Academy @ Worden

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2020



Company Registration Number: 08360915 (England and Wales)

Academy @ Worden

Annual Report and Financial Statements

Year Ended 31st August 2020

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Academy @ Worden

Reference and Administrative Details

Year Ended 31st August 2020

Members	Mrs M T Woodall Mrs L Fullbrook Mr J Williams Mr D J Hewitt Mrs C Harrison
Governors	Mrs M T Woodall (Chair & Community Governor) Mr C Catherall (Headteacher and Accounting Officer) – (Resigned 31/08/2020) Mr A Hammersley (Headteacher and Accounting Officer) – (Appointed Headteacher 01/09/20) Mr C J Ferguson (Community Governor) Mr D J Hewitt (Community Governor) Mrs A C Howden (Community Governor) Mrs M Abbott (Community Governor) Mrs D Carr (Co-Opted Governor Mrs K Lovelady (Co-Opted Governor) Mrs S Gardner (Co-opted Governor) Ms K Law (Staff Governor) Mr D M Lovelady (Community Governor) Mrs S Powell (Parent Governor) Mrs D Watkinson (Parent Governor) Mr S Porter (Staff Governor – Appointed 12/12/19)
Senior Leadership Team	
Headteacher	Mr C Catherall resigned 31/08/2020
Deputy Headteacher	Mr A Hammersley
Senior Assistant Headteacher	Mr D Blackledge
Senior Assistant Headteacher	Mrs L Wood
Assistant Headteacher	Mr S Porter
Director of Business and Finance	Mr M Reed
Company Secretary	Mr M Reed
Company Name	Academy @ Worden
Company Registration Number	08360915 (England and Wales)
Principal and Registered Office	Worden Sports College Westfield Drive Leyland PR25 1QX
Independent Auditor	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW

Academy @ Worden

Trustees' Report

Year Ended 31st August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2019 to the 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for pupils aged 11-16 serving a catchment area in Leyland. It has a pupil capacity of 588 and had a roll of 544 as at 10th October 2020 (census date). The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 11 and 16. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum

1. Structure, Governance and Management

1.1 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 Academy @ Worden are also the directors of the charitable company for the purposes of company law. The charitable company is known as Academy @ Worden.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

1.2 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.

1.3 Trustees' Indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance, via the Risk Protection Arrangement, provides unlimited cover for any claim.

1.4 Method of Recruitment and Appointment or Election of Trustees

The Governors are appointed by the following:

Parent governors	Elected by parents of the students of the Academy and by the governing body.
Staff governors	Elected by staff of the Academy
Community governors	Appointed by Governing Body
Co-opted governors	Appointed by Governing Body
Trust governors	Appointed by the Members

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees.

On appointment all governors are provided with induction training organised and monitored by the Director of Business and Finance. Ongoing training is provided through Lancashire County Council Governor Services. The Governing Body also adopt an internal mentoring programme for new governors.

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1.6 Organisational Structure

The Academy is governed by its Governing Body, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of four levels: the Members, the Governing Body, the Headteacher, the Senior Leadership Team (SLT) and the Operational Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school improvement plan and budget, monitoring the academy's performance, making major policy decisions and appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

Business and Resources
Pupil, Curriculum and Learning
Audit & Risk Management

The Headteacher, who is also the Accounting Officer, and Senior Leadership Team are responsible for the day to day operation of the school, mainly organising teaching and support staff, facilities and students.

The Senior Leadership Team comprises:

The Headteacher
The Deputy Headteacher
Senior Assistant Headteacher (Teaching and Learning)
Senior Assistant Headteacher (Pastoral and Special Educational Needs)
Assistant Headteacher (Pupil Attainment)
Director of Business and Finance

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

The individual salary ranges (ISR) of key management personnel are set by the governing body and are related to the size of school in terms of pupil numbers. The governors have agreed ISR grade ranges for each of the key management personnel job roles and these are reviewed annually to ensure they are appropriate.

To progress through these ranges, the Assistant Heads and Deputy Head must pass their annual appraisal and be recommended by the Head for a pay increment. This pay recommendation along with associated evidence is taken to the governor Pay Committee for them to review. This committee has the power to approve or decline the recommendation. The Head will also be appraised annual by a number of governors and their recommendation will also go to the Pay Committee for consideration. The Director of Business & Finance is also appraised annually, with their recommendation linked to NJC terms, and is performance incremented.

1.8 Related parties and other connected charities and organisations

Academy @ Worden is part of the Chorley and South Ribble Heads Group, which meets termly and works together to share information and good practice. Its purpose is to disseminate and discuss important information and to collaborate on activities aimed at improving provision for young people at Worden and in the area. The group involves colleges and other training providers which endeavour to develop projects and programmes which benefit young people who attend many of the participating schools. Another key element of this work is to provide additional services from agencies such as Young Persons Service to ensure appropriate support is put into place as swiftly as possible.

Worden joined the Preston Teaching School Alliance in August 2015 and is also a partner in the Red Rose Teaching School Alliance. It also attends termly meetings of the Lancashire Academies Group. Again, the work of these networks is to improve provision in the participating schools. In 2019 the academy also joined the Endeavour Trust Teaching School Alliance to provide further opportunities for staff development.

Worden also supports a number of colleges and universities, including Edgehill University, with teacher training placements across a number of specialities.

Worden is the host school for the areas 'School Games Organiser' and works with South Ribble Borough Council to deliver the 'Bikeability' projects across the borough.

1.9 Trade Union Facility Time

Information, as it applies to the Academy Trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1st April 2019 to 31st March 2020 (the relevant period).

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	*Full- time equivalent employee number*
None	49.2

Percentage of time spent on facility time:

Percentage of time	*Number of employees*
0%	49.2
1-50%	0
51-99%	0
100%	0

Percentage of pay bill spent on facility time:

Total cost of facility time	N/A
Total pay bill	N/A
Percentage of the total pay bill spent on facility time	N/A

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	N/A

2. Objectives and Activities

2.1 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 but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The principal aim of the Academy is to provide an outstanding learning environment that helps all students to fulfil their potential.

Academy @ Worden is a happy, purposeful and thriving school that provides excellent opportunities for all students to succeed. Learning is the central focus of all that is done at Worden and it is committed to developing the whole child, providing opportunities essential for personal, intellectual, emotional and social growth.
(Continued)

All students are supported by a strong pastoral system, which ensures they receive the individual care and attention they need. An extensive system of rewards encourages the pursuit of excellence and values, and celebrates achievements in all areas of school life. High expectations of attendance, punctuality, uniform and behaviour underpins success in school and lays the foundations for success in the wider community and life beyond school.

All members of the school community are encouraged to work and cooperate in an atmosphere of mutual respect which is integral to the school ethos.

