

Wadebridge School

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 21 March 2012 to 31 August 2013

Registration number: 07999988

Wadebridge School

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Wadebridge School

Reference and Administrative Details

Governors/Trustees Mrs Kath Biddle (appointed 1 April 2012)
Mr Peter Bower (appointed 30 January 2013)
Mrs Sandra Blewitt (appointed 21 March 2012 and resigned 1 December 2012)
Mr Neil Boucher (appointed 1 April 2012 and resigned 30 August 2012)
Mrs Nicola Brooks (appointed 5 July 2012)
Mrs Tracy Collins (appointed 9 May 2012)
Mr David Constance (appointed 1 April 2012)
Mrs Val Crabb (appointed 30 January 2013)
Mrs Jan Everitt (appointed 1 April 2012)
Mrs Katy Holmes (appointed 21 March 2012)
Mr Paul Howard (appointed 1 April 2012)
Mr Stuart Hutchinson (appointed 5 July 2012)
Mr Henry Irons (appointed 21 March 2012 and resigned 10 October 2012)
Mr Jonny Jenkins (appointed 1 April 2012 and resigned 12 December 2012)
Mrs Lynn Latowsky (appointed 1 April 2012)
Mr Stuart Robertson (appointed 21 March 2012)
Mrs Karen Robinson (appointed 1 April 2012)
Miss Sue Roworth (appointed 1 April 2012)
Mrs Lianne Sproull (appointed 1 April 2012)
Mr Ian Thurtle (appointed 1 April 2012)
Miss Tina Yardley (appointed 21 March 2012)
Mrs Rosslyn Franks (appointed 1 April 2012)

Company Secretary Mr Chris Wilson

Senior Management Team Miss Tina Yardley, Head Teacher
Mr Sion Williams, Deputy Head Teacher
Mr Lee Bateman, Assistant Head Teacher
Mr Pete Glynn, Assistant Head Teacher
Mrs Karen Roff, Assistant Head Teacher
Mrs Di Talling, Assistant Head Teacher
Mr Phil Luke, Business Manager - Premises
Mr Chris Wilson, Business Manager - Finance

Registered Office
Wadebridge School
Gonvena Hill
Wadebridge
Cornwall
PL27 6BU

Wadebridge School

Reference and Administrative Details

Company 07999988
Registration Number

Auditors Francis Clark LLP
Lowin House
Tregolls Road
Truro
TR1 2NA

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

Wadebridge School

Trustees' Report for the period from 21 March 2012 to 31 August 2013

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2013.

Discussion on conversion to academy trust

On 1 April 2012 the school converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Wadebridge School from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Structure, governance and management

Constitution

Wadebridge School is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07999988. The company was incorporated on 21 March 2012.

The governors act as the trustees for the charitable activities of Wadebridge School and 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 throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Wadebridge School through its insurer purchased and maintained liability insurance for its Trustees with cover of £5m.

Principal activities

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

Method of recruitment and appointment or election of Trustees

The Governing body is made up of 18 trustees of which 6 are Member appointed, 6 parent trustees, 4 staff trustees and 2 co-opted trustees. 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 period from 21 March 2012 to 31 August 2013

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 Conduct which lays out their responsibilities and how they should act, together with a declaration of interests, a trustees's statement and a copy of the academy's Funding Agreement with the DfE.

Trustees are allocated one or more curriculum or school areas as their Link trustee. They are expected to come into school and observe teaching and learning 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 SLT. Individual trustees regularly attend training sessions organized by Cornwall Learning or via the local governor's network.

Organisational structure

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

To facilitate the working of the governing body some of its functions are delegated to committees, the head teacher and the school leadership team. The committees are: Buildings and Finance, Staffing, Curriculum and Audit.

Risk management

The school leadership team and trustees have established a process for recording risk in the school risk register.

The school leadership team regularly review the risk register and report updates to the audit committee at its termly meetings. The updates include identification of new risks, review and updates on existing risks as well as progress on actions to mitigate risk. Key risks include:-

- Pupil numbers given the direct link between pupil numbers and funding
- Vetting of school staff and visitors and supervision of the school grounds
- Operational areas in respect of teaching, health and safety, bullying and school trips

Wadebridge School

Trustees' Report for the period from 21 March 2012 to 31 August 2013

Objectives and activities

Objects and aims

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 period from 21 March 2012 to 31 August 2013

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 "slimming down" of the National Curriculum, gain vocational experiences, and develop important key skills such as those within Information and Communication Technology.

