

Company Registration No. 08368756 (England and Wales)

WARDLE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016



WARDLE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs S M Taylor
Mrs L Parker
Mr A Scantlebury

Trustees

Mrs S M Taylor
Mrs L Parker
Mr A Scantlebury (Resigned 31 August 2016)
Dr G Wright (Resigned 31 August 2016)
Mr C McKenzie (Resigned 31 March 2016)
Mr A Gleave

Senior management team

- Wardle Headteacher
- Wardle Headteacher
- Wardle Deputy Headteacher
- Kentmere Headteacher
- Kentmere Deputy Headteacher
- Kentmere Deputy Headteacher
- Senior Executive Officer
- Finance Trust Manager
- Wardle Chair
- Wardle Vice Chair
- Kentmere Chair
- Kentmere Vice Chair

Dr G Wright (Resigned February 2016)
Mrs C J Fisher (Appointed 1 January 2016)
Mrs J C Bowyer
Mrs S Isberg
Mrs N Howard
Mrs C Booth (Resigned February 2016)
Dr G Wright
Mr J P Butterworth
Mrs S M Taylor
Mrs L Parker
Mrs P Howarth
Mr E Khan

Company secretary

Mrs J Ashworth

Company registration number

08368756 (England and Wales)

Registered office

Birch Road
Wardle
Rochdale
Lancashire
OL12 9RD

Academies operated

Wardle Academy
Kentmere Academy

Location

Rochdale
Rochdale

Principal

Mrs C J Fisher
Mrs S Isberg

Independent auditor

RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

WARDLE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Yorkshire Bank PLC
Yorkshire Street
Rochdale
OL16 1BL

Solicitors

Schofield Sweeney Solicitors
Church Bank House
Church Bank
Bradford
West Yorkshire
BD1 4DY

WARDLE ACADEMY

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a secondary academy for pupils aged 11 to 16 serving a Pennine community around the eastern edges of Rochdale. It has a pupil capacity of 1,200 and had a roll of 1,178 in the school census on 3 October 2016.

The trust also sponsors a primary school, Kentmere Academy, near Rochdale consisting of 320 pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Wardle Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wardle Academy. Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1 and 2.

Each individual academy has a local governing body structure. At the end of August 2016, any trustee or director who was still a local governor stepped down from their local governance role to enhance Trust accountability.

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of they may be guilty in relation to the Academy Trust.

Any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not. Any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2 million.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of trustees

All trustees will be appointed by the members for an initial period not exceeding four years.

All governors shall be appointed or elected, as the case may be, under the Articles of Association and Funding Agreement. Each academy has its own local board.

In general, the academy trust will have the following governors in each institution:-

- Not less than three governors (not subject to a maximum).
- The members may appoint up to 7 governors, subject to Article 50.
- A minimum of two parent governors appointed under Articles 53-58.
- The principal (known as the headteacher).
- Staff governors must not exceed more than 1/3rd of the total number of governors.

Governors' term of office shall be 4 years, with no governor serving more than two terms of office. The time limit does not apply to headteachers. Nominations for all Chairs of Governance will be sought annually and no Chair will serve longer than a maximum of 6 years.

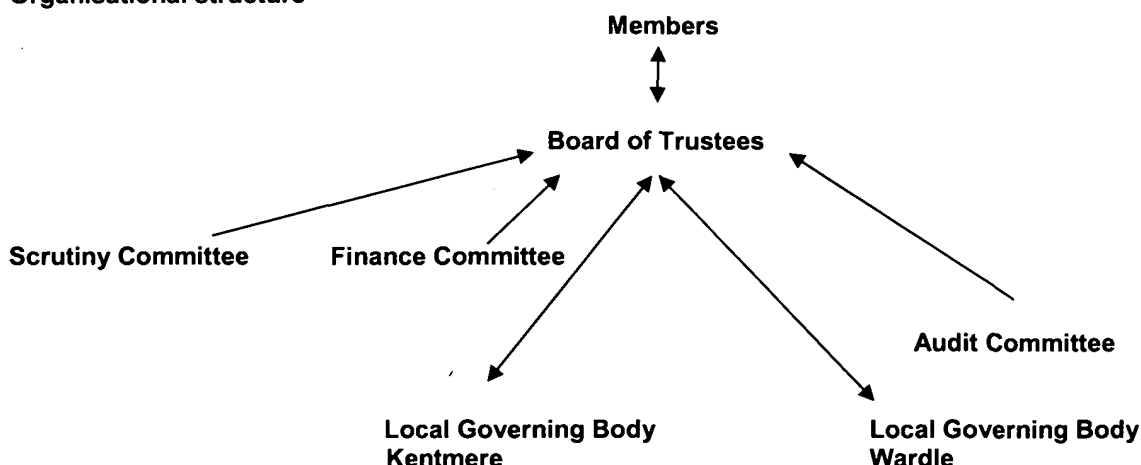
A staff Governor will only hold office for so long as they continue to be employed as a teacher or associate staff member at their academy. A parent Governor will only hold office for as long as they continue to be a parent of a student of the school.

Policies and procedures adopted for the induction and training of trustees

The academy trust has a Governance Recruitment, Induction and Training Policy available from the Company Secretary.

The training and induction provided for new Governance members includes an Induction/Welcome session, governance induction pack and a mentor. Induction includes a tour of the academies/academy and a chance to meet the headteacher, staff and pupils. All governance members are provided with online access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Training features within the annual diary of meetings. Local governors are encouraged to participate in specific governor training courses applicable to academies offered by the REAL Trust and other bodies. All Governors are DBS checked on appointment/reappointment.

Organisational structure



WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Members

The Members are the guardians of the Trust's constitution. They determine the governance structure of the Trust overseeing the work of the Trustees to ensure that the charitable objectives of the Trust are realised. Members have limited but important powers under the Articles of Association. These include the right to wind up the Trust, amend the Articles, change the name of the company, appoint other members and appoint and remove one or more directors/trustees. Members also sign off the financial accounts and the annual report.

Members meet three times per year including the AGM to approve the Board of Trustees Annual Report. Members are welcome to attend any of the other Trust governance meetings as observers.

Board of trustees ("the board")

The Board consists of six trustees. All Trustees are expected to abide by the Wardle Academy Trust Governance Code of Conduct. Since July 2016, no employee can sit as a Trustee.

Trustees (also known as Directors) are expected to have the skills, knowledge and experience to effectively oversee the work of the senior executive, local governing bodies, academy headteachers and other senior staff. This includes being able to effectively interpret financial and academic data.

The purpose of the Board is to ensure the Trust's compliance with charity and company law, its Articles of Association, all other applicable legislation, and DfE and EFA requirements relating to the Trust and its academies. The Board must ensure proper and regular use of public funds and comply with the Funding Agreement and the latest Academies Financial Handbook (current edition November 2015). The Trust must remain solvent and demonstrate good value for money.

The Board of Trustees meets four times per year as a full Board (includes one training session). In addition, Trustees with the appropriate expertise will sit on one of three committees that inform the Board (Academic Scrutiny; Finance; Audit). The quorum for any Board meeting or vote is three Trustees.

Trustees monitor a Board approved, and annually updated, Strategic Plan prepared on their behalf by the Senior Executive Officer using a range of Key Performance Indicators to monitor Trust performance.

Trustees are selected based upon their educational or business expertise. Members interview prospective trustees to assess their appropriate skills. The term of office for any Trustee is negotiable up to a maximum of four years, subject to a light annual review of performance (attendance, contribution to meetings). Subject to remaining eligible to be a trustee, any Trustee may be re-appointed for one additional term of office (Maximum 8 years).

Nominations for Chair will be sought and a Chair elected annually. No one will hold the Chair for a period exceeding six years. A Trustee will cease to hold office if s/he resigns her/his office by notice to the Company but only if at least three Trustees will remain in office when the notice of resignation is to take effect.

Whilst the Board delegates some duties to officers and local governing bodies, overall responsibility remains with them. Therefore, Trustees and Trust officers need to remain independent of the local governing bodies if they are to effectively hold the individual academies to account.

Member and trustee committees

The Board of Trustees is advised by two committees:-

- Academic Scrutiny;
- Finance.

A third group 'Audit' advises Members but Trustees are encouraged to attend. Each Trust committee meets for a minimum of three meetings per year (two for Audit). The aim of the committees is to inform the Board of academic standards and financial probity resulting from more detailed scrutiny of academic and financial performance of the Trust's academies.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

These committees consist of Trustees, officers and co-opted professionals. Their role is to:

- a. monitor the progress of actions outlined in the Annual Strategic Plan;
- b. review the academic progress and financial effectiveness of individual academies highlighting to both Board and to the individual academy any areas of concern;
- c. advise the Board on strategic need and direction;
- d. undertake any tasks specifically delegated to them by the Board.