2.2 Objectives, Strategies and Activities

The main objectives for the period were:

- To maximise student attainment and progress through the provision of teaching which is consistently good and outstanding
- To maximise student attainment and progress in any underperforming areas of the curriculum
- To maintain the growth in pupil numbers through effective marketing
- To further improve the quality of leadership at all levels

The vision of Worden is to be an outstanding school with outstanding outcomes for all. The Academy Trust's Improvement Plan for the period under review was produced to achieve this vision and to address the challenges and opportunities arising from national changes in education policy and academy status.

Key activities and targets have included the following:

1) Ensure that assessment and the quality of teaching and learning is outstanding
   Teaching in all key stages and all subjects must be outstanding and never less than consistently good.
   As a result, any uneven achievement across different subjects will be removed and ensure all students are fully challenged in all lessons. Lessons will embed numeracy and literacy skills across the school.
2) Ensure outstanding achievement and progress for all students
   Provision will ensure high achievement and progress for all students regardless of ability and starting points. This will remove any attainment or progress gaps between different pupil groups including those qualifying for the Pupil Premium and those with Special education needs and disability (SEND).
3) Develop outstanding leaders and teams at all levels
   Leaders at all levels across the academy to fully understand their role in driving up standards. They evaluate provision accurately and have clear plans to deliver sustained improvement.
4) Secure outstanding behaviour (including behaviour for learning) and safety
   Provision ensures outstanding personal development, behaviour and welfare in a safe, stimulating and inclusive environment. Pupils say they feel safe in school and display excellent attitudes towards learning. Punctuality and attendance is better that national figures. Appropriate policies and procedures are in place for safeguarding all members of the school community.
5) Communication and information systems are rationalised to ensure outstanding provision in all areas
   Communication between school and home is highly efficient and effective. Parents and carers are up to date with school activities and their child's progress. Internal communication and that with other stakeholders is also highly effective.
6) Establish outstanding academy, business and financial planning and evaluation to ensure a sustainable and flourishing future which involves and engages all stakeholders and promotes further collaboration

   The three-year academy and financial plans and accurate self-evaluation are in place and regularly updated and acted upon. Meetings and collaboration with other schools, colleges, universities, businesses, wider community and other stakeholders promote cohesion and help raise pupil aspirations, expectations and attainment.

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2.3 Public Benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the period. This advice has been referred to when reviewing the aims of Worden and planning future activities that are for the benefit of the public.

The Academy trust provides education to children and young people that:

- is broad and balanced,
- promotes spiritual, moral, cultural, mental and physical development of students at the school and of society,
- prepares students for opportunities and experiences of later life,
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The school is open to the public five evenings per week offering the use of its halls, classrooms, and many sporting facilities including its outdoor pitches.

Worden regularly hosts sporting festivals for partner primary schools and houses a defibrillator for use by the community in case of emergency.

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Strategic report

3. Achievements and Performance

The latest Ofsted report, from an inspection on the 8th and 9th of January 2020, confirmed that Worden "continues to be good school". All stakeholders were extremely proud of the Ofsted report, which is extremely positive and reflects the outstanding work that goes on daily at Worden to ensure our pupils make the best possible progress in subjects across our broad and balanced curriculum.

The report recognises our high expectations and ambition for all our youngsters. Some key phrases in the inspection finding are:

"This is a happy and welcoming school..... pupils behave well."

"Teachers make sure that pupils are safe in school. Pupils say that there is someone to talk to if they have a problem."

"Teachers have high expectations for all pupils. Pupils work hard. Leaders are ambitious for pupils' learning. Pupils enjoy reading in school. Pupils value their school council."

"Leadership has been strengthened since the last inspection. There is a strong and enthusiastic leadership team. Leaders have brought about improvement in all areas of the curriculum."

"Leaders have improved outcomes for pupils in the GCSE examinations. The progress that pupils make by the time they leave Year 11 is now higher than the national average."

"Leaders have made productive links to other schools in the area. Teachers work together across these schools to share good practice."

"Leaders and teachers have thought carefully about what pupils need to know. They order learning so that knowledge builds as pupils work through the curriculum. Teachers use assessment effectively to fill gaps in pupils' learning."

"Leaders ensure that pupils' personal development is well catered for. Pupils are taught how to stay healthy, both mentally and physically. Pupils are also taught the importance of healthy relationships. They learn about other cultures."

3.1 Key Performance Indicators

The GCSE (and equivalents) results for 2020 are included in the table below. Previous years outcomes are also provided for comparison.

Indicators	2014	2015	2016	2017	2018	2019	2020
% A*-C in English and Maths	33	50	60	60	67	69	68
% 1+ A*-G	100	100	98	100	100	100	100
P8 (new measure of pupil progess)	-0.33	-0.30	0.06	-0.35	0.06	0.24	0.51

Progress 8 (P8) measures progress made by pupils in their best 8 GCSE subjects. A P8 score of 0.00 is the national average.

Key performance indicators

- Exam targets
- Attendance statistics
- Reserves targets
- Staff ratios

(Continued)

In September of 2015 Worden celebrated, as results saw a dramatic improvement from the previous year. All measures saw a significant increase including three levels of progress in English and Maths and the new P8 score. The programme of revision and support for pupils of all abilities was again extensive and took place before and after school as well as in curriculum time both on and off the school site. Staff gave up much of their own time to help both year 10 and 11 pupils to prepare for their exams and controlled assessments.

Pupil outcomes again improved in 2016 with a 6% increase in the proportion of pupils achieving A*-C grades in both English and Maths. English performed extremely well with 85% gaining A*-C and 85% making expected progress, which is around 25% higher than the national figure. In line with national performance, 63% of pupils made the expected progress in Maths.

In 2017, pupil outcomes improved with a 10% increase in pupils achieving 5 GCSEs A* - C including English and Maths. Very pleasing were the Science results of 69% A* - C and PE at 85% A* - C, demonstrating the investment in teaching and learning in all subject areas.

2018 saw a 7% increase in pupils achieving 5 GCSEs A* - C including English and Maths. English A*to C equivalent increased by 22% to 87% and Maths by 8% to 68%. Other notable pass rates included, Science 92%, French 93%, PE 95%, Psychology 92% and Statistics 100%. This has driven the academy's Progress 8 score from a -0.35 to a positive 0.06, demonstrating the impact of investment in teaching and learning over the period.