At Key Stage 4, some of our students follow vocational courses at local colleges for part of their week in order to enrich and broaden their curriculum. The school is committed to providing a curriculum that enables all its students to make the best-possible progress regardless of their ability, gender and any other factors.

Looking to the year ahead Wadebridge School's ambitions have been categorised under three headings; Consistency, Curriculum and Communication. Full details can be found in the school improvement plan but below is a summary of the key objectives:-

Consistency

- Increase % achieving 5 A*-C (including English and Maths so that performance is above FFT D).
- Increase % of students achieving expected progress in Maths and English
- Improve the consistency of A level subject value added

Curriculum

- Enhance capacity for high quality and high impact intervention (narrowing the gap)
- Managed adaptation of the curriculum model to reflect changes in the national qualification and funding landscape

Communication

- Enhance the monitoring and communication of progress data with regards students entitled to pupil premium to allow earlier identification of progress issues
- Enhance pupil progress particularly pupil premium students.

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 period from 21 March 2012 to 31 August 2013

Achievements and performance

Students joining the school in Year 7 have Key Stage 2 results which are broadly in line with national averages, when they finish Year 11 their performance is consistently above national averages and as a result the school's Value Added scores are consistently significantly positive. The school uses a wide range of baseline data to judge its performance including RAISEonline, Fischer Family Trust, DfE performance tables, Advanced Level Performance System (ALPS), Level 3 Value Added.

GCSE - Key attainment and achievement indicators over time:

The table below indicates that performance is judged to be statistically significantly better than national averages using Ofsted criteria.

Attainment indicators	2011 National	2011 School	2012 National	2012 School	2013 National	2013 School
%5+A*-C (En&Ma)	59.0	63	58	58	60	57
%5+A*-C	79.6	85	81	89		
%5+A*-G	94	100	94	99	95	98
Average Points Capped	335	365	347	364	338.3	342.8
Average Points Total	464	582	485	558	461.7	528.4
Value Added score	1000	1025	1000	1011.2	1000	1003.4
Average Points Score - English	40	42.3	39.4	41.3	38.8	40.5
Average Points Score - Maths	39.0	41.7	39.4	41.3	38.8	38.2

A Level - Key attainment and achievement indicators over time:

Advanced Level Performance System (ALPS) analysis of performance over three years 2009-2012 gives the school an overall T score of 3 representing performance between the 75th and 89th percentile and is considered to represent 'excellent' performance. The new Level 3 Value Added analysis for 2012 shows a positive value added score for both A level and AS qualifications.

Qualification Type Name	Number of Entries	Value Added Score
A Level	173	0.3
AS Level	253	1.6

Pupil attendance:

RAISEonline identifies the percentage of persistent absentees at the school (4.3%) to be lower both than the national average (6.9%) and the figure for schools with similar a Free School Meal take up (5.4%).

Wadebridge School

Trustees' Report for the period from 21 March 2012 to 31 August 2013

Going concern

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

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.

Financial review

The main sources of funding for the school are the General Annual Grant from the EFA 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 (2013 – 2015) trustees have again decided to utilise reserves to support the financial plans of the school whilst it implements strategies to reduce expenditure. The target set by trustees is to operate within income received by 2015/16 recognising the need to retain a reserve to assist in the management of risk.

During the past year the school successfully bid for funding for two major capital projects from the EFA. This resulted in an allocation of approximately £250k to allow the re-roofing to take place of the hall, gym, kitchen, changing rooms and three storey block roofs. All projects were completed within the required timescales and overall within budget.

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Trustees' Report for the period from 21 March 2012 to 31 August 2013

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 will be reported to the newly created audit committee when it meets in the new 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.

Financial and risk management objectives and policies

Wadebridge School has limited exposure to major financial risk 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 (75%). 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.

Reserves policy

As at the 31 August 2013 the school's unrestricted funds as audited were £574k. This reserve is presently held at the school's bank that attracts interest at the base rate. In agreeing the medium term financial strategy trustees have set out the planned use of reserves in 2013/14 and 2014/15.

Investment policy

Wadebridge School presently has no investments other than the cash balances that are held at the school's bank. During the year the full governing body approved an investment policy which includes the option to invest in capital safe investments in local authorities and treasury deposits. With work complete on the medium term financial strategy alternatives to current arrangements are being explored with a view to maximise returns to the school whilst ensuring no risk to sums invested.

