

Wadebridge School

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2018

Company Registration number: 07999988 (England and Wales)

Wadebridge School

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Wadebridge School

Reference and Administrative Details

Members	Mrs V Crabb Mr I Thurtle Mrs K Holmes Miss T Yardley Mr D Barton (appointed 23 February 2018)
Trustees appointed post year end	Mr D Abbiss (appointed 26 September 2018)
Trustees	Mr I Thurtle, (Chairman) Mrs V Crabb Mr D Constance (resigned 12 February 2018) Mrs R Franks (resigned 30 July 2018) Mrs K Holmes Miss T Yardley Mr D Abbiss (resigned 31 August 2018) Mrs L Hanson Mr C Sims Mr H McCreadie (resigned 8 August 2018) Mr D Barton Mr S Williams Miss C Hume Prof A Phippen (appointed 2 May 2018)
Company Secretary	Mr C Wilson
Senior Management Team	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
Registered Office	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 2018

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

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in Wadebridge and Padstow and surrounding villages. It has a pupil capacity of 1229 and had a roll of 1140 in the school census on January 2018.

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.

Governors' 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 11 trustees of which 4 are Member appointed, 2 parent trustees, 4 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 2018

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 the Learning Partnership for Cornwall and the Isles of Scilly 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 the Resource Committee (incorporating Buildings, Finance, Staffing and Audit), the head teacher (as accounting officer) and the school leadership team.

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.

Wadebridge School

Trustees' Report for the Year Ended 31 August 2018

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

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

No time was spent on paid trade union activities by any employee and as a result there was no cost.

Wadebridge School

Trustees' Report for the Year Ended 31 August 2018

Related Parties and other Connected Charities and Organisations

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

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 2018

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 that was reinforced during the short inspection carried out in January 2018 that concluded there was no changes to the school's overall effectiveness grade of good:-

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 2018/19 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 2018

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 finish Year 11 with attainment consistently in line with or above national averages:

	National average Attainment 8 score	Wadebridge School Attainment 8 score
2018	Published in Jan 2019	45.1
2017	44.6	46.3
2016	49.9	51.2

A Level - Key attainment and achievement indicators over time:

Advanced Level Performance System (ALPS) analysis of A level performance over three years 2015-2018 gives the school 3 year T score of 2 (judged as 'outstanding' by ALPS).

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. In reaching this conclusion the Board of Trustees have agreed a number of significant changes to the staffing structure of the school to ensure expenditure levels are affordable given the levels of income received taking into account current levels of reserves.

Wadebridge School

Trustees' Report for the Year Ended 31 August 2018

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 (2018/19) trustees have decided to utilise reserves to support the financial plans of the school whilst it implements strategies to reduce expenditure.

As shown by the Statement of Financial Activities there was net income of £26,860 on unrestricted funds and a net deficit of £399,332 on restricted general funds before transfers during the year.

The target set by trustees is to operate within income received by 2019/20 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 25 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 2018 the school's total funds (excluding pension reserve) as audited were £20,431,346 of which £792,047 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 2018/19.

Wadebridge School

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

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.

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 resources 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 £801,000. 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 £66,600 per year and are being met by the Academy Trust's budgeted annual income.

Fundraising

Wadebridge School undertakes very little in the way of fundraising other than in the following areas:-

- Submission of bids to ESFA for larger capital schemes which are prepared in-house for submission. All bids are prepared in accordance with the bid instructions and funds are spent in accordance with the conditions attached.
- Fundraising for local charities which is largely led by students.

The school has not received any complaints around fundraising.

Funds Held as Custodian Trustee on Behalf of Others

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

Wadebridge School

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

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 monitors 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 and was reconfirmed during the short inspection in January 2018.

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees on 12 Dec 18 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:

Trustee	Meetings attended	Out of a possible
Mr D Abbiss	5	6
Mr D Constance	2	4
Mrs V Crabb	3	6
Mrs R Franks	4	6
Mrs L Hanson	4	6
Mrs K Holmes	6	6
Mr H McCreadie	3	6
Mr C Sims	4	6
Mr I Thurtle	6	6
Miss T Yardley	6	6
Mr D Barton	5	6
Miss C Hume	3	6
Mr S Williams	5	6
Dr A Phippen	1	1

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
Mr D Constance	1	2
Mrs V Crabb	3	4
Mrs L Hanson	2	4
Mrs K Holmes	3	4
Miss T Yardley	4	4
Mr D Barton	3	4
Mr H McCreddie	4	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:

- Re-tendering the school's printing contract which has delivered a reduction in the annual cost by £4,700 a year.
- Generating ongoing savings to the school of £560 a year by adopting an outright purchase of the franking machine at the end of its lease after the initial payback period of 17 months.
- Reviewing the roles of employees leaving the school and where possible not replacing on a like for like basis and looking at different ways to restructure and reduce costs.