2019 delivered the best results to date with a ninefold improvement in the number of top grades achieved by pupils at the academy. Pupils at Worden have raised their bar in many subjects. Results are above the national average for last year with a pass rate in English of 86%. Maths improved their pass rate, yet again, taking it to 70%. Spanish results saw 100% of pupils passing and drama were also very pleased with 93% passing this year. PE received a pass rate of 80% with science recording 73% and statistics 77%. The proportion of pupils achieving a pass in both English and Maths, the 'Basics' measure, is up on 2018; an impressive 69% it is well above last year's national average. These results have been reflected in the overall P8 score of 0.24, which is the highest of all the secondary schools in Leyland.

In 2020, the pupils achieved their best ever P8 score of +0.51. This was more than double that of the previous year and significantly above the national average. Again, pupils achieved extremely well in all subjects with the following notable achievements: 86% pass rate in English, 69% pass rate in Maths, 100% pass rate in Biology, Physics, Psychology and Spanish. 92% pass rate in Chemistry, 85% pass rate in Art, 82% pass rate in PE and I-Media, 81% pass rate in Computer Science, 79% pass rate in RE, 77% pass rate in History, 71% pass rate in Sociology and 70% pass rate in Dual Award Science. The number of grade 9s achieved was a five fold increase on 2019s figure. The Progress 8 score ensures that Worden continues to be one of the top performing high schools in Leyland.

Headteacher's Report

Worden continued to promote and market the academy highly effectively and the number of pupils joining the school in September 2019 was again very pleasing at 118 due to the improving reputation of the school in the community.

The new academic year started with a three day INSET which served to further improve the quality of teaching and learning and review the new Ofsted framework and its impact. We welcomed 8 new staff at the start of the academic year;

Mrs Slinger - Science
Mrs McMahon - Maths
Mr Gorrell – Head of Faculty Humanities
Mrs Myler – Head of MFL
Miss Parker - English
Mrs Munshi – RE
Mrs Keane – Progress Manager
Mrs Knight – Accelerated Reader

(Continued)

Reading across the school is a main focus for us to improve on this year. The Learning Pod and Accelerated Reader (AR) is being used to encourage youngsters to read for enjoyment, particularly in the lower school. AR continues to be fully utilised and is improving reading and comprehension across the school. Along with testing for and implementing exam concessions, this will continue to impact positively on pupil outcomes when they come to sit their GCSE exams.

'Presentation Evening' was held for a second consecutive year in the main school hall and again feedback was positive. Our special guest Jane Bell, Deputy Mayor, entertained the audience with her amusing stories. Open Evening, as always, was huge success and an outstanding celebration of what Worden has to offer. Open Week was even more popular than in previous years and all SLT were very proud of their school when showing prospective parents round school at any time of the week or day. Feedback from visitors was extremely positive and our effective marketing has yet again had an impact on the numbers applying for places at Worden and I expect us to be significantly oversubscribed for September 2020. It is extremely pleasing to see the school continue to grow year on year as we approach our capacity of 588 pupils.

The Academy Improvement Plan for 2019-20 is now in place and contains many initiatives which will ensure standards continue to improve. We have recently reviewed the progress made in implementing the actions contains and RAG rated it to help governors monitor the work of leaders. Faculty improvement plans reflect the whole school drive to further improve achievement, the quality of education, communication, financial planning and curriculum development.

In September we held a GCSE information evening for the pupils and parents of years 10. The evenings mainly focused on effective revision techniques and how parents can support their youngsters at home in this regard. We also covered stress management and looked at some of the new features in Synergy.

Our links with the Preston Teaching Schools Alliance continues to strengthen as does our involvement in the Red Rose Teaching Schools Alliance. We have also been working with the Endeavour Trust Teaching School Alliance for continued professional development (CPD), networking and collaboration.

The headline P8 figure for the 2019 GCSE results was very pleasing at +0.24, a significant increase of 0.18 on 2018.

Since September staff have continued to work to raise achievement across the school. Mr Blackledge and Mr Porter have delivered a series of compulsory CPD sessions designed to improve the quality of teaching across the academy. Based on Rosenshine's Principles of Instruction, these have focused on challenge, metacognition, modelling, questioning and retrieval.

Charity events remained high on the agenda for Worden. Several charity events including NSPCC, Macmillan Coffee Mornings and our annual Santa Dash, in aid of St Catherine's Hospice, which raised a total of £3000. Work Related Learning Week for year 10 was a huge success. The week ran smoothly and helped to prepare year 10 pupils for their work experience week.

Worden held its seventh AGM on 30th January 2020 which was attended by the Head, Mr Reed and members of the Academy Trust: The reports were accepted and no motions were submitted.

We continue to work closely with AC3 Communications to improve our website and further strengthen contact with home. 'Synergy' is proving to be a hit with parents. More parents are logging in to view the wealth of information available to them as well as using the messaging system to contact staff including myself.

Listening to parents and pupils is very important to us and has been a real focus since September. Our student council meet weekly and form representatives are putting forward suggestions that they and their peers think could improve the school.

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We continue to distribute questionnaires during parent's evenings which are scrutinised and followed up if necessary when serious concerns or issues that merit further discussion are raised. We continue to hold our coffee drop in session for parents, which provides us with some excellent feedback and suggestions for improvement from parents who clearly cared about their child(ren) and the work that is going on at the academy.

School continues to nurture pupils and provide a range of rewards, support and intervention strategies to help make them feel valued, inspire them to improve and to help them achieve. Some of these initiatives included:

- Nurture room open at breaks and lunch times for vulnerable pupils
- Intervention programme for underperforming pupils
- Non uniform days to raise money for rewards and charities
- College taster days and college assemblies
- Presentation assemblies rewarding progress, achievement and good attendance
- Young People's Services – a variety of visits and events aimed at students
- The school nurse visiting school on a weekly basis
- Year 6 transition meetings and year 5 visits for prospective pupils
- New intake evenings and taster days
- Termly reward trips
- Lancashire Mind (Young People Mental Health)
- College visits for able, gifted and talented pupils
- Parents' evenings
- Valentines rose delivery
- Transition meetings for new intake

Intervention and support included:

- Behaviour tracking system initiated
- One to one mentoring for pupils on a weekly basis
- Breakfast club
- Parental meetings
- Personal support plans
- School nurse support
- Targeted support in lessons
- Governors intervention
- Looked After Children reviews
- Key Early Intervention Agency
- Access to the school counsellor
- Collaboration with Social Services, family support workers, Head of Looked After Children (LAC) support, the police, Young Offender Teams (YOT) / Graduated Response for Individual Pupil (GRIP) etc.
- Child protection conference meetings

In February 2020, we started to feel the effects of the covid pandemic and by mid-March the school was partially closed due to lockdown. It remained open for key worker children until the 22nd June when a wider opening to year 10 pupils was allowed by the government. Throughout this period, the staff have worked hard to adapt to the challenges covid has presented and create new home learning platforms for pupil learning..

