Company Registration No. 08360915 (England and Wales)

# ACADEMY @ WORDEN

## (A COMPANY LIMITED BY GUARANTEE)

## ANNUAL REPORT AND ACCOUNTS

## FOR THE YEAR ENDED 31 AUGUST 2018

ACADEMY @
WORDEN

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COMPANIES HOUSE

MHA Moore & Smalley
Trusted Thinking

## ACADEMY @ WORDEN

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# ACADEMY @ WORDEN

## REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---|---|
| **Members** | Mrs M T Woodall<br>Mrs L Fullbrook<br>Mr J Williams<br>Mr D Hewitt<br>Mrs C Harrison (appointed 20 March 2018) |
| **Governors** | Mrs M T Woodall (Chair & Community Governor)<br>Mr C Catherall (Headteacher and Accounting Officer)<br>Mr C J Ferguson (Community Governor)<br>Mr A Hammersley (Co-Opted Governor)<br>Mr D J Hewitt (Community Governor)<br>Mrs A C Howden (Community Governor)<br>Mrs M Abbott (Community Governor)<br>Mr J Meers (Co-Opted Governor) (Resigned 15 January 2018)<br>Mrs D Carr (Co-Opted Governor)<br>Mrs K Lovelady (Parent Governor)<br>Mr M Tunesi (Parent Governor) (Resigned 15 April 2018)<br>Mrs S Gardner (Staff Governor)<br>Miss J C Bibby (Staff Governor) (Resigned 1 August 2018)<br>Mr D M Lovelady (Parent Governor) |
| **Senior leadership team** | |
| - Headteacher | Mr C Catherall |
| - 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) |
| **Registered office** | Worden Sports College<br>Westfield Drive<br>Leyland<br>PR25 1QX |
| **Independent auditor** | MHA Moore and Smalley<br>Richard House<br>9 Winckley Square<br>Preston<br>PR1 3HP |

# ACADEMY @ WORDEN

## GOVERNORS' REPORT

## FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11-16 serving a catchment area in Leyland. It has a pupil capacity of 588 and had a roll of 520 as at 6th October 2018. 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

**Structure, governance and management**

Constitution

Worden High School converted to Academy @ Worden ("The Academy") on 1 February 2013. The Academy 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.

The Academy was incorporated on 15 January 2013 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

Two of the governors act as members for the charitable activities of the Academy. There are two additional members who are not governors. The Governors are the trustees of Academy @ Worden and 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 Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The Academy 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.

Method of recruitment and appointment or election of Governors

The Governors are appointed by the following:

| | |
|---|---|
| Parent governors | Elected by parents of the students of the Academy |
| 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 Trust |

Policies and procedures adopted for the induction and training of Governors

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 who also provide the clerking service.

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 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

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 annually 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. However, this pay is linked to NJC terms, which is not performance incremented.

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.

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

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

In addition, throughout the year the academy worked in partnership with the North West Forum for Health and Wellbeing, and the Leyland Rotary Club to promote and host community events.

**Objectives and activities**

Objects and aims

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular 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.

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.

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 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. Generate increased income through community use.

Public benefit

The Governors are aware of the Charity Commission Guidance 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 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. Worden has also worked in partnership with the Leyland Rotary Club and the National Forum for Health and Wellbeing to host the 2017 Leyland Health Mela.

**Strategic report**

**Achievements and performance**

The latest Ofsted report, in the form of a letter to the Headteacher, confirmed that Worden "continues to be good". All stakeholders were extremely proud to have received such a positive letter, from Ofsted on Friday 4th March 2016, which reflects the fantastic work that goes on daily at Worden. The letter recognised the high quality of teaching and the excellent attitude and behaviour displayed by the pupils.

Some key phrases in the inspection letter are:

"Pupils benefit from good teaching"

"Pupils leave the school with brighter prospects due to a passionate leadership team working alongside teachers who care and meticulously plan for each unique cohort"

Achievements and performance (continued)

"Leaders and teachers know their pupils well and ensure that a purposeful thriving environment is provided to support high-quality learning"

".. a school where pupils can enjoy learning"

"Pupils take pride in their work and their school and develop raised aspirations from a good-quality teaching environment"

"Pupils speak warmly of the efforts that staff make to look after them; strong pastoral care nurtures pupils"

"Teachers and leaders have focused on improving pupils' literacy..... Reading is promoted well"

"Teachers' expectations of what pupils can achieve are consistently high across the school"

"Strong relationships exist between teachers and pupils and consequently pupils' attitudes to learning are consistently high"

"The ethos of the school is calm and built on respect for each other. All pupils spoken to by inspectors said that they felt safe in the school"

"Governors shine the light on any underperformance and insist on improvements that will continue to move the school forward"

"Governors hold an accurate view of the school that is informed by the school's robust systems for tracking school improvement"

Key performance indicators
The GCSE (and equivalents) results for 2018 are included in the table below. Previous years outcomes are also provided for comparison.

| Indicator | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| % 5+ A*-C inc English and Maths | 56 | 28 | 38 | 44 | 58 | 61 |
| % A*-C in English and Maths | 56 | 33 | 50 | 60 | 60 | 67 |
| % 1+ A*-G | 100 | 100 | 100 | 98 | 100 | 100 |
| % Students making three levels progress in English | 72 | 59 | 83 | 85 | N/A | 88 |
| % Students making three levels progress in Maths | 61 | 43 | 54 | 63 | N/A | 70 |
| P8 (new measure of pupil progess) | -0.49 | -0.33 | -0.30 | 0.06 | -0.35 | 0.05 |

Progress 8 (P8) measures progress made by pupils in their best 8 GCSE subjects. A P8 score of 0 is the national average.

Key performance indicators

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

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 10% 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 14% 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 has seen the best results to date with a 7% increase in pupils achieving 5 GCSEs A* - C including English and Maths. English A* - 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 0.05, demonstrating the impact of investment in teaching and learning over the period.

Headteacher's Report

Worden continued to promote and market the academy highly effectively and the number of pupils joining the school in September 2017 was again very pleasing at 121 due to the improving reputation of the school in the community.