Trustee committee membership

- a. **Academic Scrutiny.** A minimum of two Trustees with educational experience, SEO and an external School Improvement Partner.
- b. **Finance.** A minimum of two Trustees with corporate management experience, SEO, and Trust Finance Manager.
- c. **Audit.** A minimum of two Members/Trustees who are not on the Finance Committee (nor Chair of Trustees or internal Member).

Local governing bodies ("LGB")

The primary function of the LGBs is to support the Board in ensuring that their academy is accountable for educational performance, financial performance, the maintenance and delivery of a broad and balanced curriculum, the pastoral care and support of its students and for engagement within the community. LGBs also have an advisory role. Although the Board undertakes centralised educational and financial performance monitoring, thereby enabling LGBs to focus upon teaching, learning and pastoral issues, LGBs are expected to be knowledgeable on these issues holding headteachers to account and directing early interventions where necessary.

Expectations of the local governing body

The LGB shall support the Board of Trustees in taking a delegated strategic role in the governance of the Academy. It will act as a critical friend to its academy providing support to the headteacher and the staff.

The LGB will agree to monitor and review all school policies, targets and priorities for the academy, as well as implement and advise on all Trust policies. It will be accountable to the Board of Trustees for its decisions.

To carry out its role the LGB will:

- a. Share in the Trust's vision and direction (ASPIRE).
 - b. Ensure that the academy fulfils its statutory duties in relation to SEND and Safeguarding, appointing a Governor to take lead responsibility for SEND and Child Protection.
 - c. Encourage the highest standards of leadership and management at all levels. In doing this, the LGB will support, advise and hold the headteacher and leadership to account.
 - d. Systematically, and regularly, monitor and evaluate the work of the academy in relation to student performance, thereby agreeing targets and monitoring progress against them.
 - e. Monitor and evaluate the effectiveness of the curriculum direction set by the headteacher and agree policies which will enhance the quality of teaching and learning within the academy.
 - f. Work closely with the headteacher and Trust officers/consultants to prepare the academy for formal inspection including preparation of self-assessment statements.
 - g. Consider, and where necessary amend, the Academy Development Plan (School Improvement Plan) submitted by the headteacher before formally approving it, ensuring that all actions support the strategic direction of the Trust as set out in its Three Year Strategic Plan.
 - h. Approve the academy's staffing structure annually ensuring that it meets the curriculum need and is deliverable within the constraints of the financial budget.
 - i. Operate within the remit of the Wardle Academy Trust's Decision Matrices of Governance (see below).
 - j. Advise the Board on financial, resource, capital and staffing issues as related to the school.
 - k. Respond appropriately, and timely, to Trustee Committee concerns related to academic performance and financial management.
 - l. Ensure that the academy fulfils its statutory duties with regard to equality, discrimination and works to strengthen social cohesion.
 - m. Promote each student's spiritual, moral, social and cultural development.
 - n. Ensure that academy communicates well with parents seeking and maintaining good relationships with other external bodies and community groups.
 - o. Recognise and celebrate achievement by pupils and staff of the academy and Trust.
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WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

- p. Agree the academy student Admission Policy.
- q. Ensure all governors are skilled in understanding, interpreting and comparing academy performance, attendance, admissions and exclusions data.

Local governing body membership

In line with our ethos that one model does not fit all, the size of the academy local governing body is not prescribed by the Trust. However, governing bodies should be no bigger than necessary to secure the range of skills they need and smaller governing bodies are likely to be more cohesive and dynamic.

The Board approves the composition of each LGB, but it would not wish to intervene in its composition or change its delegated responsibilities unless the LGB was proving ineffective in the delivery of its responsibilities. Any LGB not able to meet expectations would be dissolved and replaced by an Executive Board until such a time as the issues have been addressed, at which point a new LGB would be constituted.

Members delegate to the Board the responsibility of appointing local governors. Any Board appointed governors would be subject to a satisfactory interview involving either a Trustee or the SEO and a member of the existing LGB (ideally the headteacher or Chair of LGB). Both would need to approve the appointment.

If the local governing body chooses to form an additional sub-group or committee that meets regularly, it is expected that the Chair of that committee will not be the Chair of Governors.

Local governing body committees

As the primary functions of the LGB are related to the curriculum, teaching, learning, pastoral management and student care, there are no expectations that LGBs will have additional committees for finances, resources or staffing.

The Board does delegate some responsibility to LGBs in these areas (Please see Decision Matrices below), but most of the monitoring is via executive officers or Trustee Committee. The decision to form additional committees rests with the LGB, however, they would be expected to have nominated group/s of governors for the following:-

- a. Complaints
- b. Student Disciplinary
- c. Staff Disciplinary/Staff Redundancy
- d. Admissions

Local governing body meetings

The full LGB will meet at least termly with the headteacher formally reporting to the meeting. LGBs without additional committees will meet at least half-termly. LGBs need to ensure sufficient time is allocated across the year to meeting the training needs of the group.

Meetings shall be convened by the LGB Clerk. The Clerk shall comply with any direction given by:

- the Headteacher
- Chair of the LGB
- Board of Trustees
- SEO

The Senior Executive Officer of Wardle Academy Trust acts as the Accounting Officer.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

Members, trustees and local governor all serve in a volunteer capacity without remuneration.

The Senior Executive Officer (SEO) is on a part-time (3 days per week) three-year fixed term contract due to expire in March 2019. Continuation is subject to an annual review against Key Performance Targets agreed with Trustees within the Strategic Business Plan. The salary remains static for the length of the contract and is not linked to School Teachers Review Body (STRB) annual recommendations. Trustees involve an external consultant to appraise the work of the SEO.

The performance management of the headteachers are both undertaken by governance committees set up for this purpose and advised by external consultants and supported by the SEO. Any pay progression needs to be recommended by the relevant governance committee to the local governing body and the Board of Trustees, both of which must approve the recommendation.

All members of the senior leadership are appraised in accordance with each schools' Appraisal and Capability Policy (revised annually). The headteacher may recommend pay progression for their senior staff to the individual local governing bodies if their annual targets have been achieved and they are not already at the top of their Leadership Group range.

Related parties and co-operation with other organisations

Wardle Academy. Initially Wardle High School. The school became a converter academy in September 2013 and became the operational centre of the Trust when it acquired multi-academy trust status in February 2015.

Kentmere Academy. The current school was originally Kentmere Primary School. Wardle Academy has sponsored the school since February 2015.

Rochdale After-School Primary Sports Games Partnership. The Trust, in partnership with Cardinal Langley Roman Catholic High School, jointly employ staff who co-ordinate and manage the primary school after-school games programme. Staff drive the development and delivery of the borough's involvement in the national School Games programme enabling project outcomes to be delivered in line with local needs, including competitions and events and workforce development.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Rochdale Pioneer Trust. Wardle Academy is a member of the Trust. Its purpose is to have rigorous self-evaluation, collective support and challenge in order to constantly improve our schools/ colleges to the benefit of all children and young people in Rochdale. Activities include bi-annual peer headteacher inspection; use of additional OFSTED trained inspectors; participation in middle/senior leadership training programmes.

Northern Alliance. The Trust is a member of the Northern Alliance, a collaboration of crossphase good/outstanding schools centred round the Blue Coat Training School in Oldham. Wardle Academy supports commissioned school improvement work through deployment of the headteacher as a Local Leader of Education; supports educational research initiatives; participates in Schools Direct training and other joint initiatives.

Rochdale Education and Learning Trust. The Trust is actively involved with the REAL Trust. It leads on all education and training for school staff within Rochdale. The Wardle Trust SEO is Chair of the Trustees.

St James/St Andrews C E Primary Schools. Two local voluntary controlled Church of England primary schools have applied to join the Wardle Academy Trust and their applications are currently being considered by the Department for Education.

Our relationships with all of the above parties support both of our principle activities as identified within the Articles of Association.

OBJECTIVES AND ACTIVITIES

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.

To promote for the benefit of the inhabitants of Wardle and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of the youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Our academy trust vision is our belief in developing individuals that are driven to succeed and who will be able to contribute to a global community that is ever-evolving. This vision is underpinned by our values of 'ASPIRE'.

- To aim for excellence, to take responsibility and be answerable - Accountability
- To have the courage to take risks, be innovative and embrace change - Strength
- To be enthusiastic for learning and living - Passion
- To know and do what is right, regardless of influence - Integrity
- To value and care for our environment, ourselves and other - Respect
- To maintain our efforts in order to maximise our successes - Endurance

The main aim of the Trust is to ensure high standards of achievement and improved performance in its academies. It is expected to:

- Ensure all academies in the Trust are effectively challenged and supported to maximise outcomes of the children and young people who attend Trust academies;
- Challenge and support the Trust's senior officers and academy leaders to achieve best value in terms of impact, outcomes quality and cost;
- Add value and additional opportunity within the community.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Objectives, Strategies and Activities 2015/16

1 OUTCOMES

All academies are enabled to reach good or better outcomes.

