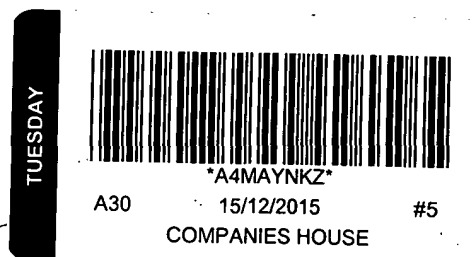


WARDLE ACADEMY
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015



Company Limited by Guarantee
Registration Number:
08368756 (England and Wales)

Wardle Academy

Reference and Administrative Details 2015

Trustees

Mrs S. M. Taylor* - Expires February 2019
Mrs L. Parker* - Expires February 2019
Mr A. Scantlebury* - Expires February 2019
Dr. G. Wright (Headteacher – Wardle Academy)
Mr C. McKenzie - Expires February 2019
Mr A Gleave – Expires February 2019

* Members

Local Governing Bodies

Wardle

Mrs S. M. Taylor (Chair)
Mrs L. Parker (Vice Chair)

Kentmere

Mrs Pam Howarth (Chair)
Mr E Khan (Vice Chair)

Accounting Officer

Dr. G Wright (Headteacher – Wardle Academy)

Company Secretary

Mrs J. A. Ashworth

Senior Leadership Team

Wardle

Dr G. Wright Headteacher
Mrs C. J. Fisher Deputy Headteacher
Mrs J. C. Bowyer Deputy Headteacher

Kentmere

Mrs S. Isberg Headteacher
Mrs C. Booth Deputy Headteacher
Mrs N Howard Deputy Headteacher

Finance Manager Trust

Mr J. P. Butterworth

Principal and Registered Office

Wardle Academy Trust
Birch Road
Wardle
Rochdale
Lancashire
OL12 9RD

Company Registered Number

8368756

Wardle Academy Trust
Reference and Administrative Details 2015

Independent Auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Chartered Accountants Bluebell House Brian Johnson Way Preston PR2 5PE
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Bankers	Yorkshire Bank PLC Yorkshire Street Rochdale OL16 1BL
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Solicitors	Schofield Sweeney Solicitors Church Bank House Church Bank Bradford BD1 4DY
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TRUSTEE'S REPORT

Introduction

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31st August 2015.

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 1200 and had a roll of 1178 in the school census on 3 October 2015. The trust also sponsors a primary school, Kentmere Academy, near Rochdale consisting of 320 pupils. Kentmere Academy entered the trust on the same date.

Structure, Governance and Management

Constitution

The 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 Trust Limited 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 2 and 3.

Each individual academy has a local governing body structure, but most of the local governors are not trustees or directors.

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.

Method of Recruitment and Appointment or Election of Governors

All future 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 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, save that this time limit shall not apply to the first term of office of those governors, who, immediately prior to incorporation of the Academy Trust, were on the governing body of Wardle

High School. The first term of office of any such Governor shall be a period equal to that which would have been the remainder of their term of office as a Governor of Wardle High School. The time limit does not apply to the headteacher.

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

*The members of the Trust entitled to nominate or appoint one or more governors are Susan Taylor, Linda Parker and Arthur Scantlebury.

Policies and Procedures Adopted for the Induction and Training of Governors/Trustees

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

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the academy and a chance to meet staff and pupils. All Governors 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 as Governors. As there are normally only one or two new Governors per year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Metropolitan Borough of Rochdale and other bodies. All Governors are DBS checked on appointment/reappointment.

Organisational Structure

The Full Local Governing Bodies meet twice per term.

The Trustees establish an overall framework for the governance of the academy and determines membership, terms of reference and procedures of committees and other groups. The Full Local Governing Bodies receive governor support from the local authority.