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 2018 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Wadebridge School

Governance Statement (continued)

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 termly 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.

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.

Wadebridge School

Governance Statement (continued)

Approved by order of the members of the Governing Body on 12 Dec 18 and signed on its behalf by:



Mr I Thurtle
Trustee



Miss T Yardley
Accounting officer
Trustee

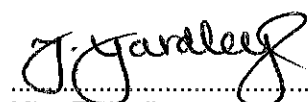
Wadebridge School

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

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

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



Miss T Yardley
Accounting officer

Date: 10/12/18

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [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 12 Dec 18 and signed on its behalf by:



Trustee **I TURTLE**

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 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018; 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.

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.

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.

Wadebridge School

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 or 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.

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. This description forms part of our auditor's report.

Wadebridge School

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

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.

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 18/12/18

Wadebridge School

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

In accordance with the terms of our engagement letter dated 24 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 & Skills Funding Agency (continued)

Conclusion

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

PKF Francis Clark

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

Lowin House
Tregolls Road
Truro
TR1 2NA

Date: 18/12/18

Wadebridge School

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	139	5,565	288,484	294,188
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	188,423	5,722,066	-	5,910,489
Other trading activities	4	163,369	8,858	-	172,227
Investment income	5	7,478	-	-	7,478
Total		<u>359,409</u>	<u>5,736,489</u>	<u>288,484</u>	<u>6,384,382</u>
Expenditure on:					
Raising funds	6	167,111	-	-	167,111
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>165,438</u>	<u>6,135,821</u>	<u>448,728</u>	<u>6,749,987</u>
Total		<u>332,549</u>	<u>6,135,821</u>	<u>448,728</u>	<u>6,917,098</u>
Net income/(expenditure)		26,860	(399,332)	(160,244)	(532,716)
Transfers between funds		-	44,815	(44,815)	-
Other recognised gains and losses					
Actuarial gain / (loss) on defined benefit pension schemes	25	<u>-</u>	<u>403,000</u>	<u>-</u>	<u>403,000</u>
Net movement in funds/(deficit)		26,860	48,483	(205,059)	(129,716)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>765,187</u>	<u>(688,271)</u>	<u>19,683,146</u>	<u>19,760,062</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>792,047</u>	<u>(639,788)</u>	<u>19,478,087</u>	<u>19,630,346</u>

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 £	2016/17 Total £
Income and endowments from:					
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>
Expenditure on:					
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	-
Other recognised gains and losses					
Actuarial gain / (loss) on defined benefit pension schemes	25	<u>-</u>	<u>840,000</u>	<u>-</u>	<u>840,000</u>
Net movement in funds/(deficit)		6,164	534,299	(286,952)	253,511
Reconciliation of funds					
Total funds/(deficit) 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

(Registration number: 07999988)

Balance Sheet as at 31 August 2018

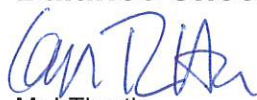
	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	20,540	-
Tangible assets	12	<u>19,314,855</u>	<u>19,619,158</u>
		<u>19,335,395</u>	<u>19,619,158</u>
Current assets			
Debtors	13	158,413	136,286
Cash at bank and in hand		<u>1,453,397</u>	<u>1,418,475</u>
		1,611,810	1,554,761
Creditors: Amounts falling due within one year	14	<u>(437,422)</u>	<u>(317,107)</u>
Net current assets		<u>1,174,388</u>	<u>1,237,654</u>
Total assets less current liabilities		20,509,783	20,856,812
Creditors: Amounts falling due after more than one year	15	<u>(78,437)</u>	<u>(85,750)</u>
Net assets excluding pension liability		20,431,346	20,771,062
Pension scheme liability	25	<u>(801,000)</u>	<u>(1,011,000)</u>
Net assets including pension liability		<u>19,630,346</u>	<u>19,760,062</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		161,212	322,729
Restricted fixed asset fund		19,478,087	19,683,146
Restricted pension fund		<u>(801,000)</u>	<u>(1,011,000)</u>
		18,838,299	18,994,875
Unrestricted funds			
Unrestricted general fund		<u>792,047</u>	<u>765,187</u>
Total funds		<u>19,630,346</u>	<u>19,760,062</u>