- a) To improve standards in Reading, Writing and Mathematics so that year-on-year more students achieve and exceed age-related expectations, making good or better progress.
 - Clear analysis at school level and trust-wide to identify the major areas for development.
 - Identify specific areas for improvement in for inclusion in the School Improvement Plan.
 - Agree with school/s clear targets for end of year outcomes and monitor progress towards them.
 - Identify good practice within the Trust to be shared.
 - Ensure that school/s continue to make effective use of pupil tracking tools in order to address pupils' gaps in learning.
- b) To improve standards so that year-on-year more students achieve and exceed good or better progress in GCSE Maths and English with increasingly stronger measurements of positive Progress 8 scores.
 - Agree with school specific areas for improvement in for inclusion in the School Improvement Plan.
 - Agree with school clear targets for end of year outcomes and monitor progress towards them.
 - Identify good practice within the Trust to be shared.
 - Ensure that the school continues to make effective use of pupil tracking tools in order to address pupils' gaps in learning.
 - Review use of Teaching Assistants (TAs) to ensure best use is being made of these to raise standards.
 - Review practice within SEND to ensure that ALL groups make good progress.
- c) To secure high quality teaching and learning of a rich and broad curriculum in each academy.
 - Review conclusions from LGB meetings and on-going monitoring.
 - Ensure the School Development Plans clearly identify development of teaching.
 - Deploy Headteacher Consultants (HTCs) to broker support as required.
 - Strengthen links with Teaching Schools/Pioneer Trust to deliver packages of support.
 - Support Staff Capability and Appraisal.
- d) To ensure that groups at risk of underachieving make good or better progress.
 - Review data from academies to track the progress of key groups at academy and Trust level.
 - Support internal academy reviews to ensure all necessary measures are in place.
 - Review range of interventions in place and ensure they are impacting positively upon progress.
 - Review the Action Plan from Wardle Pupil Premium Review.
 - Monitor attendance of vulnerable groups to identify potential areas of concern.
 - Review progress of SEND students and ensure that progress is at least in line with all other SEND students nationally.

2 SCHOOL IMPROVEMENT

To develop self-sustaining, system-led, collaborative approaches to improvement

- a) To secure accurate and robust self-evaluation processes.
 - Establish the role of HTCs, SIP and Pioneer Trust in on-going evaluation and monitoring.
 - Review and moderate academy self-evaluation statements to ensure they accurately reflects the position of the academies.
 - Review progress reported by the academies in response to targeted Action Plans.
 - b) To develop school-to-school support.
 - Identify opportunities for Headteachers to share in self-evaluation work across academies.
 - Provide the freedoms for Headteachers and other senior leaders to share expertise with other academies.
 - In areas where the academies are performing strongly and making sufficient progress, ensure that the Headteachers are provided with the opportunity to support other schools facing greater challenges.
 - c) To build links with external school evaluation services (teaching schools/training providers/OFSTED accredited advisers).
 - Review current links with Pioneer Trust, Northern Alliance and B11 to ensure effect support.
 - Identify additional potential support and opportunities from other Teaching School Alliances and OFSTED accredited advisers.
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WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

- Work in partnership to gain access to school-to-school improvement grants, with a view to accessing high level resources and development opportunities to accelerate progress, particularly in respect of teaching and learning.
- Begin to establish stronger links with training institutions as well as Teaching Schools with a view to supporting teacher training within our stronger school teams.

3 GOVERNANCE AND LEADERSHIP

To ensure high quality leadership and governance at Trust Board, Local Governing Body/Advisory Board and academy level.

- a) To develop a fully-functioning, high-level Trust Board that represents the full range of skills required.
 - Trust Board to review and renew the vision of the Trust.
 - Review expectations of Trustees and Board composition.
 - Identify areas for development in terms of Trustee membership.
 - Develop the structure and work of the Board to reflect Trust priorities and areas for growth and progress.
 - Develop accountability and expectations of the Trust Board of the Chief Executive Officer.
 - Review communications and accountability between the Trust Board and Local Governing Bodies.
 - Develop legacy strategy to ensure that governance, leadership and financial knowledge and skills are shared and not over-reliant on key individuals
 - Ensure all schools compliant with safeguarding, health and safety and other statutory legislation.
 - b) To embed high quality governance at the Local Governing Body/Advisory Board level focused clearly on raising standards.
 - Review the current effectiveness of the Local Governing Bodies.
 - Develop and monitor progress against a Governance School Review Action Plan (Wardle).
 - Consider the development of Local Advisory Boards.
 - Review the effectiveness of Local Governing Body support services.
 - Support academies to achieve Governor Mark status.
 - Develop governing body 'annual planner' and timeline.
 - Support the delivery and effectiveness of the LGBs through:-
 - Development of Handbook
 - Induction of new governors
 - Expectations of governors
 - Review of Trust policy
 - Advice on school policy
 - Renewed vision and website
 - Common formats of reporting
 - Improved flows of information
 - Access to training
 - Review schemes of delegation
 - Advice on statutory changes.
 - c) To develop the role of Trust Executive Office to work on behalf of the Trust to implement the strategic vision, associated development plans and controls, risk and assurance processes.
 - Development and monitoring of Annual and Three Year Strategic Plan.
 - Manage the provision of Member appointed governors to LGBs.
 - Draft on behalf of Trustees the Annual Report.
 - Monitor progress across the academies as outlined above.
 - Liaise and manage communications with professional associations through a JCNC structure.
 - Review Central Team and associated job descriptions.
 - Overview of Academy websites - Co-ordination/Branding of Trust. Monitoring compliance of OFSTED expectations. Quality Assurance of website OFSTED information.
 - Co-ordinate, monitor and advise on press releases and statements of public comment.
 - Liaise with external partners - Sports Partnership, Rochdale Education Partnership Board, REAL Trust and Manage the Trust's relationships with the Department for Education, Education Funding Agency, Ofsted and Rochdale Metropolitan Borough Council
 - d) To empower leaders to lead the improvement journey with and beyond their academies.
 - HTC's to ensure that appropriate support is in place for Headteachers.
 - Appraisal to clearly identify areas for development for Headteachers in conjunction with LGB members.
 - Work with Headteachers to identify areas for their professional and personal development.
 - Ensure that appraisal for other senior leaders is rigorous and effective.
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WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

- Review the effectiveness of middle leader development programmes.
- Support academy Headteachers in the development of their staffing structures and reviews.
- Support Headteachers in the implementation of new staffing structures based upon the curriculum needs and financial constraints of the school.
- Retain and upgrade skills to support Headteachers in the monitoring of teaching and learning.
- Revise and enhance the Trust's Risk Register
- Support Wardle Academy's Headteacher action planning to remove variability in standards of leadership

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

4 FINANCE

To strengthen the Trust by ensuring value for money and future sustainability.

- a) To deliver a strong financial plan.
 - Work with both schools to further balance the accounts for 2015/16.
 - Deliver on the forecasted 2016-17 budget, identifying savings and better value for money where possible.
 - Work closely with those in potential deficit situations to plan for avoidance of this or recovery from it.
 - Carry out further modelling and development work for the future growth of the trust and establish the most effective funding mechanisms for new joiners and improving schools within the Trust.
 - Assess all current operations against value for money.
 - Review and update the Finance Management Handbook.
- b) To deliver high quality services to all partners and Trust academies.
 - Develop clear service packages for each aspect of WAT service offer.
 - Ensure that these services offers provide the appropriate level of support for potential joiners and other partners commissioning those services.
 - Establish a quality framework through which we will judge the quality of what is provided to the academies and partners.
 - Take actions to improve the services as required.
 - Devise coherent plans for HR, ICT, Finance, FM (incl. Catering) and Marketing. Secure effective specialist support where necessary.
 - Service providers to promote a positive image of the organisation at all times and be prepared to go 'beyond expectations' but at no financial detriment to any academy member.
- c) To maintain measured and systematic growth.
 - Strategy discussion around potential future growth of up to two more primary schools. (£80,000)
 - Visits to potential schools interested in converting with a focus on community and enhancing the local education provision including that for existing partners.
 - Road shows at central locations in order to provide information to a wide field.
 - Targeted work with potential joiners to explore possibilities.
 - Due diligence with those wanting to convert and seeking approval from the DfE/RSC.
 - Review nursery provision within the trust.
- d) To develop the structure of the organisation.
 - Develop new structures for the delivery of school improvement services that offer best value for money and move towards a system-led programme of support that is less reliant on external consultants, whilst maintaining quality.
 - Extend the administration and business support centrally in order to provide a better quality of service.
 - Develop guidance for academy conversion.
 - As the organisation grows, review staffing and support at all levels, centrally and within the academies to ensure that maximum value for money is achieved.
 - Review existing relationships, particularly historical LA links and assess effectiveness (Potential savings £8,000)
 - Establish effective relationships with external providers to provide specialised legal, financial, safeguarding, health and safety, and human resources support.
- e) To manage risk effectively.
 - Enhance current risk management by using guidance provided by "Management of Risk – Principles and Concepts" ("The Orange Book") to develop the Trust's strategic framework to replace the above Risk Strategic Plan.
 - Risk Management Strategy to underpin the statement on internal control and risk management in the Trustees Annual Report.