It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Full Local Governing Body may from time to time establish Working Groups to perform specific tasks over a limited timescale. The committees are:-

- Finance and Buildings Committee – this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. In addition, it reviews compliance and monitors contracts regarding Private Finance Initiative arrangements; monitors and reviews all aspects of maintenance and improvement to buildings, grounds and plant (subject to PFI agreements); manages all non-PFI fixed assets and equipment. Advice to Governing Body on its responsibilities under Health and Safety and other building related legislation also form part of its brief.
- Audit Committee – this committee meets at least twice a year and is incorporated into the Finance and Building Committee agenda under the stewardship of a separate chair. This committee ensures that robust and effective systems of internal control exist within the academy to inform members. Its objective is to review the effectiveness of the academy's internal control systems established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
- Curriculum and Scrutiny Committee – this committee meets at least five times per year to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, target setting and assessment, examinations, and academic performance.
- Staffing Committee – this meets three times per year and is responsible for ensuring that the Governing Body fulfils its duties as an employer, appoints staff and determines the staffing structure. It also considers and approves policies regarding all aspects of employment, approves procedures for recruitments, appointment and management of staff and makes recommendations on staffing needs to meet the requirements of the curriculum, within the constraints of the budget set by the Finance Committee.

- Community (incl Stakeholders) Committee – this meets three times per year and is responsible for all pastoral issues; safeguarding and child protection; admissions; attendance; exclusions; parent communications; stakeholder communications; complaints; rights respecting responsibilities; community links and all related policies.

The following decisions are reserved to the Full Local Governing Bodies:-

- Consideration of proposals for changes in status to the academy and its committee structure; to appoint/remove the Chair/Vice Chair; to appoint the headteacher; to approve the annual School Improvement Plan; review the SEF and approve the budget.

The Local Governors have devolved responsibility for day to day management of the academy to the Headteacher and Senior Leadership Team (SLT) including the Deputy Headteachers, Assistant Headteachers, Finance Manager and Human Resources Manager.

The SLT leads the academies at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Headteacher of Wardle Academy is the Accounting Officer.

Connected Organisations including Related Party Relationships

- Wardle Academy. Initially Wardle High School. The school became a convertor academy in September 2013 and became the centre of the Trust when it acquired multi-academy trust status in February 2015.
- Kentmere Academy. The current school was originally Kentmere Primary School that went into special measures in September 2013. Wardle Academy has sponsored the school since February 2015 when it entered the trust and it is now functioning at a good level.
- Rochdale After-School Primary Sports Games Partnership. The academy, 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.
- Rochdale Pioneer Trust. The 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 academy is a member of the Northern Alliance, a collaboration of cross-phase good/outstanding schools centred round the Blue Coat Training School in Oldham. The 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 academy is actively involved with the Trust. It leads on all education and training for school staff within Rochdale. The headteacher is Chair of the Trustees and the Deputy Headteacher advises on secondary teaching and learning initiatives.

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

Principal Activities (Articles of Association)

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.

Risk management

The trustees have considered the major risks to which the trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Objects and Aims

The principle objectives of the trust are to:

- Provide free education and care for students of different abilities and needs between the ages of 3-16.
- Add value and additional opportunity within the community.
- Encourage participation in the creative and performing arts particularly in music, given the academy's previous status as a Performing Arts College.

Our academy's 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'.

ACCOUNTABILITY - To aim for excellence, to take responsibility and be answerable for our actions.

STRENGTH - To have the courage to take risks, be innovative and embrace change.

PASSION - To be enthusiastic for learning and living.

INTEGRITY - To know and do what is right, regardless of influence.

RESPECT - To value and care for our environment, ourselves and others.

ENDURANCE - To maintain our efforts in order to maximise our successes.

Objectives, Strategies and Activities

Key priorities for the year were contained in our School Improvement Plans (SIP). The main SIP objectives for both schools were centred upon improving standards of progress and attainment.

Key activities and targets were identified through the SIP and were driven by our self-evaluation and influenced by the challenges and opportunities arising from national changes in education policy and funding.