The new academic year started with two INSET days, focusing on safeguarding training, teaching and learning assessment and target setting. We welcomed 13 new staff this academic year:

Rebekah Mitchell - Geography
Kate Stoneley - ICT
Kim Matthews - Humanities
Kath Law - English
Lauren Parkin - Science
Susan Risley - Maths
Alex Crook - Science
Victoria Livesey - Maths
Katie Hughes - Technology
Stacey Elston - Science
Priti Solanki - Science
Sophie Wilson - Progress Manager
Nicole Higginson - Ex-Services Mentor

The new year 7s have been screened again using Accelerated Reader as we continue to push literacy across the school. We continue to use the scheme with targeted pupils in years 8, 9 and 10. Handwriting also continues to be screened and intervention put into place where improvement is required. Maths mastery has been extended into year 8 and the maths staff are very positive about the impact the first year of the course has had.

Headteacher's Report (continued)

'Presentation Evening' was held at the Leyland Hotel for the first time and feedback was very positive. The special guest, Dame Sue, was extremely inspirational and gave an excellent address. She has committed to supporting the academy in the future. The Leyland Health Mela was held at Worden for a third time in October and, as always, it was extremely well organised and attendance was good. Opening Evening was another huge success and an outstanding celebration of what Worden has to offer. Staff, pupils, parents, PTFA and governors ensured that all these occasions had a huge impact on public perception which helps continue to raise our profile and standing in the community. Feedback from visitors was extremely positive and our effective marketing has yet again had an impact on numbers applying for places at Worden. With the numbers applying for places at September 2018 I expect us to be full again. It is extremely pleasing to see the school continue to grow despite the pressure on the budget this creates.

The three year Academy Improvement Plan for 2016-19 has been evaluated and updated in the light of ongoing self-evaluation and the recent review of results and initiatives designed to improve standards. Faculty improvement plans reflect the whole school drive to further improve achievement, the quality of teaching over time, communication, financial planning and curriculum development.

Our links with Mr Morris, Headteacher of Broughton High School, and the Preston Teaching Schools Alliance continues, as does our involvement in the Red Rose Teaching Schools Alliance. Penwortham Priory, Broughton and Worden are continuing to work together on school improvement by visiting each others' schools to review lessons, speak to staff and pupils and conduct a work scrutiny. This supported the strategy on teaching and learning, along with the introduction of bespoke learning journals and an enhanced school observation programme.

We held our year 7 'Study Skill Blast Off' event for both pupils and parents back in September designed to get our new pupils off to a flying start and help parents understand how they can help their child to succeed at Worden. Year 7 parents were also invited to a 'Show My Homework' and 'Maths Mastery' information evening so that they could find out about our online homework system and this new way of teaching and learning maths for understanding.

After school revision classes in all subjects started early in the academic year as one strategy to drive up standards across the school. Formal, half termly, assessments took place throughout the year with pupil progress being carefully monitored through individual teachers meeting with the Head after each assessment point to review data. The school also held a Year 11 GCSE Parent Support Evening.

Charity events remained high on the agenda for Worden. Several charity events were held including Children in Need, Macmillan Coffee Mornings and our annual Santa Dash, in aid of St Catherine's Hospice.

SEN, Learning Support and the Pastoral Team continue to be one of the academy's key strengths. Investment in our award winning Accelerated Reader Programme helps support just over 200 pupils with reading and literacy, whilst additional programmes focus on dyslexia, social skills and handwriting. The pastoral team has been enhanced with the addition of a new progress manager and pastoral assistant, along with the creation of 'The Hub', which is the new home for the pastoral team.

The Duke of Edinburgh Award Scheme grew again attracting its largest ever number of participants. From the 1st April 2018 the Academy is now a Directly Licensed Centre and will be running both the Bronze and the Silver Award (2018). The Duke of Edinburgh's Award is vital to the academy's drive to develop the leadership skills of pupils, as well as being a vehicle to develop their wider skills. This year we have added the Silver Award and the participants will be using canoes for the expedition aspect of the course.

Worden held its fifth AGM in March 2018 and was pleased to incite a new Member to the Trust, Mrs Christine Harrison, who is a former Chair of Governors at Worden. This now increases the number of Members to 5. The reports were accepted and no motions were submitted.

Half term revision sessions were held during February half term which were well attended by year 11 pupils. Revision sessions also took place during the Easter holiday.

Headteacher's Report (continued)

We are working very closely with AC3 Communications to strengthen contact with home by improving our website, app and the way we report to parents. A new integrated system called 'Synergy' will form a 'one-stop' solution for our attendance, behaviour and reporting systems as well as communication with home and staff. With one login and password, staff can take registers, reward pupils, issue sanctions, create seating plans, send texts home, write reports, complete report cards, record incidents and it will alert pastoral staff, in real time, of serious incidents in lessons so they can respond immediately if necessary. For parents, it will provide and effective portal for communication, channelling everything in one place.

In June 2018, the academy supported the annual Leyland Festival with both a float and a marquee. Our float was highly commended by the organisers and was a visual delight, with music, staff and pupils and 2,000 balloons. Winston the Lion led the float through the town with his pupil and staff helpers distributing the balloons and leaflets advertising our open night to the onlookers. Our marquee area was very popular, with a bat-the-rat, tombola, raffle and candyfloss machines. We had over 500 visitors to the marquee and engaged with the local businesses who donated many prizes for our raffle and tombola.

The Leyland Guardian continues to support us and we were shortlisted in five categories at the Lancashire Post Education Awards this June. We won 'Secondary School of the Year' for a fourth time in 5 years as well as being nominated in four other categories. More importantly, Mrs Gardner won the 'Inspirational Teacher' award in her final year of teaching and 35 years at Worden. A truly well-deserved award and everyone was delighted for her.

Staff professional development in teaching and learning was boosted by a series of weekly workshops run by our Assistant Head, Mr Blackledge. In addition, several staff have enrolled to complete their NPQML and NPQSL qualifications.

Our successful 'Life Safety' bid which has secured us around £700k to replace our ancient fire alarm system, amongst other things, is underway. Work should be completed in time to ensure school looks its best for Open Evening in September. The new floors in the gym and sports hall are almost finished and electrical work, due to start shortly, will be done between the hours of 4pm and 11pm to avoid disruption prior to breaking up for summer. As we search to find extra rooms to accommodate increasing numbers of pupils, we have decided to convert the old library, currently 2 rooms, into 3. M4 is due to become the new pastoral room, incorporating isolation booths, and the Diamonds Room could then revert to a teaching space. There is still no decision on the Westfield Centre/Leyland Learning Centre and it is felt that LCC will reoccupy it at some point in the future.