The financial statements on pages 23 to 53 were approved by the Trustees, and authorised for issue on 12/12/18 and signed on their behalf by:

Wadebridge School

(Registration number: 07999988)

Balance Sheet as at 31 August 2018 (continued)



Mr I Thurtle
Chair of Trustees



Miss T Yardley
Accounting Officer

Wadebridge School

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	20	(86,012)	(137,440)
Cash flows from investing activities	22	130,997	(20,546)
Cash flows from financing activities	21	<u>(10,063)</u>	<u>(14,438)</u>
Change in cash and cash equivalents in the year		34,922	(172,424)
Cash and cash equivalents at 1 September		<u>1,418,475</u>	<u>1,590,899</u>
Cash and cash equivalents at 31 August	23	<u>1,453,397</u>	<u>1,418,475</u>

Wadebridge School

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

1 Accounting policies

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

Basis of preparation

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

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 2018 (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 2018 (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.

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Software licences	Straight line over term of the licence

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	Depreciation method and rate
Leasehold land & buildings	Straight line over 50 years
Furniture & fixtures	Straight line over 5 years
Plant & equipment	Straight line over 4-5 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.

Wadebridge School

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

1 Accounting policies (continued)

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:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 notes 14 and 15. 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.

Wadebridge School

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

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 an unfunded multi-employer scheme with no underlying assets to assign between employers. 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.

Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA 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 27.

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 Group.

Wadebridge School

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

1 Accounting policies (continued)

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 25, 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 2018. 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 2018 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	288,484	288,484	152,130
Other donations	139	5,565	-	5,704	5,864
	<u>139</u>	<u>5,565</u>	<u>288,484</u>	<u>294,188</u>	<u>157,994</u>

3 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	5,238,254	5,238,254	5,324,999
Year 7 catch up grant	-	17,079	17,079	18,341
Pupil premium funding	-	187,528	187,528	191,161
	<u>-</u>	<u>5,442,861</u>	<u>5,442,861</u>	<u>5,534,501</u>
Other government grants				
SEN funding	-	32,403	32,403	18,684
Nursery funding	-	36,729	36,729	14,046
Other revenue grants	-	6,896	6,896	-
	<u>-</u>	<u>76,028</u>	<u>76,028</u>	<u>32,730</u>
Non-government grants and other income				
Other income	-	72	72	-
Educational trips	-	178,105	178,105	176,528
Catering income	188,423	-	188,423	164,268
Other revenue grants	-	25,000	25,000	-
	<u>188,423</u>	<u>203,177</u>	<u>391,600</u>	<u>340,796</u>
Total grants	<u>188,423</u>	<u>5,722,066</u>	<u>5,910,489</u>	<u>5,908,027</u>

Wadebridge School

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

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Hire of facilities	10,977	-	10,977	10,089
Nursery income	83,410	-	83,410	93,023
Recharges and reimbursements	350	-	350	130
Other sales	68,632	8,858	77,490	76,909
	<u>163,369</u>	<u>8,858</u>	<u>172,227</u>	<u>180,151</u>

5 Investment income

	Unrestricted funds £	Total 2017/18 £	Total 2016/17 £
Bank Interest Receivable	<u>7,478</u>	<u>7,478</u>	<u>6,657</u>

Wadebridge School

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

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017/18 £	Total 2016/17 £
Expenditure on raising funds - direct costs	113,305	-	53,806	167,111	141,695
Academy's educational operations					
Direct costs	3,988,494	-	582,816	4,571,310	4,590,719
Allocated support costs	<u>1,046,527</u>	<u>760,111</u>	<u>372,039</u>	<u>2,178,677</u>	<u>2,106,904</u>
	<u>5,035,021</u>	<u>760,111</u>	<u>954,855</u>	<u>6,749,987</u>	<u>6,697,623</u>
	<u>5,148,326</u>	<u>760,111</u>	<u>1,008,661</u>	<u>6,917,098</u>	<u>6,839,318</u>

Net incoming/outgoing resources for the year include:

	2017/18 £	2016/17 £
Fees payable to auditor - audit	3,450	3,300
- other audit services	4,884	6,221
Depreciation	446,868	453,522
Amortisation of intangible assets	<u>1,860</u>	<u>-</u>

Included within expenditure are the following transactions.