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 and the surrounding area. In particular, but without prejudice to the generality of the foregoing by establishing, 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 to a school which is 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

Wardle Academy

Students' Achievements	%
5 A*-C incl English & Maths	54%
5 A*-C	61%
Achieving EBacc	25.7%
English 3+ Levels of Progress	73.5%
English 4+ Levels of Progress	27%
Maths 3+ Levels of Progress	62.6%
Maths 4+ levels of Progress	38.8%

Kentmere Academy

	Level 4+% Reading, Writing, Maths	% making expected progress in Reading	% making expected progress in Writing	% making expected progress in Maths
LA Average	78.5	92.0	95.5	91.7
Kentmere	86.8	89.5	92.1	94.7

Achievements and Performance - Wardle

The GCSE examination results for 2015 are tabulated above. GCSE Maths attainment and the results for disadvantaged students were disappointing. Computer Science and History performed poorly. GCSE English results were good, and the school achieved a greater proportion of A*/A results than ever before. The academy's results were above the local averages but slightly below the national averages and were less than expected. Remedial actions have already been taken and the academy expects that the results will be back on the national GCSE averages for next year and slightly above national expected levels of progress.

The academy's second intake into Year 7 in 2015 again exceeded our 240 student admission number with 260 students accepting places. Demand for places continues to exceed supply. After many years the school is now oversubscribed in most year groups.

At 94.7%, attendance remained just above the national averages for secondary schools and was an improvement of 0.4% from 2014. Fixed term exclusions reduced and additional inclusion/nurture support was introduced. This should result in a decline in future numbers.

Creative and Performing Arts continued to feature significantly in the life of the school with the school's youth band winning the UK National Youth Brass Band Championship again, and then going on to be the European Youth Band champions. The Wind Band and Folk Group also did well winning awards in regional competitions. Our performance of the Les Miserables was a sell-out across three evenings.

The Academy has not been inspected since it opened, but the last inspection as Wardle High School (November 2011) judged the school to be good overall with some outstanding features. The next OFSTED inspection is

anticipated between December 2015 – July 2016. The school currently rates itself as good and the progress of students is very close to the national average, but it recognises that the 2015 dip in both GCSE and disadvantaged student attainment needs to be reversed in 2016. Forecasts are positive.

Achievements and Performance - Kentmere

At Keystage 1 90% of children have closed the gap on the national average at 2B+ in Maths and English. In writing the gap has been closed. In phonics, the vast majority of our children have reached national expectation with 89% meeting expectation compared to 77% nationally. At Keystage 2, results in writing rose from 65% in 2014 to 92% in 2015 (national average 85%). In 2014 our combined level 4+ was 58%. In 2015 our actual combined was 87% beating the national by 7% and rising well above floor target.

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 85% of the trust's funding is provided by the Department for Education (DfE) via the Education Funding Agency (EFA). Note 14 to the Financial Statements highlight the areas of other funding. Education funding is relatively flat in relation to forecast budgets for 2015 – 2018. The three year forecast assumes a 1% increase in funding from the EFA. There is expected to be further turbulence in the funding of Special Educational Needs (SEN), in part due to the introduction of a new national formula but also due to the reduction of students entering the academy's physical disability unit.

Whilst uncertainties clearly exist the Trustees have been able to gain confidence in both the 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 2016 – 2020 and has asked the Trustees to consider raising the standard admission number initially to 270 with immediate effect, with a view to a further increase to 300 from 2018. The continued academic success of the academy further enhances Trustee confidence with GCSE examinations continuing to outperform other schools in terms of published local and national figures. The Senior Leadership Team and the Trustees have a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. Kentmere Academy is experiencing a growing demand for places and additional planned housing developments in the locally will further impact upon the need for places.

Financial Review

The vast majority of the trust'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 2015 and the associated expenditure are shown in the Statement of Financial Activities.