The visit of Mike Kane MP, Shadow Schools Minister, was very successful. He met with interested staff and several pupils who asked some very searching questions. In addition to this, Mr Kane was interested in the history of the school and what we felt were our biggest challenges. Mr Reed spoke to him at length about the financial issues the school has faced and how we had managed to survive the lag funding situation. Mike Kane was accompanied by ex-pupil Kim Snape who is hoping to become the next MP for South Ribble.

Attendance for 2017-18 was on target at 95%.

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 regular basis
- Year 6 transition meetings and year 5 visits for prospective pupils
- New intake evenings and taster days
- Barclays - Work, Money and Social Skills Day

Headteacher's Report (continued)

- 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 LAC support, the police, YOT/ GRIP etc.
- Child protection conference meetings
- TAC meetings

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 2018-2021.

**Financial review**

The Academy's total incoming resources during the period were £2,785,882 (2017: £3,568,469). 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 £2,753,624(2017: £2,555,675) and further details are provided in the accounts.

Total outgoing resources for the period were £3,441,968 (2017: £2,953,542), which related to the direct provision of educational operations. The net movement in funds for the period was a deficit of £497,086 (2017: surplus of £802,927). However if we exclude the actuarial movement on defined benefit pension scheme, the net expenditure for the year was £656,086 (2017: net income of £614,927).

This differential in the result for the year has arisen primarily due to the timing of the income and expenditure recognition. Capital grants are recognised fully in the period the Academy is entitled to it whilst the related expenditure is recognised in the period it is incurred.

At the period end the Academy's total reserves were £3,028,764 (2017: £3,525,850), including unrestricted funds of £40,498 (2017: £38,773) and restricted funds of £2,988,266 (2017: £3,487,077). Restricted funds include fixed assets of £3,449,218 (2017: £4,021,247), less the LGPS pensions scheme deficit of £527,000 (2017: £610,000). The level of restricted funds excluding fixed assets and the pension deficit was £66,048 (2017: £75,830).

At 31st August 2018 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

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 0.5% and 2.5% of GAG income, which equates to approximately £14,000 - £70,000 on an annual basis, and aim to keep the reserve within these parameters. The last few financial years 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 created further run rate savings within the year, which has helped to contain expenditure. Future reserves will be built as the academy numbers peak in the coming years.

At 31 August 2018 the academy held £49,997 in restricted GAG reserves.

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 £160,000 - £170,000, approximately one months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. For the same reasoning stated in restricted GAG reserves, the level of unrestricted reserves had fallen, as the academy financed the shortfall in funding the growth in pupil numbers. Future forecasts show a rise increasing over the next few years.

At 31 August 2018 the level of unrestricted reserves held was £40,498.

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 2018 the situation has improved and the deficit has reduced by £83,000 to £527,000. The level of any deficit payments have been reviewed by Lancashire County Council and Mercers, and have increased slightly to £14,400 for 2018/19, on a deficit total of £173,100. 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 18 July 2013.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

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, 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.

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. There is also uncertainty regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long.

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 governors on a monthly basis and to the Business & Resources and the Audit and Risk Management Committee itself each term. The Academy and Governors have also completed a full review of the Risk Register .

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.

Financial and risk management objectives and policies

The academy has completed a five 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

**Fundraising**

The academy undertakes fundraising on behalf of local and national charities such as MacMillan, St Catherine's Hospice and Children in Need. All funds raised are fully passed to the charities and audited through our finance systems. The academy approaches this activity as single charity days to promote the specific charity and raise funds. Fundraising activities tend to remain within the academy grounds and do not involve members of the public. Monitoring is carried out by the co-ordinator and verified by the finance department.

The academy complies with the provisions of the Charities (Protection and Social Investment) Act 2016 and all monies raised are identified on a specific cost centre in the monthly management accounts. The academy does not work with professional fundraisers or commercial participators and has received no complaints in relation to its fundraising activities.

**Plans for future periods**

A summary of the 2018-19 Academy Improvement Plan which sets out the objectives for the forthcoming year is provided below.

**1) Provide teaching over time that is outstanding**

Most of the teaching in all key stages and all subjects must be outstanding and never less than consistently good. As a result, almost all pupils, including disabled pupils, those who have special educational needs, those for whom the pupil premium provides support and the most able, are making rapid and sustained progress.

**2 ) Ensure outstanding achievement and progress for all students**

The proportions of pupils making expected progress and the proportions exceeding expected progress in English and in mathematics are high compared with national figures. For pupils for whom the pupil premium provides support, the proportions are similar to, or above, those for other pupils in the school or are rapidly approaching them.

**3) Develop outstanding leaders and teams at all levels**

Leaders focus relentlessly on improving teaching and learning and provide focused professional development for all staff, especially those that are newly qualified and at an early stage of their careers. This is underpinned by searching performance management that encourages, challenges and supports teachers' improvement.

**4) Secure outstanding behaviour (including behaviour for learning) and safety**

All pupils consistently display a thirst for knowledge and a love of learning, including in independent, group and whole class work, which have a very strong impact on their progress in lessons. Pupils' behaviour in and outside of lessons is always impeccable. Pupils' pride in the school is shown by their excellent conduct, manners and punctuality.

**5) Communication and information systems are rationalised to ensure outstanding provision in all areas**

Communication systems including: Synergy, SIMS, PARS, Texts, News@Worden, Website, School Network, Pupil Voice, Parent Voice etc. to improve internal communications and strengthen home-school partnerships.

**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**

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

**Auditor**

In so far as the Governors are aware:
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 6.12.18 and signed on its behalf by:

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

.....
**Mr D J Hewitt**
**Community Governor**

# ACADEMY @ WORDEN

## GOVERNANCE STATEMENT

## FOR THE YEAR ENDED 31 AUGUST 2018

### Scope of responsibility

As Governors 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.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Governing Body any material weaknesses or breakdowns in internal control.