5 FACILITIES MANAGEMENT

Maintain and improve a high quality environment for teaching and learning.

- a) To comply with all aspects of health and safety legislation and maintain high levels of accountability to minimise risk.
 - Review and monitor all Trust policy and practice related to safeguarding, health and safety and risk management.
 - Data Controller. Ensure compliance with the Data Protection Act. Manage requests for data.
 - Join the Institution of Occupational Safety and Health (IOSH) and cascade/inform/respond to highlighted IOSH issues that may impact directly upon the Trust.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

- Be up to date with new legislation and maintain a working knowledge of all Health and Safety Executive (HSE) legislation and any developments that affect the Trust and its employees.
- b) To develop internal estate management expertise.
 - Develop the vision and strategy for the Trust's estate management.
 - Oversee the appointment of an Estates Manager with the one year aim of the post being cost-neutral to Wardle Academy. (Additional initial cost of £40,000)
 - Represent the Trust at appropriate meetings with Carillion (eg, monthly liaison meetings, weekly operational meetings, service delivery review meetings, dispute resolution meetings).
- c) To secure value for money and quality service through annual review and competitive tendering where appropriate.
 - Benchmark expenditure against similar academies
 - Monitor tendering arrangements by academies to ensure compliance with the Financial Handbook
 - Oversee Action Planning resulting from Audit
- d) To implement planned programmes of preventative maintenance.
 - Improve and maintain a high quality environment for teaching and learning.
 - Ensure the facilities management service level agreements continue to offer a quality service and value for money through annual review and competitive quotation procedures where appropriate.
 - Ensure the on-site Estate teams are appropriately trained and managed through a robust appraisal system and succession planning.
 - Ensure a programme of preventative maintenance is planned and implemented.
- e) To pursue opportunities for additional capital funding through the preparation and submission of detailed bids.
 - Explore capital bid opportunities
 - Develop policy and a timeline for the redevelopment of Wardle 'Block D'.
- f) To deliver economies of scale through joint procurement whilst maintaining quality.
 - Ensure that Trust activity complies with public sector procurement policy.
 - Explore and expand opportunities for joint procurement across the Trust and with partners.
- g) To develop detailed plans that enable the Trust to adequately replace ICT, catering, cleaning and other major resource items.
 - Prepare a coherent and balanced ICT Replacement Plan (See replacement need above). £72 400 additional cost for Wardle.
 - Oversee the development of a resources replacement cycle (furniture, catering and cleaning equipment & other non-ICT assets).

6 PEOPLE (See also sections 2 & 3)

To manage people well and offer strong support for both their well-being and to deliver sustainable results.

- a) To maintain and develop strong learning communities for students.
 - Support the leadership of Wardle Academy to strengthen the strategic leadership of pupils' behaviour and attendance.
 - Explore the development of a local learning community by strengthening partnership arrangements with other local schools and organisations.
- b) To maintain and develop strong relationships with parents and the community.
 - Manage Complaint Appeals. Provide an additional tier to consider complaints that have remained unresolved by schools and local governing bodies.
 - Admissions. Manage Admission appeals on behalf of partner schools.
 - Attendance. Act as the Authorised Officer in the issuing of fixed penalty notices.
- c) To recruit and retain high quality colleagues with the capacity for continued development.
 - Support recruitment processes when requested. Take a central role in the appointment of key leadership posts.
 - Enhance the recruitment sections on Trust and academy websites.
 - Strengthen links with training establishments.
 - Review payment and incentives for all staff to encourage retention.
- d) To enhance professional development opportunities for all staff.
 - Offer opportunities to support staff development both externally and within the Trust.
 - Develop joint training courses for academies and partner schools (Potential Income).
 - Market academy support and service support to non-partners (Potential Income).

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Wardle, Smallbridge and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools, offering a broad curriculum. Student outcomes, OFSTED progress measures, student perception measures, admission levels show tangible public benefit in the academic journey made by students at the school. Additional evidence is present in further education uptake and the increasing number of students progressing to higher education.

Beyond this, the academies aim to offer an education for the whole individual providing opportunities for personal as well as academic success. With this in mind the schools seek to provide for the cultural, physical spiritual as well as academic development of students. The range of extra-curricular activities, educational trips, music opportunities and visits offered to, and taken up, by our students contribute schools that are happy and in which students thrive.

We support other schools through the delivery of professional development and the sharing of practice and knowledge to ultimately benefit the wider community.

STRATEGIC REPORT

Achievements and performance

Outcomes			
KPI 01	Aggregate results are at least in line with expected levels of attainment and progress.	Progress 8 measure of -0.02 (National average 2016 -0.03) Attainment 8 measure 50.29 (National average 2016 – 49.8) Both targets slightly above expected levels	W
		Expected primary standard achieved 91% National % of primary students achieving standard 53% Progress significantly above the national figures.	K
KPI 02	Attainment and progress of disadvantaged, LAC, SEND, EAL and other potentially underachieving groups are in line with their peers	Gaps diminished in 2016. -23% difference in 2016 for 5 A*-C incl Eng & Maths compared to -31% (2015). National gap in 2015 was -39%. OFSTED were critical of the attainment and progress of SEND and disadvantaged students in 2015 for Wardle despite them being below, ie, better than, the national figures. School has prioritised the need to diminish the gap further.	W
		At Kentmere, disadvantaged students (PP) make slightly better (good or outstanding) progress compared to non-PP students. PP% first. Reading 96.4%,96.1%. Writing 95.7%,95.0%. Maths 97.1%, 96.6%.	K
KPI 03	Externally moderated judgements demonstrate 100% of teaching to be at least good and 30% outstanding.	An internal Wardle Review (July 16) estimated good or better teaching to be no more than 70%. Key area for improvement.	W
		Internal and External Reviews of Kentmere (July 16) considered 100% of the teaching to be good or better.	K

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

School Improvement			
KPI 04	All academies are good or outstanding	March 2016 OFSTED judgement – Requires improvement in all areas. Inspected at a transitional time. Leadership (not headteacher) a key issue. Variability and consistency issues.	W
		External moderation of Kentmere would suggest that the school is close to outstanding .	K
KPI 05	The majority of school improvement is led by academy based system leaders	Wardle is still being guided by external support. Some academy based system leader support.	W
		Kentmere has become increasingly outward facing offering guidance by their system leaders to others.	K
Governance and Leadership			
KPI 06	Boards are running at full complement and attendance levels are in excess of 83%	5/6 Trustees have met this threshold. Good attendance at all LGB meetings of Wardle. Governance has been reviewed.	W
		Attendance rates of some parent governors have been poor, now replaced by member appointed governors.	K
KPI 07	Leadership and Governance is externally rated as good or better across the Trust and within all academies	Concerns remain over aspects of leadership at Wardle. The new headteacher was viewed positively by OFSTED . A governance review action plan has been fully implemented.	W
		Strong governance displayed by the Chair at Kentmere. LGB in process of reorganisation, but external comments on governance are strong. Leadership is very strong.	K
KPI 08	All audits of safeguarding, health and safety and legal responsibilities are positive with no outstanding concerns or remissions in practice highlighted	Audits 2015/16 highlight no significant areas. Safeguarding seen as good by OFSTED at Wardle. Risk Assessments in need of updating. New risk management system introduced.	W /K K