The academy has invested £50,000 in laptops for year 10 and disadvantaged pupils, loaning more than 120 laptops to pupils. Worden has also invested heavily to ensure the school is covid secure and that strict year bubbles can be maintained to reduce transmission. Many hours of planning have taken place so that both staff and pupils feel comfortable and safe in the school ready for a full return in September 2020.

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Worden's Leadership Academy

Worden's Leadership Academy continues to grow from strength to strength and in doing so has played a very prominent role in leading and officiating at many of the primary competitions, festivals and other organised PE events. It is only through the use of these leaders that we are able to organise and host the National School Games programme.

Once again, this year Worden has remained an enthusiastic, supportive and welcoming partner, host and base hub to the South Ribble School Sport Partnership as they continue to evolve and develop new initiatives for active schools in 2019-2020.

Academy Environment

In this period the CIF funding for the safeguarding project has been delivered with new gates and perimeter fence installed. We also created several new classrooms and a new staffroom. In June 2020, the ESFA announced that we had been successful in the latest Condition Improvement Fund (CIF) funding for our heating infrastructure project and had been awarded £713,000 of funding. This project commenced in August 2020 and is scheduled for completion in December 2020.

3.2 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 Accounting Policies note of the financial statements.

4. Financial Review

4.1 Operating and Financial Review

The Academy's total incoming resources during the period were £3,871,000 (2019: £3,273,000). The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £3,255,000 (2019: £3,004,000) and further details are provided in the accounts.

Total outgoing resources for the period were £3,400,000 (2019: £3,446,000), which related to the direct provision of educational operations. The net movement in funds for the period was £393,000 (2019: deficit of £481,000).

At the period end the Academy's total reserves were £2,941,000 (2019: £2,548,000) including unrestricted funds of £41,000 (2019: £41,000) and restricted funds of £2,900,000 (2019: £2,507,000). Restricted funds include fixed assets of £3,543,000 (2019: £3,166,000), less the LGPS pensions scheme deficit of £1,116,000 (2019: £933,000). The level of restricted funds excluding fixed assets and the pension deficit was £473,000 (2019: £274,000).

At 31st August 2020 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

4.2 Reserves Policy

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 5% and 8% of GAG income, which equates to approximately £142,000 - £228,000 on an annual basis and aim to keep the

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reserve within these parameters. Over the past five years we have seen reductions in the restricted GAG reserves, due to the funding model upon which the academy is paid. The management have continued to diligently review all costs and contracts and provide further savings within the year, which has helped to contain expenditure. Future reserves are now being built as the academy numbers mature and from the 2018/19 financial year that we have seen reserves starting to grow again to healthy levels.

At 31st August 2020 the academy held £473,000 in restricted GAG reserves (2019: £274,000).

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold up to £50,000, to provide an additional cushion over and above the restricted GAG reserve.

At 31st August 2020 the level of unrestricted reserves held was £41,000 (2019: £41,000).

Pension reserve

On conversion, the School inherited a deficit of £476,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. As at the 31st August 2020 the deficit sits at £1,116,000 (2019: £933,000). The level of any deficit payments have been reviewed by Lancashire County Council and Mercers, and reduced slightly to £14,033 for 2020 (2019: £14,400). The estimated recovery period is 13-14 years. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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 18th July 2013.

4.3 Investment Policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash in its current account and on deposit, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. All surplus cash is held in the main bank account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

4.4 Principal Risks and Uncertainties

The principal risk the academy faces is loss of grant income due to a reduction in student numbers. The governors and academy have set up a Marketing Committee to help drive the marketing and publicity for the academy. A resulting factor is a key investment in this area, in terms of time, money and staff commitment.

4.5 Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to governance, operations, finance, safeguarding and health and safety. These risks are reviewed on a termly basis by the governing body. Certain risks are managed by the Business and Resources Committee and others by the Curriculum committee. The main risk overview is managed by the Audit and Risk Committee through the Risk Register.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy Finance Manual and Scheme of Delegation. The systems are based on a framework of segregation of duties which include authorisation and approval. Financial management information is provided to the Headteacher and all governors on a monthly basis and discussed at the relevant governor committee meetings each term. The Academy and Governors have also completed a full review of the Risk Register.

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The responsible officer role has been performed during the period by TLL Accountants and it is pleasing to note there have been no significant findings over the accounting period.

4.6 Financial and Risk Management Objectives and Policies

The academy has completed a four-year projection of pupil numbers, income and expenditure. This has been discussed with Governors and scrutinised to ensure the academy balances the quality of its provision and value for money. The calculations allow for increasing staff numbers, aligning to the rising pupil numbers

4.7 Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- Approach to fundraising
- Work with, and oversight of, any commercial participators/professional fundraisers
- Fundraising conforming to recognised standards
- Monitoring of fundraising carried out on its behalf
- Fundraising complaints
- Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Trustees may also find it helpful to refer to the Charity Commission publication "Charity fundraising: a guide to trustees' duties (CC20)" which has been updated to reflect new requirements.

5. Plans for Future Periods

After three 'GOOD' Ofsted judgements, the plan below outlines the strategies to be implemented in order to achieve the vision of being recognised as an outstanding school.

Academy @ Worden Vision

1. All pupils achieve and are recognised as unique individuals with specific talents and needs. Students only get one chance and we take very seriously our role of providing the best possible opportunities for them to gain the most from their time here.

2. Excellent teaching encourages intellectual, creative, technological and physical growth. We aim to develop our students' ability to think independently, solve problems, communicate effectively and live happy and fulfilling lives.

3. Students are motivated and recognise the joy of achievement in a safe and orderly environment. Worden is committed to the spiritual, moral, social and cultural development of all pupils.

4. Parents are encouraged to take an active part in their child's education and in the life of the school in general.

5. The experiences of pupils provide opportunities to become tolerant and respectful, resilient and resourceful and encourage them to develop the skills required to face the challenges of the future.

6. Students experience a range of enrichment within and beyond the school day and in the community.

Priorities for 2020-21

Academy @ Worden has the capacity and the following priorities to improve further. These priorities have been identified through the schools self-evaluation processes and were identified in the academy's most recent Ofsted inspections.

Outstanding quality of education in all areas (Outstanding curriculum intent, implementation and impact). This will:

- remove uneven achievement across different subjects;
- ensure all students are fully challenged;
- ensure the development of pupils' numeracy skills is further embedded across the school;
- ensure attainment is raised further in humanities at Key Stage 4.

Outstanding behaviour and attitude (Attendance, behaviour and attitude).

Outstanding personal development (SMSC, British values and careers guidance).