### 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 three 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) | 2 | 3 |
| Mr C Catherall (Headteacher and Accounting Officer) | 3 | 3 |
| Mr C J Ferguson (Community Governor) | 3 | 3 |
| Mr A Hammersley (Co-Opted Governor) | 3 | 3 |
| Mr D J Hewitt (Community Governor) | 3 | 3 |
| Mrs A C Howden (Community Governor) | 3 | 3 |
| Mrs M Abbott (Community Governor) | 3 | 3 |
| Mr J Meers (Co-Opted Governor) (Resigned 15 January 2018) | 0 | 1 |
| Mrs D Carr (Co-Opted Governor) | 3 | 3 |
| Mrs K Lovelady (Parent Governor) | 2 | 3 |
| Mr M Tunesi (Parent Governor) (Resigned 15 April 2018) | 0 | 1 |
| Mrs S Gardner (Staff Governor) | 3 | 3 |
| Miss J C Bibby (Staff Governor) (Resigned 1 August 2018) | 2 | 3 |
| Mr D M Lovelady (Parent Governor) | 2 | 3 |

Assessment of Board skills and challenges faced in the year

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

- A skills audit was completed by governors, which resulted in identifying new skills required (e.g.health & safety). This will help when selecting new governors and also when reviewing succession planning.
- 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.
- Development of the governor induction programme with mentors.
- Membership of the National Governors Association.
- Additional governor training meetings on the curriculum & progress 8.
- Full governance review by the National Governors Association, over a 3 month period, resulting in a recommendations report. This report held a number of recommendations which have been embedded into the risk register and governors action plan.

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) | 3 | 3 |
| Mr C Catherall (Headteacher and Accounting Officer) | 3 | 3 |
| Mr C J Ferguson (Community Governor) | 3 | 3 |
| Mr A Hammersley (Co-Opted Governor) | 3 | 3 |
| Mr D J Hewitt (Community Governor) | 2 | 3 |
| Mrs A C Howden (Community Governor) | 2 | 3 |
| Mr J Meers (Co-Opted Governor) (Resigned 15 January 2018) | 0 | 1 |
| Mr D M Lovelady (Parent Governor) | 3 | 3 |

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) | 1 | 3 |
| Mr D J Hewitt (Community Governor) | 2 | 3 |
| Mrs M Abbott (Community Governor) | 3 | 3 |
| Mr J Meers (Co-Opted Governor) (Resigned 15 January 2018) | 0 | 1 |
| Mrs D Carr (Co-Opted Governor) | 1 | 3 |
| Mrs K Lovelady (Parent Governor) | 3 | 3 |
| Mr M Tunesi (Parent Governor) (Resigned 15 April 2018) | 0 | 1 |

**Review of value for money**

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy 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's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continued use of the RPA Insurance policy saved us £18,000 per annum
- Robust tendering processes have yielded us savings across many areas; cleaning £3,000 saving, teacher absence insurance £4,000 saving, grounds maintenance £600 saving.
- Successful Capital CIF grants of £1m for kitchen replacements and life safety.
- Renewal of the management of our lettings to a third party continues to yield us £6,000 per year whilst allowing to open the school longer for staff, without any caretaking costs.
- 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.
- Renegotiation of the catering contract saving £11,000 per year.
- Savings by agreeing fixed recruitment cost with TES and supply agencies, saving £7,000.
- Use of casual cover supervisers, gives us a 50% saving against supply agency costs.
- Use of the apprenticeship scheme for recruitment and developing staff
- Fixing contract costs and negotiating longer terms for an increased discount
- Managing areas of the CIF capital works and allowing works in off-peak months saved £10,000
- Purchasing refurbished IT equipment with guarantees.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

**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 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

**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.

Responsible Officer (RO) Function

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.

TLL Accountants presented quarterly reports to the Governing Body through 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.

**Review of effectiveness**

As Accounting Officer the Headteacher 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 whole register is reviewed in depth annually by the Audit and Risk Management Committee in the Spring Term. Many of the risks have been allocated to the Business and Resources and Teaching, Learning and Curriculum committees and key personnel. These risk holders then review them on a termly basis and feedback to the Audit and Risk Management Committee.

Financial Management and Governance

The Governors receive a monthly financial report pack, prepared in accordance with Financial Regulations Handbook and adhering to the Academies Financial Handbook 2017. In addition, RO reports have been completed quarterly, as well as external audit of the financial accounts. In addition, the governors have completed the new ESFA Governance Compliance Review, reviewing the 84 risk areas identified by the ESFA and the 2017 Academy Financial Handbook.

Internal Controls

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

increasing the scope of the gifts register to include all gifts given by the academy
increasing the number of authorised payment signatories to deputise in emergencies

Approved by order of the Governing Body on 6.12.18 and signed on its behalf by:

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

**Mr C Catherall**
**Headteacher and Accounting Officer**

## ACADEMY @ WORDEN

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

### FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of Academy @ Worden I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**Mr C Catherall**
**Accounting Officer**

6.12.18

# ACADEMY @ WORDEN

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

## FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who act as trustees for Academy @ Worden and are also the directors of Academy @ Worden for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Annual Accounts Direction issued 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 Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 6.12.18 and signed on its behalf by:

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

**Mr D J Hewitt**
**Community Governor**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY @ WORDEN

## FOR THE YEAR ENDED 31 AUGUST 2018

### Opinion

We have audited the accounts of Academy @ Worden for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### 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 accounts' section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

**Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

**Use of our report**

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

T N Johnson

**Tracey Johnson (Senior Statutory Auditor)**
**for and on behalf of MHA Moore and Smalley**
**Chartered Accountants**
**Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

13 December 2018

# ACADEMY @ WORDEN

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMY @ WORDEN AND THE EDUCATION & SKILLS FUNDING AGENCY

## FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 29 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy @ Worden during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Academy @ Worden and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy @ Worden and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy @ Worden and the 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 dated 30 January 2013 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

**Conclusion**

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

MHA Moore & Smalley

**Reporting Accountant**
**MHA Moore and Smalley**

13 December 2018

# ACADEMY @ WORDEN

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total 2018 £ | Total 2017 £ |
|---|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | | |
| Donations and capital grants | 4 | - | 1,521 | 11,425 | 12,946 | 1,005,445 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 5 | 12,021 | 2,741,603 | - | 2,753,624 | 2,555,675 |
| Other trading activities | 6 | 18,992 | - | - | 18,992 | 7,078 |
| Investments | 7 | 320 | - | - | 320 | 271 |
| **Total income and endowments** | | 31,333 | 2,743,124 | 11,425 | 2,785,882 | 3,568,469 |
| **Expenditure on:** | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 9 | 29,608 | 3,335,735 | 76,625 | 3,441,968 | 2,953,542 |
| **Total expenditure** | 8 | 29,608 | 3,335,735 | 76,625 | 3,441,968 | 2,953,542 |
| **Net income/(expenditure)** | | 1,725 | (592,611) | (65,200) | (656,086) | 614,927 |
| Transfers between funds | | - | 506,829 | (506,829) | - | - |
| **Other recognised gains and losses** | | | | | | |
| Actuarial gains on defined benefit pension schemes | 20 | - | 159,000 | - | 159,000 | 188,000 |
| **Net movement in funds** | | 1,725 | 73,218 | (572,029) | (497,086) | 802,927 |
| **Reconciliation of funds** | | | | | | |
| Total funds brought forward | | 38,773 | (534,170) | 4,021,247 | 3,525,850 | 2,722,923 |
| Total funds carried forward | 18 | 40,498 | (460,952) | 3,449,218 | 3,028,764 | 3,525,850 |