Despite being the second year of incorporation the Statement also contains detail relating to the closure of Kentmere Primary School as a maintained school and its re-establishment as an academy under the sponsorship of the Trust. Other capital grants amounted to £30 000 in 2014/15. 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 2015, there was a net fund carry forward of £ 542 000 of unrestricted funds. This represented significant progress and demonstrated robust budgetary management with a view to setting funds aside for future priorities, including the completion of Block D at Wardle and an outdoor play area at Kentmere.

At 31 August 2015, the net book value of fixed assets was £8 811 000 and movements in tangible fixed assets are shown in note 11 to the financial statements. 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 academies 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. Land and building were valued at £4 243 000 and the remaining assets at £1 809 000. 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 trust continues to account for the deficits in the local government pension scheme in respect of its associate staff (non-teaching). The deficits are incorporated with the Statement of Financial Activity with details in Note 19 to the financial statements.

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 Regulations Manual sets out the framework for financial management, including financial responsibilities of the Trustees, Headteacher (As Accounting Officer), 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 within the Finance Committee but meets independently with a different Chair to report directly to Members on key areas of control with the accounting function. During the year, the Trustees received the initial revised report from the Responsible Officer which contained no significant issues in relation to financial management systems. During the year, officers have worked closely with RSM to ensure adequate systems of risk management and internal audit.

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 2014/15 generating the opportunity to develop a working capital reserve within the accounts for 2015/16 and 2016/17 in order to protect the organisation from future commercial, political and financial risk.

Reserves Policy

Although the financial statements contain no formal reserves, material funds have been designated for the completion/partial completion of Block D at Wardle. For 2015/16, £150 000 of the net assets (£542 000) have been designated for this purpose. This expenditure should be complete by August 2016.

To protect the organisation against future risk, Trustees intend to use part of the remaining net assets for 2014/15 to develop a formal working capital reserve fund for 2015/16. Trustees intend to grow a reserve up to £400 000 by August 2017 which would be protected at this level and included in future Statements of Financial Activities. Reserves in excess of £400 000 would be set aside in the Restricted and Unrestricted Funds to contribute towards the delivery of the Strategic Site Development Plan agreed by Trustees annually.

Investment Policy

Aims

The aim of this policy is to ensure that funds which the 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.

Purposes

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements;
- To ensure there is no risk of loss in capital value of any cash funds invested;

- To protect the capital value of any invested funds against inflation;
- To optimise returns on invested funds via ethical sources.

Guidelines

Regular 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 Finance & Resources Committee. Approval must be signed off and recorded in the committee minutes.

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 member of the Rochdale Pioneer Trust, the academy 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 the management and the Finance & Buildings 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 (but not high risk investments which are not in the co-operative values adopted by the academy).

Key performance indicators

Wardle Academy

Students' Achievements	2014/15	Target 2015/16
5 A*-C incl English & Maths	54%	59%
5 A*-C	61%	64%
Achieving EBacc	25.7%	26%
Progress 8	-0.02	+0.25
Attendance	94.7%	95%
Student Roll	260	240
Finance- Fund balance	£334 000	£334 000
Behaviour for Learning		
% pupils with more than 1 fixed term exclusion	7.96%	<3.5%
Permanent exclusions (% of year group)	0.45	0.10

Kentmere Academy

Students' Achievements	2014/15	Target 2015/16
Level 4+%. Reading, Writing, Maths	86.8%	87%
% making expected progress in Reading	89.5%	93%
% making expected progress in Writing	92.1%	96%
% making expected progress in Maths	94.7%	95%
Student Roll	30	30
Finance- Fund balance	£216 000	£216 000

Trust

Finance	2014/15	Target 2015/16
Fund balance	£550 000	£550 000
Staff expenditure as a % of GAG	82.5%	80%

Principal Risks and Uncertainties

The principal risks and uncertainties facing the academy are as follows:

Financial – the academies have considerable reliance on continued Government funding through the EFA. In the last year 85% of the academies 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). SEN issues as outlined in the Financial Review may have a negative impact. Flat growth in funding against a background of rising cost pressure 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 academy 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.