	Total £
Unrecoverable debts	1,735

Wadebridge School

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

7 Charitable activities

		Total 2017/18 £	Total 2016/17 £
Direct costs - educational operations		4,571,310	4,590,719
Support costs - educational operations		<u>2,178,677</u>	<u>2,106,904</u>
		<u>6,749,987</u>	<u>6,697,623</u>
	Educational operations £	Total 2017/18 £	Total 2016/17 £
Analysis of support costs			
Support staff costs	1,046,527	1,046,527	924,940
Depreciation	448,728	448,728	453,522
Premises costs	311,383	311,383	368,853
Other support costs	363,577	363,577	349,989
Governance costs	<u>8,462</u>	<u>8,462</u>	<u>9,600</u>
Total support costs	<u>2,178,677</u>	<u>2,178,677</u>	<u>2,106,904</u>

8 Staff

	2017/18 £	2016/17 £
Staff costs during the year were:		
Wages and salaries	3,935,899	3,888,437
Social security costs	374,200	367,111
Pension costs	780,269	735,184
Supply teacher costs	41,458	69,162
Staff restructuring costs	<u>16,500</u>	<u>-</u>
	<u>5,148,326</u>	<u>5,059,894</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £16,500 (2017: £nil). The payment of £16,500 was made to one member of staff on 31 July 2018.

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:

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

8 Staff (continued)

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	115	117
Administration and support	36	41
Management	8	8
	<u>159</u>	<u>166</u>

Included within administration and support are 7 sixth form students (2017: 8) that assist with occasional lunchtime supervision of students.

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

	2017/18 No	2016/17 No
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</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 £688,625 (2016: £676,052).

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:

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

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

Miss T Yardley (Head Teacher):

Remuneration: £90,000 - £95,000 (2017 - £85,000 - £90,000)

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

Mr D Abbiss (Staff Governor):

Remuneration: £40,000 - £45,000 (2017 - £40,000 - £45,000)

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

Miss C Hume (Staff Governor):

Remuneration: £15,000 - £20,000 (2017 - £10,000 - £15,000)

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

Mr S Williams (Staff Governor):

Remuneration: £65,000 - £70,000 (2017 - £45,000 - £50,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £5,000 - £10,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £43 (2017 - £115) were reimbursed or paid directly to 1 Trustee (2017 - 1).

Other related party transactions involving the Trustees are set out in note 26.

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 2018 was £511 (2017- £511).

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

11 Intangible fixed assets

	Software licences £	Total £
Cost		
Additions	22,400	22,400
At 31 August 2018	22,400	22,400
Amortisation		
Charge for the year	1,860	1,860
At 31 August 2018	1,860	1,860
Net book value		
At 31 August 2018	20,540	20,540

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

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	21,554,713	401,512	443,496	22,399,721
Additions	139,011	-	3,554	142,565
Disposals	-	-	(190,790)	(190,790)
At 31 August 2018	<u>21,693,724</u>	<u>401,512</u>	<u>256,260</u>	<u>22,351,496</u>
Depreciation				
At 1 September 2017	2,028,924	386,694	364,945	2,780,563
Charge for the year	388,683	6,610	51,575	446,868
Eliminated on disposals	-	-	(190,790)	(190,790)
At 31 August 2018	<u>2,417,607</u>	<u>393,304</u>	<u>225,730</u>	<u>3,036,641</u>
Net book value				
At 31 August 2018	<u>19,276,117</u>	<u>8,208</u>	<u>30,530</u>	<u>19,314,855</u>
At 31 August 2017	<u>19,525,789</u>	<u>14,818</u>	<u>78,551</u>	<u>19,619,158</u>

13 Debtors

	2017/18 £	2016/17 £
Trade debtors	612	2,343
Prepayments	60,254	44,684
Accrued grant and other income	59,412	41,901
VAT recoverable	38,135	47,358
	<u>158,413</u>	<u>136,286</u>

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

14 Creditors: amounts falling due within one year

	2017/18 £	2016/17 £
Trade creditors	135,911	10,808
Other taxation and social security	90,660	93,320
Other creditors	27,639	28,377
Pension scheme creditor	83,487	85,635
Accruals	27,035	70,250
Deferred income	<u>72,690</u>	<u>28,717</u>
	<u>437,422</u>	<u>317,107</u>

Included above in deferred income is £40,266 (2017 - £25,246) in respect of monies held under what was previously known as the school's private fund when under local authority control.