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Finance			
KPI 04	All academies are good or outstanding (value for money)	Requires Improvement judgement, therefore, concerns over value for money. Size of leadership and its effectiveness were an issue for OFSTED. Changes actioned. School has recovered a significant in-year deficit.	W
		No OFSTED judgement, but external moderation suggests at least good value for money.	K
KPI 09	All Trust academy accounts highlight at least an annual break-even position with no deficit budgets	Small surplus. Some non-replacement of staff in 2016 and 1 redundancy. In-year balance planned for 2016-17. Leadership reduced.	W
		Small surplus. Staffing levels high when benchmarked across similar schools.	K
KPI 10	Audit reports demonstrate effective management, and mitigation, of risk	The Trust has made risk mitigation a high priority in its Strategic Plan. Audit reports have not been critical, but more needs to be done. Skilled professionals have joined the Trustees and key Trust and school staff are being trained in this area to enhance its management. The Trust carries forward £582 000 to cover risk. Trust has opted into the DfE Risk Protection Arrangements. Reserves sufficient to cover immediate pension risk and pension deficit manageable over time.	W K
Facilities Management			
KPI 11	Annual Health and Safety audits green. All monitoring reports green	No significant issues identified.	W
		Issues addressed and new systems of management in place. No issues remain.	K
KPI 12	Additional capital grants approved	None approved for 2015/16. CIF to complete Block D at Wardle rejected in March 2016. None requested for Kentmere. Wardle is working with Link for Life on a Community Asset Fund Bid (Sports England) for the Autumn Term.	W K
KPI 13	ICT replacement plan being fully implemented	ICT required urgent attention as replacement plans were not in place. The Trust, not the schools, now oversee a 5 year plan. Replacement funds in both budgets for 2016/17.	W K
People			
KPI 04	All academies are good or outstanding (with measurements of personal development, behaviour and welfare at least grade 2 across all academies)	Wardle OFSTED was judged a 3 with pastoral leadership criticised. New leadership now in place. Parent and Pupil questionnaires would suggest a 2 (good) showing an improving picture particularly at Key Stage 3.	W
		Kentmere has no OFSTED judgement but the SEF suggests at least a grade 2 would be achieved.	K
KPI 14	Attendance rates of all groups at least match the national averages.	Student Attendance rates – 95.4% for 2016. (94.9% in 2015). At the national average.	W
		Student Attendance rates – 96.5% for 2016. At the national average.	K
KPI 15	Fixed term and permanent exclusions are below national average figures	RAISE online demonstrated poor figures well above national averages but have fallen significantly (therefore improved) since December 2015.	W
		RAISE online demonstrated fixed term exclusions were below the national averages with no permanent exclusions.	K

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

KPI 16	Annual staff mobility is low and falling	Neither school have suffered from a significant turnover of staff in the summer of 2016. Wardle have been sensitive but determined in terms of capability issues that have needed to be addressed.	W
		After a period of high turnover, it has been low since January 2016.	K
KPI 17	Staff absenteeism is low and falling	The figures are positive and falling in both schools. In Wardle an average of 5.7 teaching days were lost compared to 7.9 nationally. & 2.4 days for associate staff compared to 5.7 days nationally.	W
		Kentmere. Teachers 4.6 days lost (7.9 nationally). Associate staff 8.6 days lost (5.7 nationally). The issues around this latter figure have been resolved.	K
KPI 18	Staff Perception surveys highlight a positive and improving picture of staff satisfaction	96% of staff were proud to be members of the school. 88% of staff supported the leadership. Student behaviour was the key issue with only 52% believing it to be good and well led.	W
		100% of staff were proud to be members of the school. 97% of staff supported the leadership. Professional development opportunities for associate staff was the key issue.	K
KPI 19	Student Perception surveys highlight a positive and improving picture of satisfaction	Student perception survey Nov 2015 was very positive. 63% said the school had improved over the previous year and 10% thought that the school's performance was worse. Behaviour management was the issue although it was much improved on 2015. 90% of indicators were higher than at Nov 2014.	W
		No formal perception data for Kentmere but School Council and Rights Respecting strong. External reports very positive.	K
KPI 20	Parent evaluations highlight a positive and improving picture of parent satisfaction	Parent evaluations remain very positive with very good responses across all year groups. There was a 13% dissatisfaction rating over homework, 9% dissatisfaction rating with both behaviour and being kept informed. Overall, 99% of parents are happy with their child's experience at Wardle Academy. No issues on OFSTED Parent View. LPPA Award.	W
		Parent evaluations remain very positive. No issues on OFSTED Parent View. Working towards an LPPA.	K

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Going Concern

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

Up to 86% of the Academy's funding is provided by the Education Funding Agency (EFA). Education funding is relatively flat in relation to forecast budgets for 2016 – 2019. The three year forecast assumes a 1% increase in funding from the EFA. There is expected to be further turbulence in the funding if a new national funding formula is adopted by Parliament, but second stage consultation has yet to be undertaken and, if adopted, it will not be implemented until April 2018 at the earliest. SEND income for Wardle Academy was reduced at short notice with effect from April 2016 due to a reduction in the number of students that the Local Authority was prepared to support in the school's physical disability unit. It has been able to adapt to this loss of income and set balanced budgets for 2016 – 2019.

Whilst uncertainties clearly exist, the Trustees have been able to gain confidence in both academy's basis as a going-concern. This is centred upon the continued over-subscribed status of Wardle Academy in Year 7 each year, which indicates that the academy continues to be very popular. In addition, the local authority predicts a short-fall in the supply of student places for the Pennine region from 2017 – 2021. Trustees were asked to consider raising the standard admission number to 270 with immediate effect, but this was rejected by them. A new consultation exercise is now underway. Kentmere Academy is experiencing a growing demand for places and additional planned housing developments in the locality will further impact upon the need for places within both schools. The Executive team of the Trust and the Trustees have a reasonable expectation that the academies have adequate resources to continue in operational existence for the foreseeable future.

Financial Review

The vast majority of the Academy's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which are restricted to particular educational purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown in the Statement of Financial Activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's account policies.

During the year ended 31 August 2016, there was a net fund carry forward of £584,000 of unrestricted funds (excluding fixed asset funds). This represents an increase of £42,000 compared to the previous year.

The assets were used exclusively for providing education and the associated support services to the students of the academy in line with Trust Articles of Association.

The land, part of the buildings, and other assets were transferred to the academy upon conversion. Blocks A, B and C of the Wardle Academy building are managed and maintained by Carillion as part of a PFI agreement entered into by the governors of Wardle High School in 2011. This agreement was subsequently transferred to the academy upon conversion, and therefore these assets are excluded from the financial statements. The agreement with Carillion is for 25 years and is due to expire in 2039. The remaining assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful economic life.

The academy continues to account for the deficit in the local government pension scheme in respect of its associate staff (non-teaching). The deficit is incorporated with the Statement of Financial Activity with details in Note 19 to the financial statements.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Key financial policies adopted or reviewed during the year include the Finance Regulations Manual, Credit Card Policy, Expenses Policy and Fixed Asset & Depreciation Policy. The Finance Regulation Manual sets out the framework for financial management, including financial responsibilities of the trustees, senior executive (as accounting officer), heateachers, the finance manager, accounting team, budget holders and other affected staff, as well as delegated authority for expenditure and procurement protocols.

Trustees have adopted a Responsible Officer Policy and Risk Management System as part of the review of Internal Audit controls. An Audit Committee sits outside of the Finance Committee meeting independently with a different Chair to report directly to members and trustees on key areas of control with the accounting function.

The trustees have agreed a strategic approach to robust financial management and budgetary control whilst continuing to invest in human and physical resources to sustain the academy's development priorities. Trustees recognise the need to be prudent with the net assets for 2015/16 in order to protect the organisation from future commercial, political and financial risk.

Reserves policy

As at 31st August 2016 the Trust currently has £584,000 of unrestricted reserves. The current level of reserves is considered to be appropriate for the Trust. The trustees have decided that all unrestricted reserves will be utilised in helping the Trust achieve its objectives. At present, both academies plan balanced in-year budgets, but this provides no planned contribution to reserves. Going forward the trustees will endeavour to keep an appropriate level of GAG in reserve that it considers necessary for future operations and any capital projects or capital replacement. For 2016 – 2017 this includes provision for ICT replacement required due to similar termination dates of IT product life cycles. Block D at Wardle Academy and the completion of an outdoor play area at Kentmere remain capital projects, but trustees consider that a minimum of £400,000 needs to be held in reserve to protect the organisation against future risk thereby preventing the development both projects.

The actuarial valuation of the pension scheme and the corresponding liability does not result in an immediate cash flow impact to the Trust. The trustees are confident that any liabilities can be met as they fall due.

The reserves policy is reviewed annually.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Investment policy

The aim of this policy is to ensure that funds which the Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

In engaging in any investment, the Trust needs to ensure that

- adequate cash balances are maintained in the current account to cover day to day working capital requirements;
- there is no risk of loss in capital value of any cash funds invested;
- the capital value of any invested funds is protected against inflation;
- optimised returns accrue from funds invested via ethical sources.

Monthly cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Trustees Finance Committee. Approval must be signed off, recorded in the committee minutes and reported to the Board of Trustees.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk. In addition, as an active members of the Rochdale Pioneer Trust, the Academy Trust would wish to review any investment consideration against the key co-operative values of self-help, self responsibility, democracy, equality, equity, solidarity, ethical values, honesty, openness, social responsibility, and caring for others.

Currently, we do not invest surplus funds. The aim is to reach an appropriate level of reserve to allow executive officers and the Finance Committee to explore investment possibilities with criteria being:

- investment with a different counterparty (in order to reduce counterparty risk);
- consideration of whether there should be a maximum level of investment with a single approved counterparty; and
- a longer term investment with a higher return.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The Trustees recognise that the academy needs to offer value for money as judged by the overall attainment and progress made by the students within the school. Future plans focus on improving systems at Wardle and refining systems at Kentmere so as to increase and improve the rates of progress for students thereby good progress and higher attainment.