Wadebridge School

Trustees' Report for the period from 21 March 2012 to 31 August 2013

Plans for future periods

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

A key component to the success of the students is the relationship between the school and parents and carers. Education does not start and stop at the school gate. The amount of time a student spends in school is such a small proportion to the time spent out of school which means the relationship with parents and carers is critical to ensure learning continues outside of school. Learning outside of school is not just down to curriculum subjects. A broad extra-curricular programme is a key objective for the school as well. Duke of Edinburgh award, annual camps, 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.

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.

Approved by order of the members of the Governing Body on 11 December 2013 and signed on its behalf by:

.....
Mr S Robertson
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 period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Kath Biddle	5	6
Mrs Sandra Blewitt	1	3
Mr Neil Boucher	0	2
Mr Peter Bower	2	2
Mrs Nicola Brooks	4	4
Mrs Tracy Collins	3	6
Mr David Constance	6	6
Mrs Val Crabb	2	2
Mrs Jan Everitt	5	6
Mrs Katy Holmes	5	6
Mr Paul Howard	5	6
Mr Stuart Hutchinson	4	4
Mr Henry Irons	3	3
Mr Jonny Jenkins	1	3
Mrs Lynn Latowsky	6	6
Mr Stuart Robertson	6	6
Mrs Karen Robinson	6	6
Miss Sue Roworth	3	6
Mrs Lianne Sproull	6	6
Mr Ian Thurtle	6	6
Miss Tina Yardley	6	6
Mrs Rosslyn Franks	5	6

Wadebridge School

Governance Statement

The buildings and finance committee monitor the buildings and finance issues relating to the school making recommendations to the governing body as appropriate. The buildings and finance committee report to the governing body and works through the Accounting Officer and other school staff. Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Sandra Blewitt	1	2
Mrs Nicola Brooks	3	3
Mr David Constance	3	3
Mrs Val Crabb	1	1
Mrs Jan Everitt	4	4
Mr Stuart Hutchinson	3	3
Mr Henry Irons	2	2
Mr Jonny Jenkins	1	2
Mr Stuart Robertson	4	4
Mrs Karen Robinson	4	4
Miss Sue Roworth	3	4
Mrs Lianne Sproull	4	4
Miss Tina Yardley	4	4

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 period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2013 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

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

The 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. 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 RO to date.

Wadebridge School

Governance Statement

Review of effectiveness

As Accounting Officer, Miss T Yardley has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 Buildings and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 11 December 2013 and signed on its behalf by:

.....
Mr S Robertson
Chair of Trustees

.....
Miss T Yardley
Accounting Officer

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

.....
Miss T Yardley
Accounting officer

Wadebridge School

Statement of Trustees' Responsibilities

The Trustees (who are 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 issued by the Education 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 11 December 2013 and signed on its behalf by:

.....
Mr S Robertson
Chair of Trustees

Wadebridge School

Independent Auditor's Report on the Financial Statements to the board of trustees of Wadebridge School

We have audited the financial statements of Wadebridge School for the period from 21 March 2012 to 31 August 2013, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. 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).

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 16), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Wadebridge School

Independent Auditor's Report on the Financial Statements to the board of trustees of Wadebridge School

Matters on which we are required to report by exception

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.

.....
Scott Bentley (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Lowin House
Tregolls Road
Truro
TR1 2NA

Date 12 December 2013

Wadebridge School

Independent Auditor's Assurance Report on Regularity to Wadebridge School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 3 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wadebridge School during the period 21 March 2012 to 31 August 2013 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Wadebridge School and the EFA 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 EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 21 March 2012 to 31 August 2013 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 Annual Accounts Direction issued by the Education Funding Agency. 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 Auditor's Assurance Report on Regularity to Wadebridge School and the Education Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 21 March 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Scott Bentley (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Chartered Accountants

Lowin House
Tregolls Road
Truro
TR1 2NA

Date 12 December 2013

Wadebridge School

Statement of Financial Activities for the Period from 21 March 2012 to 31 August 2013