	2017/18 £
Deferred income	
Deferred income at 1 September 2017	28,717
Resources deferred in the period	72,690
Amounts released from previous periods	<u>(28,717)</u>
Deferred income at 31 August 2018	<u>72,690</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 £1,000 from Salix which is provided on the following terms:
Interest free and repayable over 8 years

Included within Other Creditors is a loan of £7,500 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

15 Creditors: amounts falling due after one year

	2017/18 £	2016/17 £
Other creditors	<u>78,437</u>	<u>85,750</u>

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

15 Creditors: amounts falling due after one year (continued)

Included within Other Creditors is a loan of £7,000 from Salix which is provided on the following terms: Interest free and repayable over 8 years

Included within Other Creditors is a loan of £22,500 from Salix which is provided on the following terms: Interest free and repayable over 5 years

Included within Other Creditors is a loan of £34,875 from Salix which is provided on the following terms: Interest free and repayable over 8 years

Included within Other Creditors is a loan of £14,062 from Salix which is provided on the following terms: Interest free and repayable over 8 years

	2017/18 £	2016/17 £
After more than five years by instalments		
Salix loan	<u>9,687</u>	<u>17,250</u>

16 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	233,455	5,257,653	(5,458,326)	44,815	77,597
Pupil Premium funding	53,987	187,528	(202,560)	-	38,955
SEN funding	-	20,403	(20,403)	-	-
Other restricted income including trips	13,664	212,237	(195,017)	-	30,884
Nursery funding	-	36,729	(36,729)	-	-
Other government grants	21,623	4,860	(12,707)	-	13,776
Year 7 catch up	-	17,079	(17,079)	-	-
	<u>322,729</u>	<u>5,736,489</u>	<u>(5,942,821)</u>	<u>44,815</u>	<u>161,212</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	1,164,979	288,484	(36,857)	(61,906)	1,354,700
Assets gifted from the local authority	18,315,438	-	(362,758)	-	17,952,680
Local authority capital grants	38,669	-	(9,329)	(204)	29,136
Capital expenditure from GAG	159,082	-	(34,920)	17,295	141,457
Other capital funding	2,438	-	(2,416)	-	22
Sixth form bursary	2,540	-	(2,448)	-	92
	<u>19,683,146</u>	<u>288,484</u>	<u>(448,728)</u>	<u>(44,815)</u>	<u>19,478,087</u>

Wadebridge School

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

16 Funds (continued)

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted pension funds					
Pension reserve	(1,011,000)	-	(193,000)	403,000	(801,000)
Total restricted funds	18,994,875	6,024,973	(6,584,549)	403,000	18,838,299
Unrestricted funds					
Unrestricted general funds	765,187	359,409	(332,549)	-	792,047
Total funds	19,760,062	6,384,382	(6,917,098)	403,000	19,630,346

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
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	-	18,341	(18,341)	-	-
	484,430	5,769,906	(5,913,796)	(17,811)	322,729
Restricted fixed asset funds					
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
	19,970,098	152,130	(456,893)	17,811	19,683,146
Restricted pension funds					
Pension reserve	(1,707,000)	-	(144,000)	840,000	(1,011,000)

Wadebridge School

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

16 Funds (continued)

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Total restricted funds	18,747,528	5,922,036	(6,514,689)	840,000	18,994,875
Unrestricted funds					
Unrestricted general funds	759,023	330,793	(324,629)	-	765,187
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>