The School Improvement Plans for 2016/17 highlights the following areas:

Wardle

- Raise the outcomes and close the Gaps between Disadvantaged and Non-Disadvantaged and SEND and Non-SEND pupils within Mathematics.
- Raise the outcomes for Disadvantaged pupils and close the Gaps between Disadvantaged and Non-Disadvantaged pupils.
- Raise the outcomes for SEND pupils and close the Gaps between SEND and Non-SEND pupils.
- Improve the consistency of high quality Teaching and Learning.
- Improve the Personal, Behaviour, Welfare and Safety of all pupils, so to reduce exclusions and raise attendance.
- Improve the Assessment, Monitoring and Interventions procedures and strategies to close the gaps between predictions and outcomes.
- Ensure that Curriculum Developments reflect and embed KS3 and KS4 changes in line with government reforms and that these are appropriate for all pupils.
- Raise the outcomes of Higher Ability pupils.
- Continue to raise the outcomes of EAL pupils.

Kentmere

- Maintain high standards of achievement in SPAG, Reading, Writing and Maths
- Develop the teaching of spelling across the school
- Maintain good or better teaching in all classes
- Maintain good or better high quality learning experiences for all children
- Maintain high quality parental involvement in the education of their child(ren)
- Work towards a variety of awards and accreditations (Rights Respecting, School Games Silver, Healthy Schools – Silver, School Council, Artsmark, LPPA, Quality Mark, Eco Schools, Princess Diana, Inspiring

The Strategic Business Plan 2016-2019 details the key objectives for the next three years ahead along with the detail of any activities planned to achieve them. A copy of this plan is available by following the link below.

<https://drive.google.com/file/d/0B6e5UYDYMjc8M2NWQmZrX3ZHQ2c/view?usp=sharing>

Two Church of England primary schools have applied to the DfE to join the Trust. If their applications are successful, the Wardle Academy Trust would grow to four schools. A third school has expressed an interest. The Trust has no plans to expand beyond four/five schools before August 2019. It would aim to ensure that Trust schools were at least good, establishing the concept of a 'Community Trust'. To this end members have agreed to reserve two additional member positions for the Diocese of Manchester.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial – the Trust has considerable reliance on continued Government funding through the EFA. In the last year, 86% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that funding levels will be maintained in real terms in the short to medium time frame (2-5 years). Flat growth in funding against a background of rising cost pressure (particularly in terms of increased tax and superannuation contributions) will increase the need for prudent budgeting and contingency planning.

As with many defined benefit pension schemes the associate staff fund is in deficit but is managed by the Greater Manchester Pension Scheme with school pension contributions assessed at a level that, over time, will recover the shortfall. As such, the Trustees consider that the Trust is able to meet its known annual deficit contribution commitments for the foreseeable future, resulting in the risk from this liability being minimal and manageable.

Risk controls include:

- Ensuring three year rolling budgets to enable early identification of possible issues.
- Sharing resources across the Trust and using the bulk buying power of the Trust to reduce costs.
- Developing revenue opportunities through growth and service provision.

Physical Environment – Wardle Academy has benefitted from the now defunct 'Building Schools for the Future' programme that resulted in largely new build facilities becoming available during 2015.

Accompanying the new school building was a £1 million investment in new technology. The Private Finance Initiative underpinning the redevelopment ensures that the school will remain in good condition through the lifetime of the agreement (Due to expire in 2039). The risk to the building is largely that of Carillion.

However, the school retains risk over Block D consisting of two buildings of different age. One is of good condition and has been well maintained since its construction in 1996. Significant survey work undertaken at the time of the new build identified no significant issues. The remaining building was part of the original school stemming from 1977. As part of the new build, asbestos was removed from this building and the building stripped to a shell. Alarms and security systems have been reinstalled. Funding has not been available to complete its refurbishment and costs to the Trust will grow over time as the building condition deteriorates. Various grant applications have been unsuccessful.

Kentmere Academy was subject to a full buildings and asset review as part of its inclusion within the Trust. The building have been significantly renovated and developed within the last five years. £35,000 of repair work has been undertaken to make good snags and deficiencies overlooked by the primary school prior to its inclusion within the Trust.

The non-replacement of a technical and knowledgeable senior colleague reallocated to teaching and learning duties within Wardle Academy has increased risk in this area. Whilst general health and safety issues are being managed effectively, the Trust needs to ensure that all technical and statutory responsibilities are sufficiently managed in the future.

Risk controls include:

- Recruiting local governors and trustees with a background in estates management.
- Upskilling/retraining existing colleagues into estates management.
- Budgeting for a specialist estates manager.
- Renewed applications for capital funding.
- Reconsideration of expanding the role to a SAN of 270 (capital funding available).

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Staffing – The success of the academies is reliant on the quality of its staff and the Trustees monitor and review policies and processes to ensure continued development and training of staff. Appraisal procedures have been enhanced for teaching staff and introduced for associate staff.

There has been some failure to recruit and retain sufficient high quality school leaders, teachers or support staff and this has impacted on the Trust's and its academies' ability to achieve high standards and levels of achievement as well as contributing high turnover costs. Leadership issues at Wardle remain a concern.

Risk controls include:

- Stronger monitoring and accountability by governance on the effectiveness of school leaders
- Early recruitment to secure best available staff.
- Additional Work with ITT providers to secure high quality graduates in difficult to recruit subject areas.
- Development of the marketing of the Trust and its academies to potential staff.
- Annual perceptions surveys and responses to ensure the Trust and its academies are desirable places to work.
- Building and promotion of positive culture within the Trust and its academies to ensure high levels of retention of current staff.
- Flexible methods of rewarding highly performing staff.

Fraud and mismanagement of funds – The academy trust has appointed a Responsible Officer to carry out audit and compliance checks on financial systems, records and controls as recommended in the Academies Financial Handbook. All finance staff receive internal/external training to keep them up to date with financial practice requirements and to support them in the development of their skills in this area of risk. The reorganisation of the Trust to place the reviewing of school accounts under the responsibility of Trust officers accountable to a Trustees Finance Committee has strengthened monitoring and allowed for earlier intervention.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and enhancing governor and staff awareness. Risk assessments are undertaken and updated. A risk register is in the process of being completed.

However, as the trust grows it needs to strengthen its Risk Management Plan and develop a stronger Risk Management Strategy. Where significant financial risk still remains then the Trustees have ensured that adequate insurance cover is in place.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

Risk controls include:

- Strengthening the quality of governance with expertise in audit and risk management.
- Working with CalQRisk to develop comprehensive risk assessment and management strategies.
- Supporting local governing bodies to increase their effectiveness in understanding school budgets
- Employing professional accounting staff to support schools.

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

Reputational – Both academies reputations have grown in recent years matched by an increased demand for places that has seen entries rise significantly. The continuing success of the academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. In particular, Kentmere's reputation has grown significantly due to its very strong academic success. Wardle's reputation deteriorated in 2016 due to its 'Requires Improvement' OFSTED judgement, but summer examination results demonstrated improved progress.

Confidence in the Trust remains high amongst local schools with two having applied to join the Trust and a third expressing an interest.

Risk controls include:

- Revision of governance arrangements to more closely monitor and review progress.
- Making teaching and learning the primary focus of the schools, delegating non-academic matters to Trust officers.
- Implementing stronger quality assurance programmes across the Trust identifying and correcting issues at an early stage.
- Investing in the training of development of governance and staff to ensure high quality teaching and learning and support.
- Engaging in more sophisticated forms of marketing and communications particularly through the use of social media.

Safeguarding and child protection – The Trustees continue to ensure that the highest standards are maintained in the areas of selection, recruitment and monitoring of staff, the operation of child protection policies and procedures, health and safety and risk assessment of these critical areas of operation. The last OFSTED inspection of Wardle Academy considered arrangements to be strong. This continues to be a very high priority. Kentmere Academy has had all policies and practice reviewed by independent consultants and arrangements were considered to be appropriate and good.

Risk controls include:

- Maintaining all existing systems and strengthening where possible.
- Regular external reviews of systems and policy.
- Annually updated training for all staff.

Funds held as custodian trustee on behalf of others

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

WARDLE ACADEMY

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP have expressed their willingness to continue in office and a resolution to appoint them will be proposed at the annual general meeting.


Statement as to disclosure of information to auditor

In so far as the trustees are aware:

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

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 7th December 2016 and signed on its behalf by:

Susan Taylor
Chair of Trustees


12.12.16

WARDLE ACADEMY

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Wardle Academy 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 board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Wardle Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs S M Taylor	4	4
Mrs L Parker	4	4
Mr A Scantlebury (Resigned 31 August 2016)	4	4
Dr G Wright (Resigned 31 August 2016)	4	4
Mr C McKenzie (Resigned 31 March 2016)	1	4
Mr A Gleave	3	4

In April 2016, trustees took the decision to change the composition of governance to improve accountability as the model adopted for a single convertor academy was not appropriate for a multi-academy trust. In July 2016 trustees approved the introduction of a two-tiered system of governance separating out trustees from local governors. The model adopted allows for the growth of members by two to ensure increased accountability of trustees. A review of governance was undertaken by the National School Governors Association in May 2016. As a consequence of these actions no employee of the Trust remain on the Board and additional corporate management and educational expertise are now in place. No trustee is a governor in either academy.