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	527,562	12,053	20,802,496	21,342,111
Activities for generating funds	3	277,142	-	-	277,142
Investment income	4	18,731	-	-	18,731
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	<u>69,572</u>	<u>8,494,532</u>	<u>458,048</u>	<u>9,022,152</u>
Total incoming resources		<u>893,007</u>	<u>8,506,585</u>	<u>21,260,544</u>	<u>30,660,136</u>
Resources expended					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income		-	9,219	-	9,219
Cost of generating funds		249,065	-	-	249,065
<i>Charitable activities:</i>					
Academy's educational operations		70,128	7,672,396	770,320	8,512,844
Governance costs	8	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total resources expended	6	<u>319,193</u>	<u>7,689,615</u>	<u>770,320</u>	<u>8,779,128</u>
Net incoming resources before transfers		573,814	816,970	20,490,224	21,881,008
Gross transfers between funds		<u>-</u>	<u>(189,972)</u>	<u>189,972</u>	<u>-</u>
Net income for the period		573,814	626,998	20,680,196	21,881,008
Other recognised gains and losses					
Opening defined benefit pension scheme liability		-	(258,000)	-	(258,000)
Actuarial losses on defined benefit pension schemes	23	<u>-</u>	<u>(121,000)</u>	<u>-</u>	<u>(121,000)</u>
Net movement in funds		<u>573,814</u>	<u>247,998</u>	<u>20,680,196</u>	<u>21,502,008</u>
Reconciliation of funds					

Wadebridge School

Statement of Financial Activities for the Period from 21 March 2012 to 31 August 2013

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £
Funds carried forward at 31 August 2013		<u>573,814</u>	<u>247,998</u>	<u>20,680,196</u>	<u>21,502,008</u>

All of the Academy's activities derive from acquisitions in the current financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Wadebridge School

(Registration number: 07999988)
Balance Sheet as at 31 August 2013

	Note	31 August 2013 £
Fixed assets		
Tangible assets	12	20,599,210
Current assets		
Debtors	13	163,927
Cash at bank and in hand		<u>1,458,816</u>
		1,622,743
Creditors: Amounts falling due within one year	14	<u>(395,945)</u>
Net current assets		<u>1,226,798</u>
Total assets less current liabilities		<u>21,826,008</u>
Net assets excluding pension liability		21,826,008
Pension scheme liability	23	<u>(324,000)</u>
Net assets including pension liability		<u>21,502,008</u>
Funds of the Academy:		
Restricted funds		
Restricted general fund		571,998
Restricted fixed asset fund		20,680,196
Restricted pension fund		<u>(324,000)</u>
		20,928,194
Unrestricted funds		
Unrestricted general fund		<u>573,814</u>
Total funds		<u>21,502,008</u>

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue on 11 December 2013 and signed on their behalf by:

.....
Mr S Robertson
Chair of Trustees

.....
Miss T Yardley
Accounting Officer

Wadebridge School

Cash Flow Statement for the Period from 21 March 2012 to 31 August 2013

	Note	31 August 2013 £
Net cash inflow from operating activities	18	1,587,713
Returns on investments and servicing of finance	19	18,731
Capital expenditure and financial investment	20	<u>(147,628)</u>
Increase in cash in the period	21	<u><u>1,458,816</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	1,458,816
Net funds at 21 March 2012	<u>-</u>
Net funds at 31 August 2013	<u><u>1,458,816</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Wadebridge School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Wadebridge School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

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.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

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 there is certainty of receipt.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

Asset class

Leasehold buildings

Furniture & equipment

Motor vehicles

Computer equipment

Depreciation method and rate

Straight line over 50 years

Straight line over 5 years

Straight line over 5 years

Straight line over 4 years

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

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 Period from 21 March 2012 to 31 August 2013

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
Educational trips and visits	-	9,219	-	9,219
Surplus brought forward from local authority	525,851	-	35,914	561,765
Donations - local authority asset transfer	-	-	20,766,582	20,766,582
Other donations	1,711	2,834	-	4,545
	<u>527,562</u>	<u>12,053</u>	<u>20,802,496</u>	<u>21,342,111</u>

3 Activities for generating funds

	Unrestricted funds £	Total 2013 £
Hire of facilities	11,935	11,935
Catering income	129,049	129,049
Recharges and reimbursements	13,359	13,359
Other sales	122,799	122,799
	<u>277,142</u>	<u>277,142</u>

4 Investment income

	Unrestricted funds £	Total 2013 £
Bank Interest Receivable	<u>18,731</u>	<u>18,731</u>