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	400,768	10,582,652	(10,932,827)	27,004	77,597
Pupil Premium funding	53,738	378,689	(393,472)	-	38,955
SEN funding	-	39,087	(39,087)	-	-
Other restricted income including trips	7,430	406,372	(382,918)	-	30,884
Nursery funding	-	50,775	(50,775)	-	-
Other government grants	22,494	13,400	(22,118)	-	13,776
Year 7 catch up	-	35,420	(35,420)	-	-
	<u>484,430</u>	<u>11,506,395</u>	<u>(11,856,617)</u>	<u>27,004</u>	<u>161,212</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	1,058,027	430,205	(71,626)	(61,906)	1,354,700
Assets gifted from the local authority	18,678,196	-	(725,516)	-	17,952,680
Local authority capital grants	41,568	10,409	(22,637)	(204)	29,136
Capital expenditure from GAG	181,931	-	(75,580)	35,106	141,457
Other capital funding	5,064	-	(5,042)	-	22
Sixth form bursary	5,312	-	(5,220)	-	92
	<u>19,970,098</u>	<u>440,614</u>	<u>(905,621)</u>	<u>(27,004)</u>	<u>19,478,087</u>
Restricted pension funds					
Pension reserve	<u>(1,707,000)</u>	-	<u>(337,000)</u>	<u>1,243,000</u>	<u>(801,000)</u>
Total restricted funds	18,747,528	11,947,009	(13,099,238)	1,243,000	18,838,299

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

16 Funds (continued)

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted general funds	759,023	690,202	(657,178)	-	792,047
Total funds	<u>19,506,551</u>	<u>12,637,211</u>	<u>(13,756,416)</u>	<u>1,243,000</u>	<u>19,630,346</u>

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 2018.
- £17,295 was transferred from the GAG restricted fund to the restricted capital fund to represent the school's contribution toward the roof replacement project in the year.
- £58,704 was transferred from the restricted capital fund to the GAG restricted fund as the trustees confirmed DfC funds had been expended through GAG in prior years.
- £3,406 was transferred from the restricted capital fund to the GAG restricted fund as works to complete the isolation room project had been expended through GAG.

Wadebridge School

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

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	20,540	20,540
Tangible fixed assets	-	-	19,314,855	19,314,855
Current assets	792,047	572,380	247,383	1,611,810
Current liabilities	-	(411,168)	(26,254)	(437,422)
Creditors over 1 year	-	-	(78,437)	(78,437)
Pension scheme liability	-	(801,000)	-	(801,000)
Total net assets	<u>792,047</u>	<u>(639,788)</u>	<u>19,478,087</u>	<u>19,630,346</u>

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

	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 2018 (continued)

18 Capital commitments

	2018 £
Contracted for, but not provided in the financial statements	<u>23,421</u>

19 Financial commitments

Operating leases

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

	2017/18 £	2016/17 £
Amounts due within one year	8,885	17,357
Amounts due between one and five years	<u>17,509</u>	<u>901</u>
	<u>26,394</u>	<u>18,258</u>

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

	2017/18 £	2016/17 £
Net expenditure	(532,716)	(586,489)
Amortisation	1,860	-
Depreciation	446,868	453,522
Capital grants from DfE and other capital income	(288,484)	(152,130)
Interest receivable	(7,478)	(6,657)
Defined benefit pension scheme cost less contributions payable	165,000	107,000
Defined benefit pension scheme finance cost	28,000	37,000
Increase in debtors	(22,127)	(40,495)
Increase in creditors	123,065	47,438
Loss on disposal	-	3,371
Net cash used in Operating Activities	<u>(86,012)</u>	<u>(137,440)</u>

21 Cash flows from financing activities

	2017/18 £	2016/17 £
Salix loan received	8,000	-
Salix loan repaid	<u>(18,063)</u>	<u>(14,438)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(10,063)</u>	<u>(14,438)</u>

Wadebridge School

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

22 Cash flows from investing activities

	2017/18 £	2016/17 £
Dividends, interest and rents from investments	7,478	6,657
Purchase of intangible fixed assets	(22,400)	-
Purchase of tangible fixed assets	(142,565)	(179,333)
Capital grants from DfE/ESFA	288,484	152,130
Net cash provided by/(used in) investing activities	<u>130,997</u>	<u>(20,546)</u>

23 Analysis of cash and cash equivalents

	2017/18 £	2016/17 £
Cash at bank and in hand	<u>1,453,397</u>	<u>1,418,475</u>
Total cash and cash equivalents	<u>1,453,397</u>	<u>1,418,475</u>

24 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.