The external review supported the actions being taken by the Trust and trustees adopted all the recommendations related to training, effective use of time, evaluation of governance performance, terms of office limitations and clerking. An internal review of the Action Plan adopted in July 2016 is due to be undertaken in February 2017 and an external review commissioned for September 2017.

Three sub-committees of the main Board have been approved from September 2016 to consider Finance.

Review of value for money

As accounting officer the senior executive officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

WARDLE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Revising systems of financial accountability. Local governing bodies are no longer the principle group for monitoring the financial propriety of their academies. Although regularly informed and with some financial responsibilities the principle monitoring role is to the senior executive who in turn is accountable to the Trustees Finance sub-group. The senior executive is supported by the employment professional accountancy staff in both academies. An initial predicted overall deficit for the Trust of £163 984* presented to the local governing bodies in September 2015 did not materialise with an in-year surplus of £40 000 resulting. Both schools have set in-year balanced budgets with the accounting officer for 2016/17.
- Standardised purchase of ICT hardware, software, licences and communications equipment. Economies of scale have been achieved in all areas. Joint licences, telephone systems, accounting software systems are all examples of the achievement of improved value for money.
- Provision of service to non-trust schools. Small amounts of surplus capacity existed within ICT, Marketing and Finance. Without incurring additional staffing costs, the Trust has been able to enter into Service Level Agreements to support other schools. This surplus capacity will be required by the Trust if it is to expand by two additional schools in 2016/17.

(* Projections listed on initial monthly outturn statements presented to local governing bodies)

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wardle Academy Trust for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mr D Mellalieu as internal auditor.

WARDLE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a bi-annual basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The last internal review conducted by RSM delivered their schedule of work as planned. Across both schools four low issues that may impact upon efficiency were cited, and four medium issues requiring timely management were cited. There were no high material control issues arising from the auditor's work and all low and medium issues have been rectified.

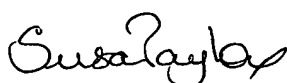
Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 7th December 2016 and signed on its behalf by:



Susan Taylor
Chair of Trustees



Graham Wright
Accounting Officer


WARDLE ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Wardle Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015/16.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015/16.

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



Graham Wright
Accounting Officer
7th December 2016

WARDLE ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Wardle Academy for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 7th December 2016 and signed on its behalf by:



Susan Taylor
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WARDLE ACADEMY (CONTINUED)

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Wardle Academy for the year ended 31 August 2016 set out on pages 35 to 56. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

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.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 33, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

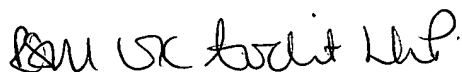
Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Karen Musgrave (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

15/12/16.

WARDLE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2016	Total 2015
	Notes	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	-	41	41	30
Donations - transfer from local authority on conversion		-	-	-	-	2,872
Charitable activities:						
- Funding for educational operations	4	-	8,622	-	8,622	7,910
Other trading activities	5	745	70	-	815	680
Total income and endowments		<u>745</u>	<u>8,692</u>	<u>41</u>	<u>9,478</u>	<u>11,492</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	414	9,215	557	10,186	9,344
Total expenditure	6	<u>414</u>	<u>9,215</u>	<u>557</u>	<u>10,186</u>	<u>9,344</u>
Net income/(expenditure)		331	(523)	(516)	(708)	2,148
Transfers between funds		(289)	241	48	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	21	-	(2,112)	-	(2,112)	161
Net movement in funds		42	(2,394)	(468)	(2,820)	2,309
Reconciliation of funds						
Total funds brought forward		542	(2,881)	8,811	6,472	4,163
Total funds carried forward		<u>584</u>	<u>(5,275)</u>	<u>8,343</u>	<u>3,652</u>	<u>6,472</u>

WARDLE ACADEMY**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	11	8,343	8,811
Current assets			
Stocks	12	18	21
Debtors	13	340	377
Cash at bank and in hand		701	779
		1,059	1,177
Current liabilities			
Creditors: amounts falling due within one year	14	(475)	(627)
Net current assets		584	550
Net assets excluding pension liability		8,927	9,361
Defined benefit pension liability	21	(5,275)	(2,889)
Net assets		3,652	6,472
Funds of the academy trust:			
Restricted funds	16		
- Restricted fixed asset funds		8,343	8,811
- Restricted general funds		-	8
- Pension reserve		(5,275)	(2,889)
Total restricted funds		3,068	5,930
Unrestricted income funds	16	584	542
Total funds		3,652	6,472

The financial statements set out on pages 35 to 56 were approved by the board of trustees and authorised for issue on 7th December 2016 and are signed on its behalf by:



Susan Taylor
Chair of Trustees

WARDLE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £000	2015 £000	2015 £000
Cash flows from operating activities				
Net cash (used in)/provided by operating activities	19		(25)	190
Cash flows from investing activities				
Capital grants from DfE and EFA		41		30
Payments to acquire tangible fixed assets		(89)		(105)
Proceeds from sales of tangible fixed assets		-		16
			(48)	(59)
Cash flows from financing activities				
Financing costs		(5)		(5)
			(5)	(5)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(78)	126
Cash and cash equivalents at beginning of the year			779	653
Cash and cash equivalents at end of the year			701	779

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Wardle Academy 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 trustees' 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.

Basis of preparation

The financial statements of the academy trust 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 financial statements 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 EFA, the Charities Act 2011 and the Companies Act 2006.

Wardle Academy meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

These financial statements are the first financial statements of Wardle Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Wardle Academy for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

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

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Income

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

Grants

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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 trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Tangible fixed assets and depreciation

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Computer equipment	25% straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	40% straight line

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.

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Liabilities

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

Leased assets

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

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

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

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education 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 trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	41	41	30

The income from donations and capital grants was £41,000 (2015: £30,000) of which £41,000 was restricted fixed assets (2015: £30,000).

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
General annual grant (GAG)	-	7,747	7,747	6,998
Start up grants	-	-	-	70
Other DfE / EFA grants	-	661	661	616
	-	8,408	8,408	7,684
Other government grants				
Local authority grants	-	214	214	226
Total funding	-	8,622	8,622	7,910

The income from funding for educational operations was £8,622,000 (2015: £7,910,000) of which £8,622,000 was restricted (2015: £7,910,000).

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	25	-	25	17
Catering income	335	-	335	304
Music tuition	19	-	19	-
Other income	366	70	436	359
	745	70	815	680

The income from other trading activities was £815,000 (2015: £680,000) of which £745,000 was unrestricted (2015: £321,000) and £70,000 was restricted (2015: £359,000).

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000	Total 2015 £000
Academy's educational operations					
- Direct costs	5,836	-	684	6,520	5,748
- Allocated support costs	1,585	1,340	741	3,666	3,596
Total expenditure	7,421	1,340	1,425	10,186	9,344

Net income/(expenditure) for the year includes:

	2016 £000	2015 £000
Fees payable to auditor		
- Audit	11	7
- Other services	3	5
Operating lease rentals	668	653
Bank interest payable	5	5
Net interest on defined benefit pension liability	114	98
Depreciation of tangible fixed assets	557	532

Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- governance;
- educational support services;

The academy trust charges for these services on the following basis:

RI Schools - 4% of the General Annual Grant (GAG)
Good and outstanding schools - 3.5% of the General Annual Grant (GAG)

The amounts charged during the year were as follows:

	Total £000
Wardle Academy	-
Kentmere Academy	53
	53

The charged during the year ended 31 August 2015 were Wardle £nil and Kentmere £39k.

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Direct costs - educational operations	207	6,313	6,520	5,748
Support costs - educational operations	207	3,459	3,666	3,596
	<u>414</u>	<u>9,772</u>	<u>10,186</u>	<u>9,344</u>

The expenditure on educational operations was £10,186,000 (2015: £9,344,000) of which £414,000 was unrestricted (2015: £430,000), £9,215,000 was restricted (2015: £8,382,000) and £557,000 was restricted fixed assets (2015: £532,000).

	2016 £000	2015 £000
Analysis of support costs		
Support staff costs	1,585	1,525
Depreciation and amortisation	557	532
Premises costs	783	794
Other support costs	668	618
Governance costs	73	127
	<u>3,666</u>	<u>3,596</u>

8 Staff costs

	2016 £000	2015 £000
Wages and salaries	5,593	5,020
Social security costs	458	359
Other pension costs	1,083	833
	<u>7,134</u>	<u>6,212</u>
Total staff costs	7,134	6,212
Supply staff costs	242	239
Staff restructuring costs	45	75
	<u>7,421</u>	<u>6,526</u>

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs (Continued)

Staff numbers

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

	2016 Number	2015 Number
Teachers	71	65
Administration and support	98	89
Management	15	11
	<u>184</u>	<u>165</u>

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	4	3
£80,001 - £90,000	2	-
£100,001 - £110,000	-	1
	<u>-</u>	<u>1</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are redundancy payments of £41,000 (2015: £75,000) and severance payments of £4,423 (2015: £nil).