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

5 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
DfE/EFA capital grants				
Devolved Formula Capital allocations	-	-	34,965	34,965
Other DfE / EFA grants	-	-	381,483	381,483
	-	-	416,448	416,448
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	8,089,623	-	8,089,623
Other DfE / EFA grants	-	4,433	-	4,433
Pupil premium funding	-	190,252	-	190,252
	-	8,284,308	-	8,284,308
Other government grants				
SEN funding	-	123,600	-	123,600
Sixth form bursary	-	33,313	-	33,313
Nursery funding	-	17,310	-	17,310
Other revenue grants	-	25,979	-	25,979
Other capital grants	-	-	6,177	6,177
	-	200,202	6,177	206,379
Non-government grants and other income				
Other income	69,572	10,022	35,423	115,017
Total grants	69,572	8,494,532	458,048	9,022,152

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2013 £
Costs of generating voluntary income	-	-	9,219	9,219
Costs of activities for generating funds	59,303	-	189,762	249,065
Academy's educational operations				
Direct costs	5,188,622	-	684,009	5,872,631
Allocated support costs	<u>1,129,784</u>	<u>1,293,857</u>	<u>216,572</u>	<u>2,640,213</u>
	6,318,406	1,293,857	900,581	8,512,844
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>
	<u><u>6,377,709</u></u>	<u><u>1,293,857</u></u>	<u><u>1,107,562</u></u>	<u><u>8,779,128</u></u>

Net incoming/outgoing resources for the period include:

	31 August 2013 £
Fees payable to auditor - audit	3,000
- other audit services	<u>5,000</u>

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

7 Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	67,934	5,120,688	-	5,188,622
Educational supplies	556	457,800	-	458,356
Examination fees	-	129,681	-	129,681
Staff development	-	46,581	-	46,581
Other direct costs	-	49,391	-	49,391
	<u>68,490</u>	<u>5,804,141</u>	<u>-</u>	<u>5,872,631</u>
Allocated support costs				
Support staff costs	1,638	1,191,146	-	1,192,784
FRS 17 service cost adjustment	-	(63,000)	-	(63,000)
Depreciation	-	-	773,048	773,048
Maintenance of premises and equipment	-	170,253	-	170,253
Cleaning	-	151,015	-	151,015
Rent & rates	-	35,382	-	35,382
Energy costs	-	78,037	-	78,037
Insurance	-	86,122	-	86,122
Recruitment and support	-	29,668	-	29,668
Security and transport	-	10,251	-	10,251
Catering	-	24,602	-	24,602
Bank interest and charges	-	64	-	64
Interest on defined benefit pension scheme	-	8,000	-	8,000
Professional fees	-	48,159	-	48,159
Other support costs	-	98,556	(2,728)	95,828
	<u>1,638</u>	<u>1,868,255</u>	<u>770,320</u>	<u>2,640,213</u>
	<u>70,128</u>	<u>7,672,396</u>	<u>770,320</u>	<u>8,512,844</u>

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

8 Governance costs

	Restricted funds £	Total 2013 £
Auditors' remuneration		
Audit of financial statements	3,000	3,000
Other audit services	5,000	5,000
	<u>8,000</u>	<u>8,000</u>

9 Staff costs

	2013 £
Staff costs during the period were:	
Wages and salaries	5,236,256
Social security costs	385,063
Pension costs	729,255
Supply teacher costs	60,993
	<u>6,411,567</u>

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

	31 August 2013 No
Charitable Activities	
Teachers	67
Teaching support and administration	47
Management	8
	<u>122</u>

The number of employees whose emoluments fell within the following bands was:

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

9 Staff costs (continued)

	31 August 2013 No
£60,001 - £70,000	1
£80,001 - £90,000	1

2 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £20,814.

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration (including employers pension contributions) for a pro-rated period of 12 months, was as follows:

Miss Tina Yardley: £90,000 - £95,000

Miss Sue Roworth: £40,000 - £45,000

Mrs Kath Biddle: £35,000 - £40,000

Mrs Lynn Latowsky: £15,000 - £20,000

Mrs Val Crabb: £5,000 - £10,000

Mrs Karen Robinson: £0 - £5,000

During the period ended 31 August 2013, no travel costs or other expenses were reimbursed to trustees.

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

11 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 period ended 31 August 2013 was £1,484.