25 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 . 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 £83,487 (2017 - £85,635) 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' 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 2018 (continued)

25 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)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4% 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 £459,000 (2017: £448,000).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £280,000 (2017 - £264,000), of which employer's contributions totalled £224,000 (2017 - £213,000) and employees' contributions totalled £56,000 (2017 - £51,000). The agreed contribution rates for future years are 16.7 per cent and £66,600 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 2018 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
	%	%
Rate of increase in salaries	2.50	2.50
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	<u>2.80</u>	<u>2.50</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 2018	At 31 August 2017
	£	£
Discount rate -0.5%	530,000	495,000
Salary increase rate +0.5%	93,000	98,000
Pension increase rate +0.5%	<u>430,000</u>	<u>388,000</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 2018	At 31 August 2017
Retiring today		
Males retiring today	22.10	22.10
Females retiring today	24.50	24.50
Retiring in 20 years		
Males retiring in 20 years	24.00	24.00
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>

The actual return on scheme assets was £170,000 (2017 - £10,000).

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

25 Pension and similar obligations (continued)

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

	2017/18 £	2016/17 £
Equities	1,695,400	1,437,700
Corporate bonds	1,487,800	1,315,400
Property	242,200	214,100
Cash and other liquid assets	34,600	91,800
Total market value of assets	<u>3,460,000</u>	<u>3,059,000</u>

Amounts recognised in the statement of financial activities

	2017/18 £	2016/17 £
Current service cost	389,000	320,000
Interest income	<u>28,000</u>	<u>37,000</u>
Total amount recognised in the SOFA	<u>417,000</u>	<u>357,000</u>

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

	2017/18 £	2016/17 £
At start of period	4,070,000	4,528,000
Current service cost	389,000	320,000
Interest cost	107,000	99,000
Employee contributions	56,000	51,000
Actuarial (gain)/loss	(312,000)	(892,000)
Benefits paid	<u>(49,000)</u>	<u>(36,000)</u>
At 31 August	<u>4,261,000</u>	<u>4,070,000</u>

Wadebridge School

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

25 Pension and similar obligations (continued)

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

	2017/18 £	2016/17 £
At start of period	3,059,000	2,821,000
Interest income	79,000	62,000
Actuarial gain/(loss)	91,000	(52,000)
Employer contributions	224,000	213,000
Employee contributions	56,000	51,000
Benefits paid	(49,000)	(36,000)
At 31 August	<u>3,460,000</u>	<u>3,059,000</u>

26 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 a teacher and is the spouse of Mr D Abbiss, a Trustee of the Academy)

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

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

At the balance sheet date the amount due to Mrs F Abbiss was £Nil (2017: £Nil)

Mrs J Williams

(Mrs J Williams is employed by the Academy as a teacher and is the spouse of Mr S Williams, a Trustee of the Academy)

Remuneration: £40,000 - £45,000 (2017: £25,000 - £30,000)

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

At the balance sheet date the amount due to Mrs J Williams was £Nil (2017: £Nil)

Mr S Robertson

(Partner of Miss T Yardley (Trustee))

During the year trophies purchased at cost with a value of £Nil (2017: £483) 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 (2017: £Nil).

Wave Multi Academy Trust (previously Acorn Academy Cornwall)

(L Bateman, Assistant Head of Wadebridge School, was a trustee of Wave Multi Academy Trust to 31 May 2018)

Wave Multi Academy Trust is a Pupil Referral Unit and during the period Wadebridge School paid £14,563 (2017: £16,275) relating to students referred there during the period. At the balance sheet date the amount due to Wave Multi Academy Trust was £Nil (2017: £Nil).

Wadebridge School

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

26 Related party transactions (continued)

Kernow Education Arts Partnership

(D Barton, trustee of Wadebridge School is a trustee of Kernow Education Arts Partnership)
Kernow Education Arts Partnerships is an education charity and during the period Wadebridge School paid £200 (2017: £Nil) relating to conferences attended by teachers in the period. At the balance sheet date the amount due to Kernow Education Arts Partnership was £Nil (2017: £Nil).

Cornwall Association of Secondary Headteachers

(T Yardley and D Barton, trustees of Wadebridge School are members of Cornwall Association of Secondary Headteachers)

Cornwall Association of Secondary Headteachers is a support group for headteachers at publicly funded secondary schools in Cornwall and during the period Wadebridge School paid £1,773 (2017: £Nil) relating to subscription fees, and Cornwall Association of Secondary Headteachers paid £4,000 (2017: £Nil) to the school as consideration for work performed by T Yardley (Trustee). At the balance sheet date the amount due to Cornwall Association of Secondary Headteachers was £Nil (2017: £Nil)

27 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 2018 the trust received £15,818 and disbursed £7,242 from the fund. An amount of £8,576 is included in other creditors relating to undistributed funds that is repayable to ESFA.