## ACADEMY @ WORDEN

### BALANCE SHEET

### AS AT 31 AUGUST 2018

| | Notes | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | 3,136,994 | | 3,213,619 |
| **Current assets** | | | | | |
| Debtors | 14 | 309,162 | | 770,826 | |
| Cash at bank and in hand | | 480,466 | | 445,182 | |
| | | 789,628 | | 1,216,008 | |
| **Current liabilities** | | | | | |
| Creditors: amounts falling due within one year | 15 | (345,658) | | (261,377) | |
| **Net current assets** | | | 443,970 | | 954,631 |
| **Total assets less current liabilities** | | | 3,580,964 | | 4,168,250 |
| Creditors: amounts falling due after more than one year | 16 | | (25,200) | | (32,400) |
| **Net assets excluding pension liability** | | | 3,555,764 | | 4,135,850 |
| Defined benefit pension scheme liability | 20 | | (527,000) | | (610,000) |
| **Net assets** | | | 3,028,764 | | 3,525,850 |
| **Funds of the Academy:** | | | | | |
| **Restricted funds** | 18 | | | | |
| - Fixed asset funds | | | 3,449,218 | | 4,021,247 |
| - Restricted income funds | | | 66,048 | | 75,830 |
| - Pension reserve | | | (527,000) | | (610,000) |
| **Total restricted funds** | | | 2,988,266 | | 3,487,077 |
| **Unrestricted income funds** | 18 | | 40,498 | | 38,773 |
| **Total funds** | | | 3,028,764 | | 3,525,850 |

The accounts on pages 29 to 53 were approved by the Governors and authorised for issue on ..6..12..18..... and are signed on their behalf by:

.....

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

.....

**Mr D J Hewitt**
**Community Governor**

**Company Number 08360915**

## ACADEMY @ WORDEN

### STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Net cash provided by/(used in) operating activities | 21 | | 30,739 | | (775,342) |
| **Cash flows from investing activities** | | | | | |
| Dividends, interest and rents from investments | | 320 | | 271 | |
| Capital grants from DfE Group | | 11,425 | | 997,445 | |
| Purchase of tangible fixed assets | | - | | (34,858) | |
| **Net cash provided by investing activities** | | | 11,745 | | 962,858 |
| **Cash flows from financing activities** | | | | | |
| Repayment of other loan | | (7,200) | | (7,200) | |
| **Net cash used in financing activities** | | | (7,200) | | (7,200) |
| **Net increase in cash and cash equivalents in the reporting period** | | | 35,284 | | 180,316 |
| Cash and cash equivalents at beginning of the year | | | 445,182 | | 264,866 |
| **Cash and cash equivalents at end of the year** | | | 480,466 | | 445,182 |

## 1 Accounting policies

Academy @ Worden is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

### 1.1 Basis of preparation

The accounts of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Adoption of the new accounting standard FRS102 this year has resulted in some classification changes in the presentation of the comparative information from what was reported in the prior year.

Academy @ Worden meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Academy. Monetary amounts in these financial statements are rounded to the nearest £.

### 1.2 Going concern

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

### 1.3 Income

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

Grants

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

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

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

**1 Accounting policies** **(Continued)**

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

1 **Accounting policies** **(Continued)**

**1.5 Tangible fixed assets and depreciation**

On conversion the School acquired the land and buildings from which it operates under a 99 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2013 on behalf of the Department for Education by Mouchel. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the School inherited the fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. Except for certain computer equipment recently purchased, the remaining assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £1,890,000.

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|---|---|
| Leasehold land and buildings | Over lease term/2% per annum |
| Computer equipment | 33.3% per annum |
| Fixtures, fittings & equipment | 25% per annum |

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.

**1.6 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

**1.7 Leased assets**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1.8 Financial instruments**

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

1 Accounting policies (Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

**1.9 Taxation**

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.10 Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is 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 are 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 in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

**1.11 Fund accounting**

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

## 1 Accounting policies (Continued)

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

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

## 2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy 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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 125 years is applied to land, 50 years for buildings, 3 years for computer equipment and 4 years for fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

## 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was not subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next.

## 4 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|---|---|---|---|
| Capital grants | - | 11,425 | 11,425 | 997,445 |
| Other donations | - | 1,521 | 1,521 | 8,000 |
| | - | 12,946 | 12,946 | 1,005,445 |

The income from donations and capital grants was £12,946 (2017: £1,005,445) of which £1,521 was restricted (2017: £8,000) and £11,425 was restricted fixed assets (2017: £997,445).

## 5 Funding for the Academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|---|---|---|---|
| **DfE / ESFA grants** | | | | |
| General annual grant (GAG) | - | 2,460,993 | 2,460,993 | 2,242,669 |
| Other DfE / ESFA grants | - | 174,629 | 174,629 | 176,168 |
| | - | 2,635,622 | 2,635,622 | 2,418,837 |
| **Other government grants** | | | | |
| Local authority grants | - | 12,632 | 12,632 | 13,390 |
| Special educational projects | - | 42,995 | 42,995 | 53,667 |
| | - | 55,627 | 55,627 | 67,057 |
| **Other funds** | | | | |
| Other incoming resources | 12,021 | 50,354 | 62,375 | 69,781 |
| **Total funding** | 12,021 | 2,741,603 | 2,753,624 | 2,555,675 |

The income from funding for educational operations was £2,753,624 (2017: £2,555,675) of which £12,021 was unrestricted (2017: £2,065) and £2,741,603 was restricted (2017: £2,553,610).

## 6 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|---|---|---|---|
| Hire of facilities | 7,798 | - | 7,798 | 3,740 |
| Other income | 11,194 | - | 11,194 | 3,338 |
| | 18,992 | - | 18,992 | 7,078 |

The income from other trading activities was £18,992 (2017: £7,078) of which £18,992 was unrestricted (2017: £7,078).