Individually, the severance payments were: £4,423.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £563,000 (2015: £464,000).

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of the Headteacher and staff not in respect of services as governors. Other governors did not receive any payments from the Academy. The value of governors' remuneration was as follows:

Mr G Wright (Chief Executive Office of the Trust)
Remuneration £80,000 - £90,000 (2015: £100,000 - £110,000)
Employers pension contributions £10,000 - £15,000 (2015: £15,000 - £20,000)

Mr C Fisher (Headteacher of Wardle)
Remuneration £80,000 - £90,000 (2015: £60,000 - £70,000)
Employers pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

Mrs S Isberg (Headteacher of Kentmere)
Remuneration £60,000 - £70,000 (2015: £30,000 - £40,000)
Employers pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

Mrs E Tarbuck (staff governor)
Remuneration £50,000 - £60,000 (2015: £50,000 - £60,000)
Employers pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Mr I Giles (staff governor)
Remuneration £40,000 - £50,000 (2015: £30,000 - £40,000)
Employers pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Mrs H Duffy (staff governor)
Remuneration £30,000 - £40,000 (2015: 10,000 - £20,000)
Employers pension contributions £5,000 - £10,000 (2015: £0 - £5,000)

Cllr J Emsley (staff governor)
Remuneration £nil (2015: £30,000 - £40,000)
Employers pension contributions £nil (2015: £5,000 - £10,000)

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was not separately identifiable but was included within the total insurance cost.

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2015	7,540	1,214	1,050	6	9,810
Additions	1	10	78	-	89
	<u>7,541</u>	<u>1,224</u>	<u>1,128</u>	<u>6</u>	<u>9,899</u>
At 31 August 2016					
Depreciation					
At 1 September 2015	211	591	195	2	999
Charge for the year	144	304	107	2	557
	<u>355</u>	<u>895</u>	<u>302</u>	<u>4</u>	<u>1,556</u>
At 31 August 2016					
Net book value					
At 31 August 2016	<u>7,186</u>	<u>329</u>	<u>826</u>	<u>2</u>	<u>8,343</u>
At 31 August 2015	<u>7,329</u>	<u>623</u>	<u>855</u>	<u>4</u>	<u>8,811</u>

12 Stocks

	2016 £000	2015 £000
School uniform	<u>18</u>	<u>21</u>

13 Debtors

	2016 £000	2015 £000
Trade debtors	65	68
VAT recoverable	78	93
Other debtors	9	1
Prepayments and accrued income	188	215
	<u>340</u>	<u>377</u>

14 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	146	249
Other taxation and social security	131	115
Other creditors	1	1
Accruals and deferred income	197	262
	<u>475</u>	<u>627</u>

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Deferred income	2016 £000	2015 £000
Deferred income is included within:		
Creditors due within one year	86	118
Deferred income at 1 September 2015	118	61
Released from previous years	(118)	(61)
Amounts deferred in the year	86	118
Deferred income at 31 August 2016	86	118

At the reporting dates the academy trust was holding funds received in advance in relation to trip income and funding received in advance

16 Funds	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant	8	7,747	(8,050)	241	(54)
Other DfE / EFA grants	-	661	(607)	-	54
Other government grants	-	214	(214)	-	-
Other restricted funds	-	70	(70)	-	-
Funds excluding pensions	8	8,692	(8,941)	241	-
Pension reserve	(2,889)	-	(274)	(2,112)	(5,275)
	<u>(2,881)</u>	<u>8,692</u>	<u>(9,215)</u>	<u>(1,871)</u>	<u>(5,275)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	41	-	-	41
Inherited funds	8,811	-	(557)	-	8,254
Capital expenditure from GAG	-	-	-	48	48
	<u>8,811</u>	<u>41</u>	<u>(557)</u>	<u>48</u>	<u>8,343</u>
Total restricted funds	<u>5,930</u>	<u>8,733</u>	<u>(9,772)</u>	<u>(1,823)</u>	<u>3,068</u>

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds (Continued)

Unrestricted funds

General funds	<u>542</u>	<u>745</u>	<u>(414)</u>	<u>(289)</u>	<u>584</u>
Total funds	<u>6,472</u>	<u>9,478</u>	<u>(10,186)</u>	<u>(2,112)</u>	<u>3,652</u>

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

Fixed assets fund

These grants relate to funding from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

Unrestricted funds

This fund primarily relates to income from lettings and teaching school income.

Total funds analysis by academy

	Total £000
Fund balances at 31 August 2016 were allocated as follows:	
Wardle Academy	339
Kentmere Academy	<u>245</u>
Total before fixed assets fund and pension reserve	584
Restricted fixed asset fund	8,343
Pension reserve	<u>(5,275)</u>
Total funds	<u>3,652</u>

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds (Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£000	£000	£000	£000	£000
Wardle Academy	4,782	1,450	348	1,330	7,910
Kentmere Academy	1,104	272	79	263	1,718
	<u>5,886</u>	<u>1,722</u>	<u>427</u>	<u>1,593</u>	<u>9,628</u>

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£000	£000	£000	£000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	8,343	8,343
Current assets	1,059	-	-	1,059
Creditors falling due within one year	(475)	-	-	(475)
Defined benefit pension liability	-	(5,275)	-	(5,275)
	<u>584</u>	<u>(5,275)</u>	<u>8,343</u>	<u>3,652</u>

18 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £000	2015 £000
Amounts due within one year	11	39
Amounts due between one and five years	-	11
	<u>11</u>	<u>50</u>

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £000	2015 £000
Net (expenditure)/income for the reporting period	(708)	2,148
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(2,872)
Capital grants from DfE/EFA and other capital income	(41)	(30)
Interest payable	5	5
Defined benefit pension scheme cost less contributions payable	160	107
Defined benefit pension scheme finance cost/(income)	114	98
Depreciation of tangible fixed assets	557	532
Decrease/(increase) in stocks	3	(21)
Decrease/(increase) in debtors	37	(51)
(Decrease)/increase in creditors	(152)	75
Stocks, debtors and creditors transferred on conversion	-	199
Net cash used in operating activities	(25)	190

20 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.

21 Pensions and similar obligations

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

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 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

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.

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £544,000 (2015: £405,000).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution 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.

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	2016 £000	2015 £000
Employer's contributions	381	334
Employees' contributions	94	91
Total contributions	475	425

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations (Continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.9
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8

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

	2016 Years	2015 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

The academy trust's share of the assets in the scheme	2016 Fair value £000	2015 Fair value £000
Equities	5,550	4,377
Bonds	1,311	1,094
Property	463	365
Other assets	385	243
Total fair value of assets	7,709	6,079
Actual return on scheme assets - gain/(loss)	1,259	(115)

Amounts recognised in the statement of financial activities	2016 £000	2015 £000
Current service cost	534	441
Net interest cost	114	98
Plan introductions, benefit changes, curtailments and settlements	7	-
Total operating charge	655	539

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2016 £000
Obligations at 1 September 2015	8,968
Current service cost	534
Interest cost	351
Employee contributions	94
Actuarial loss	3,134
Benefits paid	(104)
Plan introductions, benefit changes, curtailments and settlements	7
At 31 August 2016	12,984

Changes in the fair value of the academy trust's share of scheme assets	2016 £000
Assets at 1 September 2015	6,079
Interest income	237
Return on plan assets (excluding net interest on the net defined pension liability)	1,022
Employer contributions	381
Employee contributions	94
Benefits paid	(104)
At 31 August 2016	7,709

22 Related party transactions

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

23 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period	1 September 2014 £000	31 August 2015 £000
Funds as reported under previous UK GAAP and under FRS 102	4,163	6,472

WARDLE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

23 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of net income for the previous financial period

	2015 £000
Net income as reported under previous UK GAAP	2,148
Change in recognition of LGPS's interest cost	
Net movement in funds reported under FRS 102	<u>2,246</u>

Notes to reconciliations on adoption of FRS 102

(i) Defined benefit pension scheme

In accordance with FRS102 the return on plan assets excluding any amounts included in net interest is included within other recognised gains and losses rather than net income.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARDLE ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 June 2016 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/6, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wardle Academy during the period 1 September 2015 to 31 August 2016 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 Wardle Academy and the EFA in accordance with the terms of our engagement letter dated 15 June 2016. Our work has been undertaken so that we might state to the Wardle Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Wardle Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Wardle Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wardle Academy's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015/6. 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 2015 to 31 August 2016 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 2015/6 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARDLE ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

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Dated: 15/12/16