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

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
Additions	458,236	22,357	14,450	118,009	613,052
Inherited assets	20,280,377	354,730	5,344	126,131	20,766,582
Disposals	-	-	(5,344)	(16,500)	(21,844)
At 31 August 2013	<u>20,738,613</u>	<u>377,087</u>	<u>14,450</u>	<u>227,640</u>	<u>21,357,790</u>
Depreciation					
Charge for the year	517,975	152,943	3,777	98,353	773,048
Eliminated on disposals	-	-	(2,573)	(11,895)	(14,468)
At 31 August 2013	<u>517,975</u>	<u>152,943</u>	<u>1,204</u>	<u>86,458</u>	<u>758,580</u>
Net book value					
At 31 August 2013	<u>20,220,638</u>	<u>224,144</u>	<u>13,246</u>	<u>141,182</u>	<u>20,599,210</u>

13 Debtors

	31 August 2013 £
Trade debtors	6,964
Prepayments	5,114
Accrued grant and other income	109,365
VAT recoverable	42,484
	<u>163,927</u>

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

14 Creditors: amounts falling due within one year

	31 August 2013 £
Other taxation and social security	79,470
Pension scheme creditor	70,768
Accruals	164,178
Deferred income	81,529
	<u>395,945</u>

Included above in deferred income is £42,773 in respect of monies held under what was previously known as the school's private fund when under local authority control. The movements on this fund are not reflected within the SOFA as the funds represent costs collected from students and parents in respect of trips etc that are then dispersed on by the school.

	31 August 2013 £
Resources deferred in the period	<u>(81,529)</u>

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

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

15 Funds

	Balance at 21 March 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted general funds					
General Annual Grant (GAG)	-	8,089,623	(7,327,653)	(189,972)	571,998
Pupil Premium funding	-	190,252	(190,252)	-	-
SEN funding	-	123,600	(123,600)	-	-
Sixth form bursary	-	33,313	(33,313)	-	-
Nursery funding	-	17,310	(17,310)	-	-
Other government grants	-	30,412	(30,412)	-	-
Other restricted income	-	22,075	(22,075)	-	-
	-	<u>8,506,585</u>	<u>(7,744,615)</u>	<u>(189,972)</u>	<u>571,998</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	416,448	(3,668)	-	412,780
Assets gifted from the local authority	-	20,766,582	(732,576)	-	20,034,006
Local authority capital grants	-	42,091	(72)	-	42,019
Capital expenditure from GAG	-	-	(24,376)	189,972	165,596
Other capital funding	-	35,423	(9,628)	-	25,795
	-	<u>21,260,544</u>	<u>(770,320)</u>	<u>189,972</u>	<u>20,680,196</u>
Restricted pension funds					
Pension reserve	-	-	55,000	(379,000)	(324,000)
Total restricted funds	-	29,767,129	(8,459,935)	(379,000)	20,928,194
Unrestricted funds					
Unrestricted general funds	-	893,007	(319,193)	-	573,814
Total funds	-	<u>30,660,136</u>	<u>(8,779,128)</u>	<u>(379,000)</u>	<u>21,502,008</u>

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

15 Funds (continued)

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

- The General Annual Grant (GAG) restricted fund relates to the funding received from the EFA 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 EFA 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 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 forward at 31 August 2013

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	20,599,210	20,599,210
Current assets	591,431	950,326	80,986	1,622,743
Current liabilities	(17,617)	(378,328)	-	(395,945)
Pension scheme liability	-	(324,000)	-	(324,000)
Total net assets	<u>573,814</u>	<u>247,998</u>	<u>20,680,196</u>	<u>21,502,008</u>

17 Financial commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

17 Financial commitments (continued)

Operating leases which expire:

	31 August 2013 £
Other	
Within one year	6,550
Within two to five years	6,277
	<u>12,827</u>

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

	31 August 2013 £
Net income	21,881,008
Depreciation	773,048
Donated capital and capital grants	(21,224,630)
Interest receivable	(18,731)
FRS 17 interest on defined benefit pension scheme	8,000
FRS17 service cost adjustment	(63,000)
Increase in debtors	(163,927)
Increase in creditors	395,945
Net cash inflow from operating activities	<u>1,587,713</u>

19 Returns on investments and servicing of finance

	31 August 2013 £
Interest received	18,731
Net cash inflow from returns on investments and servicing of finance	<u>18,731</u>

20 Capital expenditure and financial investment

	31 August 2013 £
Purchase of tangible fixed assets	(613,052)
Sale of tangible fixed assets	7,376
Capital grants from DfE	151,608
Capital grants from others	306,440
Net cash outflow from capital expenditure and financial investment	<u>(147,628)</u>

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Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

21 Analysis of changes in net funds

	Cash flows	At 31 August
	£	2013
	£	£
Cash at bank and in hand	<u>1,458,816</u>	<u>1,458,816</u>

22 Members' liability

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

23 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cornwall Council. Both are 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 2004 and of the LGPS 31 March 2010.