## 7 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|---|---|---|---|
| Short term deposits | 320 | - | 320 | 271 |

The income from funding for investment income was £320 (2017: £271) of which £320 was unrestricted (2017: £271).

## 8 Expenditure

| | Staff costs £ | Non Pay Expenditure Premises £ | Non Pay Expenditure Other £ | Total 2018 £ | Total 2017 £ |
|---|---|---|---|---|---|
| Academy's educational operations | | | | | |
| - Direct costs | 1,995,992 | 6,132 | 230,622 | 2,232,746 | 2,019,925 |
| - Allocated support costs | 249,330 | 831,143 | 128,749 | 1,209,222 | 933,617 |
| | 2,245,322 | 837,275 | 359,371 | 3,441,968 | 2,953,542 |

| Net income/(expenditure) for the year includes: | 2018 £ | 2017 £ |
|---|---|---|
| Fees payable to auditor for: | | |
| - Audit | 6,250 | 6,100 |
| - Other services | 3,100 | 3,680 |
| Operating lease rentals | 13,997 | 17,630 |
| Depreciation of tangible fixed assets | 76,625 | 71,610 |
| Net interest on defined benefit pension liability | 15,000 | 15,000 |

## 9 Charitable activities

| | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Direct costs** | | | | |
| Educational operations | 27,883 | 2,204,863 | 2,232,746 | 2,019,925 |
| **Support costs** | | | | |
| Educational operations | 1,725 | 1,207,497 | 1,209,222 | 933,617 |
| | 29,608 | 3,412,360 | 3,441,968 | 2,953,542 |

The expenditure on educational operations was £3,441,968 (2017: £2,953,542) of which £29,608 was unrestricted (2017: £7,086), £3,335,735 was restricted (2017: £2,874,846) and £76,625 was restricted fixed assets (2017: £71,610).

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| **Analysis of support costs** | | |
| Support staff costs | 249,330 | 274,772 |
| Depreciation | 70,493 | 69,675 |
| Premises costs | 731,961 | 398,102 |
| Other support costs | 136,667 | 167,096 |
| Governance costs | 20,771 | 23,972 |
| | 1,209,222 | 933,617 |

## 10 Staff

**Staff costs**

Staff costs during the year were:

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 1,667,464 | 1,547,607 |
| Social security costs | 147,887 | 130,122 |
| Pension costs | 347,914 | 318,366 |
| Staff costs | 2,163,265 | 1,996,095 |
| Agency staff costs | 82,057 | 74,999 |
| Staff restructuring costs | - | 27,522 |
| Total staff expenditure | 2,245,322 | 2,098,616 |

Staff restructuring costs comprise:

| | | |
|---|---|---|
| Redundancy payments | - | 27,522 |

## 10 Staff (Continued)

**Staff numbers**

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

| | 2018 Number | 2017 Number |
|---|---|---|
| Teachers | 34 | 26 |
| Administration and support | 23 | 25 |
| Management | 6 | 5 |
| | 63 | 56 |

The number of persons employed, expressed as a full time equivalent, was as follows:

| | 2018 Number | 2017 Number |
|---|---|---|
| Teachers | 29 | 24 |
| Administration and support | 15 | 20 |
| Management | 6 | 5 |
| | 50 | 49 |

**Higher paid staff**

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

| | 2018 Number | 2017 Number |
|---|---|---|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | 1 | - |

**Key management personnel**

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £385,646 (2017:£335,389).

## 11 Governors' remuneration and expenses

The headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy trust in respect of their role as Governors. During the year, no travel and subsistence payments (2017 £nil) were reimbursed to Governors.

The value of Governors' remuneration and other benefits for the period was as follows:

C Catherall - Headteacher and Governor

| | |
|---|---|
| Remuneration | £70,001 - £75,000 (2017: £65,001 - £70,000) |
| Employer's pension contributions | £10,001 - £15,000 (2017: £10,001 - £15,000) |

A Hammersley - Deputy Head and Co-opted Governor

| | |
|---|---|
| Remuneration | £55,001 - £60,000 (2017: £50,001 - £55,000) |
| Employer's pension contributions | £5,001 - £10,000 (2017: £5,001 - £10,000) |

L Finley - Staff Governor to 1 February 2017

| | |
|---|---|
| Remuneration | £nil (2017: £10,001 - £15,000) |
| Employer's pension contributions | £nil - £5,000 (2017: £nil - £5,000) |

S Vorajee - Staff Governor to 24 January 2017

| | |
|---|---|
| Remuneration | £nil (2017: £5,001 - £10,000) |
| Employer's pension contributions | £nil (2017: £nil - £5,000) |

S Gardner - Staff Governor

| | |
|---|---|
| Remuneration | £40,001 - £45,000 (2017: £40,001 - £45,000) |
| Employer's pension contributions | £5,001 - £10,000 (2017: £5,001 - £10,000) |

J Bibby - Staff Governor from 10 February 2017

| | |
|---|---|
| Remuneration | £20,001 - £25,000 (2017: £10,001 - £15,000) |
| Employer's pension contributions | £nil - £5,000 (2017: £nil - £5,000) |

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

## 12 Governors 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 providers 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.

## 13 Tangible fixed assets

| | Leasehold land and buildings | Computer equipment | Fixtures, fittings & equipment | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 September 2017 and 31 August 2018 | 3,472,000 | 21,960 | 31,769 | 3,525,729 |
| **Depreciation** | | | | |
| At 1 September 2017 | 292,761 | 4,573 | 14,776 | 312,110 |
| Charge for the year | 65,424 | 6,132 | 5,069 | 76,625 |
| At 31 August 2018 | 358,185 | 10,705 | 19,845 | 388,735 |
| **Net book value** | | | | |
| At 31 August 2018 | 3,113,815 | 11,255 | 11,924 | 3,136,994 |
| At 31 August 2017 | 3,179,239 | 17,387 | 16,993 | 3,213,619 |

**The net book value of land and buildings comprises:**

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Long leaseholds (over 50 years) | 3,113,815 | 3,179,239 |

## 14 Debtors

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| VAT recoverable | 24,424 | 4,854 |
| Other debtors | 6,104 | 371 |
| Prepayments and accrued income | 278,634 | 765,601 |
| | 309,162 | 770,826 |