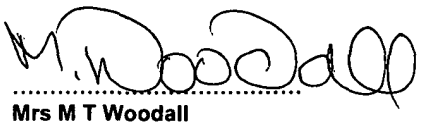
Outstanding leadership and governance (Leadership at all levels, DPD and governance and finance).

6. 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.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on .....17.12.20.....and signed on the board's behalf by:



.....

Mrs M T Woodall
Chair of Trustees

Academy @ Worden

Governance Statement

Year Ended 31st August 2020

7.1 Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Academy @ Worden 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Academy @ Worden and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

7.2 Governance

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

Governors	Meetings attended	Out of possible
Mrs M T Woodall (Chair & Community Governor)	4	4
Mr C Catherall (Headteacher and Accounting Officer)	4	4
Mr C J Ferguson (Community Governor)	4	4
Mr A Hammersley (Co-Opted Governor)	4	4
Mr D J Hewitt (Community Governor)	2	4
Mrs A C Howden (Community Governor)	3	4
Mrs M Abbott (Community Governor)	3	4
Mrs D Carr (Co-Opted Governor)	4	4
Mrs K Lovelady (Co-Opted Governor)	2	4
Mrs S Gardner (Staff Governor)	4	4
Mrs S Powell (Parent Governor)	3	4
Ms K Law (Staff Governor)	4	4
Mr D Lovelady (Community Governor)	2	4
Mrs D Watkinson (Parent Governor)	2	4
Mr Stephen Porter (Staff Governor – appointed 12/12/19)	3	3

The Governing Body completed a number of self evaluation and development activities in the year;

- One new staff governor was appointed, adding value to the board.
- The terms of reference of each committee are reviewed in the autumn term annually, which allows for an appraisal of each committee.
- The academy maintains a risk register, which the Governing Body developed with the academy, part of which covers the risks concerned with a Governing Body, which are reviewed termly.
- Continuance of the governor induction programme with mentors.
- Membership of the National Governors Association.
- Additional governor training meetings on the curriculum & progress 8.
- Review and monitoring of the recommendations from the full governance review by the National Governors Association and from School Resource Management Advisor review.

(Continued)

The Business and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to look at effective use of resources in the academy; finance, HR, estates, Health and Safety, and Business Development.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mrs M T Woodall (Chair & Community Governor)	1	2
Mr C Catherall (Headteacher and Accounting Officer)	2	2
Mr C J Ferguson (Community Governor)	2	2
Mr A Hammersley (Co-Opted Governor)	2	2
Mr D J Hewitt (Community Governor)	2	2
Mr D Lovelady (Community Governor)	1	2
Mrs A C Howden (Community Governor)	2	2

The Audit & Risk Management Committee is a sub-committee of the main Governing Body. Its purpose is to review the academy's internal and external financial statements and reports to ensure their effectiveness and reflect best practice. In addition to ensure that internal control systems meet the key performance targets and monitor the academy's risk register.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr C Catherall (Headteacher and Accounting Officer)	0	2
Mr D J Hewitt (Community Governor)	0	2
Mrs M Abbott (Community Governor)	0	2
Mrs D Carr (Co-Opted Governor)	0	2
Mrs K Lovelady (Co-Opted Governor)	2	2
Mrs S Powell (Parent Governor)	2	2
Mrs D Watkinson (Parent Governor)	1	2
Mrs S Gardener (Co-opted Governor)	2	2

7.3 Review of Value for Money

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

The Accounting Officer considers how the 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:

- Continued use of the RPA Insurance policy saved us £18,000 per annum
- Tendering and selection of a good staff absence policy has yielded us £36,000 this year
- Successful Capital CIF grant of £713,000 for heating refurbishment project

(Continued)

- Continued use of operational leasing tied to periods of warranties. This avoids excessive use of capital reserves and allows the academy to be cost effective in purchasing the most suitable equipment for the best price, warranty. Bought out projector lease early this year to save £5000.
- Undertaking capital works and refurbishment in house has saved us £44,000
- Savings by agreeing fixed recruitment cost with TES and supply agencies
- Use of casual cover supervisors, gives us a 50% saving against supply agency costs
- Use of an energy broker has saved £4,000 per year
- Fixing contract costs by increasing contract length
- Purchasing refurbished IT equipment with guarantees and also extending life of IT equipment.
- Increased revenue from selling business management services to another school.
- Membership and use of DfE Buying Hub has saved us £2000 by entering a national contract for water supply.
- Renegotiation of contracts; e.g. Konica with a reduction in copier costs of 30%.
- Tendering of biometric technology saved us £1800.
- Rigorous challenge with suppliers through covid saved £8000.

7.4 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 the Academy Trust's 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 Academy @ Worden for the year ended 31st August 2020 and up to the date of approval of the annual report and financial statements.

(Continued)

7.5 Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy 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's significant risks that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body

7.6 The Risk and Control Framework

The Academy'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 Business and 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 Governors have appointed TLL Accountants, 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 quarterly basis, the RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The RO has completed a full year of reviews for 2019-20 and it is pleasing to note that there were no significant findings.

On a quarterly basis, the TLL Accountants report to the Governing Body through the Audit & Risk Management Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body. The reports are completed on a quarterly basis with management responses given to any findings disclosed. The findings throughout the year have been minor and categorised as low/medium risk.

7.7 Review of Effectiveness

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

Risk Register

The Governing Body prepared a risk register which was approved in July 2014. The register identified key risks which have been reviewed on a termly basis by the Governing Body. Many of the risks have been allocated to the Business and Resources and Teaching, Learning and Curriculum committees. The risks have then been allocated to risk holders who have reviewed them on a termly basis.

Financial Management and Governance

The Governors have received a monthly financial report, prepared in accordance with Financial Regulations Handbook and adhering to the Academies Financial Handbook 2019. In addition, RO reports have been completed quarterly as discussed below, as well as external audit of the financial accounts.

Academy @ Worden

Governance Statement

Year Ended 31st August 2020

Responsible Officer (RO) Function

The Governors have appointed TLL Accountants to perform the RO function. They presented quarterly reports to the Audit & Risk Management Committee on the systems of control within the academy. Recommendations arising from the reports have been implemented immediately after the reports are approved.

Internal Controls

During the year several actions have been taken to improve internal controls. These have included:

- agreement to deputise authorities to Assistant Heads to ensure continuity of controls
- transfer of Single Central Record to an enhanced online based version with CPOMs

Approved by order of the members of the Governing Body on 17.12.20 and signed on its behalf by:

.....
Mrs M T Woodall
Chair & Community Governor

.....
Mr A Hammersley
Headteacher & Accounting Officer

Academy @ Worden

Statement on Regularity, Propriety and Compliance

Year Ended 31st August 2020

As Accounting Officer of Academy @ Worden I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees 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 2019.

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

.....