Contributions amounting to £70,768 were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

23 Pension and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

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Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

23 Pension and similar obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 period ended 31 August 2013 was £308,000, of which employer's contributions totalled £251,000 and employees' contributions totalled £57,000. The agreed contribution rates for future years are 22.8 per cent and £23,900 per annum for employers and 5.5-7.5 per cent for employees.

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

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

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2013 %
Rate of increase in salaries	5.10
Rate of increase for pensions in payment/inflation	2.80
Discount rate for scheme liabilities	4.60
Expected return on assets	<u>5.60</u>

The discount rate is assumed to be 1% per annum until 31 March 2015 reverting to the long term assumption thereafter.

Commutation - An allowance is included for future retirements to elect to take 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.

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 2013
Retiring today	
Males retiring today	21.30
Females retiring today	23.40
Retiring in 20 years	
Males retiring in 20 years	23.20
Females retiring in 20 years	<u>25.60</u>

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

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

23 Pension and similar obligations (continued)

	At 31 August 2013 £
Equities	936,000
Corporate bonds	371,000
Property	74,000
Cash	<u>104,000</u>
Total market value of assets	1,485,000
Present value of scheme liabilities - funded	<u>(1,809,000)</u>
Deficit in the scheme	<u>(324,000)</u>

The expected rates of return were:

	At 31 August 2013 %
Equities	6.60
Corporate bonds	3.90
Property	4.70
Cash	<u>3.60</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £164,000.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2013 £
Current service cost	188,000
Total operating charge	<u>188,000</u>

Analysis of pension finance income/(costs)

	31 August 2013 £
Expected return on pension scheme assets	87,000
Interest on pension liabilities	<u>(95,000)</u>
Pension finance costs	<u>(8,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£121,000).

Movements in the present value of defined benefit obligation

	31 August 2013 £
At 21 March	1,270,000
Current service cost	188,000
Interest cost	95,000
Employee contributions	57,000
Actuarial losses	<u>199,000</u>
At 31 August	<u>1,809,000</u>

Movements in the fair value of academy's share of scheme assets

	31 August 2013 £
At 21 March	1,012,000
Expected return on assets	87,000
Actuarial gains	78,000
Employer contributions	251,000
Employee contributions	<u>57,000</u>
At 31 August	<u>1,485,000</u>

The estimated value of employer contributions for next period is £183,000.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

23 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current period are as follows:

	31 August 2013 £
Present value of scheme liabilities	(1,809,000)
Fair value of scheme assets	<u>1,485,000</u>
Deficit in the scheme	<u>(324,000)</u>
	31 August 2013 £
Experience adjustments arising on scheme assets	78,000
Experience adjustments arising on scheme liabilities	<u>-</u>

24 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will 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's financial regulations and normal procurement procedures.

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

Cornwall College

(David Constance, a trustee of Wadebridge School, is employed by Cornwall College.)

During the period the Academy made purchases from Cornwall College for £39,496 regarding vocational courses. At the balance sheet date the amount due to Cornwall College was £Nil.

Wadebridge Primary School

(Valerie Crabb, a trustee of Wadebridge School, is also a Trustee of Wadebridge Primary School.)

During the period the Academy made sales to Wadebridge Primary School for £9,365 in relation to grounds maintenance services. At the balance sheet date the amount due to Wadebridge Primary School was £Nil.

25 Conversion to an academy trust

On 1 April 2012 the Wadebridge School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Wadebridge School from the Cornwall Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Wadebridge School

Notes to the Financial Statements for the Period from 21 March 2012 to 31 August 2013

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets			
Freehold/leasehold land and buildings	-	20,280,377	20,280,377
Other tangible fixed assets	-	486,205	486,205
Budget surplus on LA funds	525,851	35,914	561,765
Net assets	525,851	20,802,496	21,328,347

The above net assets include £561,765 that were transferred as cash.