## 15 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|---|---|---|
| | £ | £ |
| Other loans | 7,200 | 7,200 |
| Trade creditors | 31,429 | 19,423 |
| Other creditors | 6,546 | 7,077 |
| Accruals and deferred income | 300,483 | 227,677 |
| | 345,658 | 261,377 |

| 16 Creditors: amounts falling due after more than one year | 2018 £ | 2017 £ |
|---|---|---|
| Other loans | 25,200 | 32,400 |
| **Analysis of loans** | | |
| Wholly repayable within five years | 32,400 | 39,600 |
| Less: included in current liabilities | (7,200) | (7,200) |
| Amounts included above | 25,200 | 32,400 |
| **Loan maturity** | | |
| Debt due in one year or less | 7,200 | 7,200 |
| Due in more than one year but not more than two years | 7,200 | 7,200 |
| Due in more than two years but not more than five years | 18,000 | 21,600 |
| Due in more than five years | - | 3,600 |
| | 32,400 | 39,600 |

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.

| 17 Deferred income | 2018 £ | 2017 £ |
|---|---|---|
| Deferred income is included within: | | |
| Creditors due within one year | 29,486 | 21,933 |
| Deferred income at 1 September 2017 | 21,933 | 13,240 |
| Released from previous years | (21,933) | (13,240) |
| Resources deferred in the year | 29,486 | 21,933 |
| **Deferred income at 31 August 2018** | 29,486 | 21,933 |

At the balance sheet date the academy trust was holding funds received in advance for educational projects, which cover the period from September 2017 to March 2018.

## 18 Funds

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|---|---|---|---|---|---|
| **Restricted general funds** | | | | | |
| General Annual Grant (GAG) | 56,835 | 2,460,993 | (2,974,660) | 506,829 | 49,997 |
| Other DfE / ESFA grants | - | 174,629 | (174,629) | - | - |
| Other government grants | 15,270 | 55,627 | (63,180) | - | 7,717 |
| Other restricted funds | 3,725 | 51,875 | (47,266) | - | 8,334 |
| Pension reserve | (610,000) | - | (76,000) | 159,000 | (527,000) |
| | (534,170) | 2,743,124 | (3,335,735) | 665,829 | (460,952) |
| **Restricted fixed asset funds** | | | | | |
| Transfer on conversion | 3,179,239 | - | (65,424) | - | 3,113,815 |
| DfE group capital grants | 820,064 | 11,425 | (3,108) | (506,829) | 321,552 |
| Capital expenditure from GAG | 21,944 | - | (8,093) | - | 13,851 |
| | 4,021,247 | 11,425 | (76,625) | (506,829) | 3,449,218 |
| **Total restricted funds** | 3,487,077 | 2,754,549 | (3,412,360) | 159,000 | 2,988,266 |
| **Unrestricted funds** | | | | | |
| General funds | 38,773 | 31,333 | (29,608) | - | 40,498 |
| **Total funds** | 3,525,850 | 2,785,882 | (3,441,968) | 159,000 | 3,028,764 |

**18 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.

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 School and any amounts carried forward at the end of a financial period 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.

Other government grants includes LEA funding for Special Educational Needs which was fully expended in the period along with central funding for other special educational projects.

Other restricted funds include contributions received for school trips and non public donations & grants and their related expenditure.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit at the year end was £527,000 (2017: £610,000).

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

18 Funds (Continued)

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

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|---|---|---|---|---|---|
| **Restricted general funds** | | | | | |
| General Annual Grant (GAG) | 157,006 | 2,242,669 | (2,497,799) | 154,959 | 56,835 |
| Other DfE / ESFA grants | - | 176,168 | (176,168) | - | - |
| Other government grants | 4,200 | 67,057 | (55,987) | - | 15,270 |
| Other restricted funds | 1,901 | 75,716 | (73,892) | - | 3,725 |
| Pension reserve | (727,000) | - | (71,000) | 188,000 | (610,000) |
| | (563,893) | 2,561,610 | (2,874,846) | 342,959 | (534,170) |
| **Restricted fixed asset funds** | | | | | |
| Transfer on conversion | 3,244,663 | - | (65,424) | - | 3,179,239 |
| DfE group capital grants | - | 997,445 | - | (177,381) | 820,064 |
| Capital expenditure from GAG | 5,708 | - | (6,186) | 22,422 | 21,944 |
| | 3,250,371 | 997,445 | (71,610) | (154,959) | 4,021,247 |
| **Total restricted funds** | 2,686,478 | 3,559,055 | (2,946,456) | 188,000 | 3,487,077 |
| **Unrestricted funds** | | | | | |
| General funds | 36,445 | 9,414 | (7,086) | - | 38,773 |
| **Total funds** | 2,722,923 | 3,568,469 | (2,953,542) | 188,000 | 3,525,850 |

18 Funds (Continued)

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

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|---|---|---|---|---|---|
| **Restricted general funds** | | | | | |
| General Annual Grant (GAG) | 157,006 | 4,703,662 | (5,472,459) | 661,788 | 49,997 |
| Other DfE / ESFA grants | - | 350,797 | (350,797) | - | - |
| Other government grants | 4,200 | 122,684 | (119,167) | - | 7,717 |
| Other restricted funds | 1,901 | 127,591 | (121,158) | - | 8,334 |
| Pension reserve | (727,000) | - | (147,000) | 347,000 | (527,000) |
| | (563,893) | 5,304,734 | (6,210,581) | 1,008,788 | (460,952) |
| **Restricted fixed asset funds** | | | | | |
| Transfer on conversion | 3,244,663 | - | (130,848) | - | 3,113,815 |
| DfE group capital grants | - | 1,008,870 | (3,108) | (684,210) | 321,552 |
| Capital expenditure from GAG | 5,708 | - | (14,279) | 22,422 | 13,851 |
| | 3,250,371 | 1,008,870 | (148,235) | (661,788) | 3,449,218 |
| **Total restricted funds** | 2,686,478 | 6,313,604 | (6,358,816) | 347,000 | 2,988,266 |
| **Unrestricted funds** | | | | | |
| General funds | 36,445 | 40,747 | (36,694) | - | 40,498 |
| **Total funds** | 2,722,923 | 6,354,351 | (6,395,510) | 347,000 | 3,028,764 |