Mr A Hammersley
Accounting Officer

Date: 17.12.20

Academy @ Worden

Statement of Trustees' Responsibilities

Year Ended 31st August 2020

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report and Directors' Report) and the financial statements in accordance with the Academies 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 the incoming resources and application of resources, including its income and expenditure. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 17.12.20 and signed on its behalf by:

M.Woodall

Mrs M T Woodall
Chair of Trustees

Academy @ Worden

Independent Auditor's Report to the Members of Academy @ Worden

Year Ended 31st August 2020

Opinion

We have audited the financial statements of Academy @ Worden (the 'Academy Trust') for the year ended 31st August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31st August 2020, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. 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.

(Continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' 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 trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Academy Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

(Continued)

Academy @ Worden

Independent Auditor's Report to the Members of Academy @ Worden

Year Ended 31st August 2020

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.

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

Use of our report

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

.....

Mr Robert Mitchell ACA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 17/12/20

Academy @ Worden

Independent Reporting Accountant's Assurance Report on Regularity to Academy @ Worden and the Education & Skills Funding Agency

Year Ended 31st August 2020

In accordance with the terms of our engagement letter dated 31st August 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy @ Worden during the year from the 1st September 2019 to the 31st August 2020 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 Academy @ Worden and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Academy @ Worden and 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 Academy @ Worden and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Academy @ Worden's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Academy @ Worden's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2019, 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 2019 to 2020. 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 the 1st September 2019 to the 31st August 2020 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 2019 to 2020 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 our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of Annex B of the Academies Accounts Direction 2019 to 2020 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express and opinion on regularity.

(Continued)

Academy @ Worden

Independent Reporting Accountant's Assurance Report on Regularity to Academy @ Worden and the Education & Skills Funding Agency

Year Ended 31st August 2020

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 the 1st September 2019 to the 31st August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....

Mr Robert Mitchell ACA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 17/12/20

Academy @ Worden

Statement of Financial Activities incorporating Income & Expenditure Account

Year Ended 31st August 2020

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	**Total 2020 £000**	**Total 2019 £000**
Income and endowments from:						
Donations and capital grants	2	-	36	533	569	190
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	3,255	-	3,255	3,004
Other trading activities	4	21	26	-	47	79
Investments	5	-	-	-	-	-
Total		21	3,317	533	3,871	3,273
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust's educational operations	6/7	21	3,282	97	3,400	3,446
Total		21	3,282	97	3,400	3,446
Net income/(expenditure)		-	35	436	471	(173)
Transfers between funds	15	-	59	(59)	-	-
Other recognised gains/(losses)						
Actuarial (losses) on defined benefit pension schemes	15, 26	-	(78)	-	(78)	(308)
Net movement in funds		-	16	377	393	(481)
Reconciliation of funds:						
Total funds brought forward	15	41	(659)	3,166	2,548	3,029
Total funds carried forward	15	41	(643)	3,543	2,941	2,548

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Academy @ Worden

Balance Sheet

Year Ended 31st August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	11		3,321		3,069
Current assets					
Debtors	12	503		155	
Cash at bank and in hand		657		439	
		1,160		594	
Liabilities					
Creditors: Amounts falling due within one year	13	(413)		(164)	
Net current assets			747		430
Total assets less current liabilities			4,068		3,499
Creditors: Amounts falling due after more than one year	14		(11)		(18)
Net assets excluding pension liability			4,057		3,481
Defined benefit pension scheme liability	26		(1,116)		(933)
Net assets including pension liability			2,941		2,548
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	15	3,543		3,166	
Restricted income fund	15	473		274	
Pension reserve	15	(1,116)		(933)	
Total restricted funds			2,900		2,507
Unrestricted income funds	15		41		41
Total funds			2,941		2,548

The financial statements on pages 29 to 54 were approved by the trustees, and authorised for issue on the 17.12.20 and are signed on their behalf by:

M. Woodall

.....

Mrs M T Woodall
Chair of Trustees

Company Limited by Guarantee
Registration Number: 08360915

Academy @ Worden

Statement of Cash Flows

Year Ended 31st August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	41	(163)
Cash flows from investing activities	21	184	129
Cash flows from financing activities	20	(7)	(7)
Change in cash and cash equivalents in the reporting period		218	(41)
Cash and cash equivalents at 1st September 2019		439	480
Cash and cash equivalents at 31st August 2020	22/23	657	439

1 Accounting policies

General information and basis of preparation

Academy @ Worden is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is Westfield Drive, Leyland PR25 1QX. The nature of the Academy Trusts operations and principal activities are set out in the Trustees' Report on page 4.

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) 2019), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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 Academy Trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

  Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

1 Accounting policies (continued)

Income (continued)

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

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided 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".

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.

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

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

All resources expended are inclusive of irrecoverable VAT.

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:

Leasehold land and buildings	Over Lease term / 2% straight line
Furniture and equipment	25% straight line
Computer equipment	33.33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

Liabilities

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

Provisions

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

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

Leased assets

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

1 Accounting policies (continued)

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 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 net operating income/(expenditure) 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.

1 Accounting policies (continued)

Fund Accounting

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

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

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

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 26, 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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	533	533	143
Trips and other non public funds	-	34	34	44
Other donations	-	2	2	3
	-	569	569	190

Income from donations and capital grants was £569,000 (2019 - £190,000) of which £nil (2019 - £nil) was attributable to unrestricted funds, £36,000 (2019 - £47,000) was attributable to restricted general funds and £533,000 (2019 - £143,000) was attributable to restricted fixed asset funds.

£533,000 (2019 - £143,000) of government grants were received for capital and maintenance works.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,866	2,866	2,752
Other DfE Group grants	-	319	319	180
	-	3,185	3,185	2,932
Other Government grants				
Local Authority grants	-	15	15	14
Other Government Grants	-	55	55	58
	-	70	70	72
Other income from the Academy Trust's educational operations	-	-	-	-
	-	3,255	3,255	3,004

Funding for Academy Trust's educational operations was £3,255,000 (2019 - £3,004,000) of which £nil (2019 - £nil) was attributable to unrestricted funds, £3,255,000 (2019 - £3,004,000) was attributable to restricted general funds and £nil (2019 - £nil) was attributable to restricted fixed asset funds.

£3,255,000 (2019 - £3,004,000) of government grants were received for the purposes of the day to day running costs of the Academy and its charitable objectives.

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	-	-		-
Supplies of staff	-	26	26	60
Other income	21	-	21	19
	21	26	47	79

Income from other trading activities was £47,000 (2019 - £79,000) of which £21,000 (2019 - £26,000) was attributable to unrestricted funds, £26,000 (2019 - £53,000) was attributable to restricted general funds and £nil (2019 - £nil) was attributable to restricted fixed asset funds.

