	222,000.00
Pension increase rate +0.5%	<u>388,000.00</u>	<u>349,000.00</u>

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

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males retiring today	22.10	22.20
Females retiring today	24.50	24.40
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.00	24.40
Females retiring in 20 years	<u>26.40</u>	<u>26.80</u>

The actual return on scheme assets was £10,000 (2016 - £259,000).

# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 23 Pension and similar obligations (continued)

The Academy Trust's share of the assets in the scheme were:

	At 31 August 2017 £	At 31 August 2016 £
Equities	1,437,700	1,354,000
Corporate bonds	1,315,400	1,213,000
Property	214,100	198,000
Cash and other liquid assets	91,800	56,000
Total market value of assets	<u>3,059,000</u>	<u>2,821,000</u>

### Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	320,000	222,000
Interest income	<u>37,000</u>	<u>29,000</u>
Total amount recognised in the SOFA	<u>357,000</u>	<u>251,000</u>

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

	2017 £	2016 £
At start of period	4,528,000	3,085,000
Current service cost	320,000	222,000
Interest cost	99,000	122,000
Employee contributions	51,000	49,000
Actuarial (gain)/loss	(892,000)	1,082,000
Benefits paid	<u>(36,000)</u>	<u>(32,000)</u>
At 31 August	<u>4,070,000</u>	<u>4,528,000</u>



# Wadebridge School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 23 Pension and similar obligations (continued)

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

	2017 £	2016 £
At start of period	2,821,000	2,337,000
Interest income	62,000	93,000
Actuarial gain/(loss)	(52,000)	166,000
Employer contributions	213,000	208,000
Employee contributions	51,000	49,000
Benefits paid	(36,000)	(32,000)
At 31 August	<u>3,059,000</u>	<u>2,821,000</u>

### 24 Related party transactions

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

During the year the academy made the following related party transactions:

#### **Mrs F Abbiss**

(Mrs F Abbiss is employed by the Academy as teacher and is the spouse of Mr D Abbiss, a Trustee of the Academy)

Remuneration: £15,000 - £20,000 (2016: £15,000 - £20,000)

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

At the balance sheet date the amount due to Mrs F Abbiss was £Nil (2016 - £Nil).

#### **Mr S Robertson**

(Partner of Miss T Yardley (Trustee))

During the year trophies purchased at cost with a value of £483 (2016 £nil) were purchased from Robertson's Jewellers Limited a company owned by Mr S Robertson.

At the balance sheet date the amount due to Mr S Robertson was £Nil (2016 - £Nil).

#### **Acorn Academy Limited**

(L Bateman, Assistant Head of Wadebridge School, is a trustee of Acorn Academy Limited)

Acorn Academy Limited is a Pupil Referral Unit and during the period Wadebridge made transfers of £16,275 (2016 £16,336) relating to students referred there during the period.

At the balance sheet date the amount due to Acorn Academy Limited was £Nil (2016 - £Nil).

### 25 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £20,073 and disbursed £13,509 from the fund. An amount of £6,564 is included in other creditors relating to undistributed funds that is repayable to ESFA.