19 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Restricted funds: Fixed asset £ | Total Funds £ |
|---|---|---|---|---|
| **Fund balances at 31 August 2018 are represented by:** | | | | |
| Tangible fixed assets | - | - | 3,136,994 | 3,136,994 |
| Current assets | 40,498 | 436,906 | 312,224 | 789,628 |
| Creditors falling due within one year | - | (345,658) | - | (345,658) |
| Creditors falling due after one year | - | (25,200) | - | (25,200) |
| Defined benefit pension liability | - | (527,000) | - | (527,000) |
| **Total net assets** | 40,498 | (460,952) | 3,449,218 | 3,028,764 |

## 19 Analysis of net assets between funds (Continued)

| | Unrestricted Funds | Restricted funds: General | Fixed asset | Total Funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Fund balances at 31 August 2017 are represented by:** | | | | |
| Tangible fixed assets | - | - | 3,213,619 | 3,213,619 |
| Current assets | 38,773 | 369,607 | 807,628 | 1,216,008 |
| Creditors falling due within one year | - | (261,377) | - | (261,377) |
| Creditors falling due after one year | - | (32,400) | - | (32,400) |
| Defined benefit pension liability | - | (610,000) | - | (610,000) |
| **Total net assets** | 38,773 | (534,170) | 4,021,247 | 3,525,850 |

## 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £6,546 (2017: £7,077) were payable to the schemes at 31 August 2018 and are included within creditors.

### Teachers' Pension Scheme

**Introduction**

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

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

**20 Pension and similar obligations** **(Continued)**

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £203,225 (2017: £183,041).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees. The estimated value of employer contributions for the forthcoming year based on the latest actuarial report is £71,000. Additional deficit contributions of £13,900 and £14,400 are due in the following two years.

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

| **Total contributions made** | **2018** | **2017** |
|---|---|---|
| | **£** | **£** |
| Employer's contributions | 71,000 | 64,000 |
| Employees' contributions | 23,000 | 21,000 |
| Total contributions | 94,000 | 85,000 |

## 20 Pension and similar obligations (Continued)

**Principal actuarial assumptions**

| | 2018 % | 2017 % |
|---|---|---|
| Rate of increase in salaries | 3.6 | 3.7 |
| Rate of increase for pensions in payment/inflation | 2.2 | 2.2 |
| Discount rate for scheme liabilities | 2.8 | 2.5 |
| Inflation assumption (CPI) | 2.1 | 2.2 |

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

| | 2018 Years | 2017 Years |
|---|---|---|
| Retiring today | | |
| - Males | 22.7 | 22.6 |
| - Females | 25.4 | 25.2 |
| Retiring in 20 years | | |
| - Males | 25 | 24.9 |
| - Females | 28 | 27.9 |

Sensitivity analysis at 31 August 2018:

| | Central £000 | Sensitivity 1 + 0.1% p.a. discount rate £000 | Sensitivity 2 + 0.1% p.a. inflation £000 | Sensitivity 3 + 0.1% p.a. pay growth £000 | Sensitivity 4 1 year increase in life expectancy £000 |
|---|---|---|---|---|---|
| Liabilities | 1,491 | 1,455 | 1,528 | 1,496 | 1,518 |
| Assets | (964) | (964) | (964) | (964) | (964) |
| Deficit/(surplus) | 527 | 491 | 564 | 532 | 554 |
| Projected Service Cost for next year | 116 | 112 | 120 | 116 | 119 |
| Projected Net Interest Cost for next year | 14 | 13 | 15 | 14 | 15 |

**The Academy's share of the assets in the scheme**

| | 2018 Fair value £ | 2017 Fair value £ |
|---|---|---|
| Equities | 422,000 | 363,000 |
| Government bonds | 33,000 | 16,000 |
| Other bonds | 6,000 | 19,000 |
| Cash | 9,000 | 38,000 |
| Property | 89,000 | 86,000 |
| Other assets | 405,000 | 306,000 |
| Total market value of assets | 964,000 | 828,000 |

The actual return on scheme assets was £53,000 (2017: £92,000).

## 20 Pension and similar obligations (Continued)

| Amount recognised in the Statement of Financial Activities | 2018 £ | 2017 £ |
|---|---|---|
| Current service cost | 130,000 | 118,000 |
| Interest income | (22,000) | (15,000) |
| Interest cost | 37,000 | 30,000 |
| Administration expenses | 2,000 | 2,000 |
| Total operating charge | 147,000 | 135,000 |

| Changes in the present value of defined benefit obligations | 2018 £ | 2017 £ |
|---|---|---|
| At 1 September 2017 | 1,438,000 | 1,387,000 |
| Current service cost | 130,000 | 118,000 |
| Interest cost | 37,000 | 30,000 |
| Employee contributions | 23,000 | 21,000 |
| Actuarial gain | (128,000) | (111,000) |
| Benefits paid | (9,000) | (7,000) |
| At 31 August 2018 | 1,491,000 | 1,438,000 |

| Changes in the fair value of the Academy's share of scheme assets | 2018 £ | 2017 £ |
|---|---|---|
| At 1 September 2017 | 828,000 | 660,000 |
| Interest income | 22,000 | 15,000 |
| Actuarial gain | 31,000 | 77,000 |
| Employer contributions | 71,000 | 64,000 |
| Employee contributions | 23,000 | 21,000 |
| Benefits paid | (9,000) | (7,000) |
| Administrative expenses | (2,000) | (2,000) |
| At 31 August 2018 | 964,000 | 828,000 |

## 21 Reconciliation of net (expenditure)/income to net cash flow from operating activities

| | 2018 £ | 2017 £ |
|---|---|---|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (656,086) | 614,927 |
| Adjusted for: | | |
| Capital grants from DfE/ESFA and other capital income | (11,425) | (997,445) |
| Investment income receivable | (320) | (271) |
| Defined benefit pension costs less contributions payable | 61,000 | 56,000 |
| Defined benefit pension net finance cost | 15,000 | 15,000 |
| Depreciation of tangible fixed assets | 76,625 | 71,610 |
| Decrease/(increase) in debtors | 461,664 | (681,698) |
| Increase in creditors | 84,281 | 146,535 |
| **Net cash provided by/(used in) operating activities** | 30,739 | (775,342) |

## 22 Commitments under operating leases

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

| | 2018 £ | 2017 £ |
|---|---|---|
| Amounts due within one year | 9,144 | 13,997 |
| Amounts due in two and five years | 3,684 | 12,828 |
| | 12,828 | 26,825 |

## 23 Related party transactions

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

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 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.

Also during the year Mrs A C Howden was appointed as an invigilator in the School and was paid £529 (2017: £380) for her services.

No other related party transactions took place in the period of account.

## 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.