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	-	-	-	-
	-	-	-	-

Investment income was £nil (2019 - £nil) of which £nil (2019 - £nil) was attributable to unrestricted funds, £nil (2019 - £nil) was attributable to restricted general funds and £nil (2019 - £nil) was attributable to restricted fixed asset funds.

6 Expenditure

		Non Pay Expenditure			
	Staff Costs £000	Premises £000	Other Costs £000	Total 2020 £000	Total 2019 £000
Academy Trust's educational operations					
Direct costs	2,384	-	296	2,680	2,458
Allocated support costs	229	368	123	720	988
	2,613	368	419	3,400	3,446

£21,000 (2019 - £26,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £3,282,000 (2019 - £3,338,000) was attributable to restricted general funds and £97,000 (2019 - £82,000) was attributable to restricted fixed asset funds.

6 Expenditure (continued)

Net income/expenditure for the year includes:

	2020 £000	2019 £000
Operating lease rentals	10	9
Depreciation	97	82
(Gain)/loss on disposal of fixed assets	-	14
Fees payable to the auditor for:		
Audit	6	5
Other services	2	2

No additional transactions have taken place under Section 5.2 of the 2019 Academies Financial Handbook which require additional disclosure.

7 Charitable activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	2,680	2,458
Support costs – educational operations	720	988
	3,400	3,446

Analysis of direct costs	Educational operations £000	Total 2020 £000	Total 2019 £000
Direct staff costs	2,384	2,384	2,161
Learning resources	194	194	202
Examination fees	37	37	37
School trips and visits	43	43	30
Other direct costs	22	22	28
Total direct costs	2,680	2,680	2,458

Analysis of support costs	Educational operations £000	Total 2020 £000	Total 2019 £000
Support staff costs	229	229	231
Depreciation	97	97	82
Premises costs	272	272	533
Other support costs	108	108	129
Governance costs	14	14	13
Total support costs	720	720	988

8 Staff

(a) Staff costs

	2020 £000	2019 £000
Staff costs during the period were:		
Wages and salaries	1,838	1,758
Social security costs	183	172
Pension costs	523	387
	2,544	2,317
Agency staff costs	66	75
Staff restructuring costs	3	-
	2,613	2,392
Staff restructuring costs comprise:		
Severance payments	3	-
	3	-

(b) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full-time equivalents, was as follows:

	2020 Number	2020 Full-time equivalent	2019 Number	2019 Full-time Equivalent
Teachers	36	31	34	30
Administration and support	22	18	20	17
Management	6	6	6	6
	64	55	60	53

8 Staff (continued)

(c) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

(d) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £478,951 (2019: £428,684).

9 Related party transactions - Trustees' remuneration and expenses

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

C Catherall (Principal and trustee):	
Remuneration	£75,001 - £80,000. (2019: £75,001 - £80,000)
Employers' pension contributions	£15,001- £20,000. (2019: £10,000 - £15,000)
A Hammersley (staff trustee):	
Remuneration	£60,001 - £65,000. (2019: £60,001 - £65,000)
Employers' pension contributions	£15,001 - £20,000. (2019: £10,001 - £15,000)
K Law (staff trustee):	
Remuneration	£25,001 - £30,000. (2019: £20,001 - £25,000)
Employers' pension contributions	£5,001 - £10,000. (2019: £nil - £5,000)
S Porter (staff trustee):	
Remuneration	£50,001 - £55,000. (2019: £nil - £nil)
Employers' pension contributions	£10,001 - £15,000 (2019: £nil - £nil),
A C Howden (community trustee)	
Remuneration	£nil - £5,000. (2019: £nil - £5,000)
Employers' pension contributions	£nil - £5,000. (2019: £nil - £5,000)

During the year ended 31st August 2020, travel and subsistence expenses totalling £nil were reimbursed (2019:£nil).

Other related party transactions involving the trustees are set out in note 27.

10 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Fixtures £000	Computer Equipment £000	**Total £000**
Cost				
At 1st September 2019	3,472	32	32	**3,536**
Additions	-	303	46	**349**
Disposals	-	-	-	**-**
At 31st August 2020	3,472	335	78	**3,885**
Depreciation				
At 1st September 2019	423	26	18	**467**
Charged in period	65	7	25	**97**
Disposals	-	-	-	**-**
At 31st August 2020	488	33	43	**564**
Net book values				
At 31st August 2019	3,049	6	14	**3,069**
At 31st August 2020	2,984	302	35	**3,321**

12 Debtors

	2020 £000	2019 £000
Trade debtors	-	-
VAT recoverable	19	32
Other debtors	11	11
Prepayments and accrued income	473	112
	503	155

13 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	9	1
Other taxation and social security	-	-
Other loans	7	7
Other creditors	9	8
Accruals and deferred income	388	148
	413	164

Deferred income

	2020 £000	2019 £000
Deferred income at start of year	28	29
Released from previous years	(28)	(29)
Resources deferred in the year	21	28
Deferred income at end of year	21	28

14 Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Loans	11	18
	11	18

The academy is repaying a Salix loan of £57,600 over eight years. Bi-annual repayments of £3,600 commenced in March 2015. No interest is charged on the loan. There are no repayments due after more than five years.

15 Funds

	Balance at 1st September 2019 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31st August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	264	2,866	(2,716)	59	473
Other DfE/ESFA grants	-	319	(319)	-	-
Other Government grants	-	70	(70)	-	-
Other restricted funds	10	62	(72)	-	-
Pension reserve	(933)	-	(105)	(78)	(1,116)
	(659)	3,317	(3,282)	(19)	(643)
Restricted fixed asset funds					
Transfer on conversion	3,048	-	(65)	-	2,983
DfE/ESFA capital grants	97	533	-	(408)	222
Capitalised assets post conversion	21	-	(32)	349	338
	3,166	533	(97)	(59)	3,543
Total restricted funds	2,507	3,850	(3,379)	(78)	2,900
Total unrestricted funds	41	21	(21)	-	41
Total funds	2,548	3,871	(3,400)	(78)	2,941

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

15 Funds (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the year end. At the year end £473,000 of these funds remained unspent.

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

General Annual Grant must be used for the normal running expenses of the Academy and any amounts carried forward at the year end must be used in accordance with the terms of the funding agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education. Which must be used in accordance with the specific terms of each grant. These monies had been fully utilised at the year end.

Other government grants includes Local Authority funding for Special Educational Needs (SEN) which was fully expended in the year along with central funding for other special educational projects.

Other restricted funds include contributions received for school trips and non public donations and grants and their related expenditure. These monies had been fully utilised at the year end

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit at the year end was £1,116,000 (2019: £933,000).

Restricted fixed assets funds include assets inherited on conversion and expenditure out of GAG and other grants during the year. Depreciation is charged against the fund.

DfE/ESFA capital grants represent capital monies received during the period from the ESFA. At the year end £222,000 of these funds remained unspent.

Unrestricted funds represents funds generated via activities such as from lettings and bank interest receivable. The surplus on this fund at the year end was £41,000 and these funds can be used at the discretion of the Trustees to meet the charitable objectives of the Academy.

15 Funds (continued)

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

	Balance at 1st September 2018 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31st August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	50	2,752	(2,882)	344	264
Other DfE/ESFA grants	-	180	(180)	-	-
Other Government grants	8	72	(80)	-	-
Other restricted funds	8	100	(98)	-	10
Pension reserve	(527)	-	(98)	(308)	(933)
	(461)	3,104	(3,338)	36	(659)
Restricted fixed asset funds					
Transfer on conversion	3,114	-	(66)	-	3,048
DfE/ESFA capital grants	321	143	-	(367)	97
Capitalised assets post conversion	14	-	(16)	23	21
	3,449	143	(82)	(344)	3,166
Total restricted funds	2,988	3,247	(3,420)	(308)	2,507
Total unrestricted funds	41	26	(26)	-	41
Total funds	3,029	3,273	(3,446)	(308)	2,548

16 Analysis of net assets between funds

Fund balances at 31st August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	3,321	3,321
Current assets	41	639	480	1,160
Current liabilities	-	(155)	(258)	(413)
Non-current liabilities	-	(11)	-	(11)
Pension scheme liability	-	(1,116)	-	(1,116)
Total net assets	41	(643)	3,543	2,941

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	3,069	3,069
Current assets	41	456	97	594
Current liabilities	-	(164)	-	(164)
Non-current liabilities	-	(18)	-	(18)
Pension scheme liability	-	(933)	-	(933)
Total net assets	41	(659)	3,166	2,548

17 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	222	106

18 Commitments under operating leases

Operating leases

At 31st August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	6	8
Amounts due between one and five years	3	9
Amounts due after five years	-	-
	9	17

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

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	471	(173)
Adjusted for:		
Depreciation (note 11)	97	82
Capital grants from DfE and other capital income	(533)	(143)
Interest receivable (note 5)	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	89	84
Defined benefit pension scheme finance cost (note 26)	16	14
(Increase)/decrease in debtors	(348)	154
Increase/(decrease) in creditors	249	(181)
Net cash provided by/(used in) operating activities	41	(163)

20 Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing	7	7
Cash inflows from borrowing	-	-
Net cash provided by financing activities	7	7

21 Cash flows from investing activities

	2020 £000	2019 £000
Proceeds from sale of tangible fixed assets		
Purchase of tangible fixed assets	(349)	(14)
Capital grants from DfE/ESFA	533	143
Capital funding received from others	-	-
Net cash provided by investing activities	184	129

22 Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	657	439
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	657	439

23 Analysis of changes in net debt

	At 1st September 2019	Cash flows	Acquisition / disposal of subsidiaries	Finance leases	Other non-cash changes	At 31st August 2020
Cash	439	218	-	-	-	**657**
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	439	218	-	-	-	**657**
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
	-	-	-	-	-	-
Total	439	218	-	-	-	**657**

24 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Academy is required to either re-invest the proceeds or to repay the Secretary of State for Education or the Diocese the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

25 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.

26 Pension and similar obligations

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

The latest actuarial valuation of the TPS was 31st March 2016 and of the LGPS 31st March 2016.

Contributions amounting to £7,903 (2019: £7,817) were payable to the schemes at 31st August 2020 and are included within creditors.

26 Pension and similar obligations (continued)

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 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 31st March 2016. The valuation report was published by the Department for Education on 5th March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1st April 2023.

The pension costs paid to TPS in the period amounted to £336,000 (2019: £218,000).

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.

26 Pension and similar obligations (continued)

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 31st August 2020 was £108,000 (2019: £92,000), of which employer's contributions totalled £81,000 (2019: £69,000), and employees' contributions totalled £27,000 (2019: £23,000). The agreed contribution rates for future years are 17.5% for employers and the rate for employees remains dependant on the earnings of the employee.

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

As described in note 1 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.

Principal Actuarial Assumptions	**At 31st August 2020**	**At 31st August 2019**
Rate of increase in salaries	3.8%	3.5%
Rate of increase for pensions in payment / inflation	2.4%	2.1%
Discount rate for scheme liabilities	1.8%	1.8%
Inflation assumption (CPI)	2.3%	2.0%

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

	At 31st August 2020	**At 31st August 2019**
Retiring today		
Males	22.3	22.8
Females	25.0	25.5
Retiring in 20 years		
Males	23.8	25.1
Females	26.8	28.2

Sensitivity analysis

		Sensitivity 1	**Sensitivity 2**	**Sensitivity 3**	**Sensitivity 4**
	Central £000	**+0.1% pa discount rate £000**	**+0.1% pa inflation £000**	**+0.1% pa pay growth £000**	**1 year inc in life expectancy £000**
Liabilities	2,652	2,596	2,709	2,656	2,729
Assets	(1,536)	(1,536)	(1,536)	(1,536)	(1,536)
Deficit	1,116	1,060	1,173	1,120	1,193
Projected service cost	172	168	177	172	178
Projected net interest	19	19	20	19	21

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31st August 2020	Fair value at 31st August 2019
Equities	700	563
Gilts	-	-
Other bonds	106	19
Property	209	103
Cash and other liquid assets	28	21
Other	493	470
Total market value of assets	1,536	1,176

The actual return on scheme assets was (£10,000) (2019: £130,000).

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	(86)	(42)
Past Service Charge	-	(40)
Interest income	22	28
Interest expense	(38)	(42)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	(3)	(2)
Total operating charge	(105)	(98)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2020 £000	2019 £000
At 1st September	2,109	1,491
Current service cost	167	111
Past service cost	-	40
Interest cost	38	42
Employee contributions	27	23
Actuarial loss	319	410
Benefits paid	(8)	(8)
At 31st August	2,652	2,109

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

	2020 £000	2019 £000
At 1st September	1,176	964
Interest income	22	28
Actuarial gain	241	102
Employer contributions	81	69
Employee contributions	27	23
Benefits paid	(8)	(8)
Administrative expenses	(3)	(2)
At 31st August	1,536	1,176

27 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1st April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the financial period:

P Catherall, spouse of C Catherall, Headteacher and Accounting Officer, is employed by the academy trust as a careers advisor. P Catherall's appointment was made in open competition and C Catherall was not involved in the decision making process regarding the appointment. P Catherall is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.