The Trust is also committed to reviewing its status as a multi-academy trust, and this may result in the sponsoring of other schools. Whilst the Trust will benefit from economies of scale and additional grant funding, there is an increased risk to pensions as the Trust will have to contribute directly to the local pension scheme fund for associate staff. It will lose the benefit of pooled risk within the Metropolitan Borough of Rochdale, and, consequently needs to ensure sufficient cover is available to meet any unforeseen pension call upon the academy/ies, particularly during the next two years as it continues to build up its working capital reserve fund.

Physical Environment – Wardle Academy has benefitted from the 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. Issues identified were addressed including improvements to the roof. 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 been identified that will contribute £150 000 to completing the refurbishment in 2016. The academy currently has a Strategic Site Development Plan aiming to deliver significant improvements to the remaining buildings, grounds and infrastructure on a rolling basis. 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.

Reputational – Both school/academies reputations have grown in recent years matched by an increased demand for places that has seen entries in Year 7 rise from 168 in 2007 to 271 in 2014. Kentmere entries have stabilised after some years of decline. The continuing success of the academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student progress and achievement are closely monitored and reviewed.

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 in November 2011 considered arrangements to be exemplary. 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.

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 as well as ensuring there is clear succession planning. Appraisal procedures have been enhanced for teaching staff and introduced for associate staff. Appraisal and other supporting systems are robustly employed to ensure that all staff meet the very highest

standards in relation to all aspects of school performance and operational management.

Fraud and mismanagement of funds – The 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 trust has continued to strengthen its risk management process throughout the year by improving the process and enhancing governor and staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and the Senior Leadership Team and include the financial risks to the academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to OFSTED and other external judgements whereby the Leadership, Management and Governance; the quality of teaching and learning or management of student behaviour/attitudes to learning is deemed not to be at least good. This includes assessing the risk of exposure to adverse publicity and adverse social networking online. Trustees are acutely aware of their responsibilities in these areas.

Through dialogue, discussion, monitoring and reporting, effective mitigation of Risk is being maintained. Where significant financial risk still remains then the Trustees have ensured that adequate insurance cover is in place. Whilst the academy is increasingly over-subscribed, risks to revenue funding are small. The Trustees examine the financial health formally six times each year, reviewing performance against budgets and overall expenditure with reconciliation statements produced by the Finance Manager to explain the differences between them. Trustees also review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity. The discontinuance of some operational lease agreements on photocopying during the year contributed towards the reduction of this risk.

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 refining systems so as to increase and improve the rates of progress for students thereby supporting higher attainment. The School Improvement Plans for 2015/16 highlights the following areas:

- The establishment of an Executive Officer to oversee the effective operation of the Trust
- Improving Pupil Progress (Particularly under-performing subjects)
- Implement National Curriculum Changes KS1 - KS4
- Develop Curriculum Planning, Options, Timetabling and Staffing
- Raise the quality of Teaching & Learning (management of)
- Strengthen Assessment Procedures (AfL)
- Strengthen Appraisal System
- Strengthen the Pastoral System
- Further develop Work Scrutiny and Monitoring (Including uniformed presentation of data)
- Further develop Literacy (whole school and intervention) (Wardle)
- Complete Building Programme (Wardle)

Other Plans for 2015/16 include:

- Embedding our status as a Multi-Academy Trust
- Developing an outside play area at Kentmere Academy
- Completing the refurbishment work in Block D at Wardle

- Reviewing all Academy Policies
- Further minimising financial risk
- Finalising outstanding works issues with Carillion generated by the new-build programme at Wardle.
- Restructuring the staff to best facilitate MAT status.

Auditor

RSM UK Audit LLP (formerly Baker Tilly 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.

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 4th December 2015 and signed on the board's behalf by:



Mrs S M Taylor
Chair of Trust Board

Governance Statement

Scope of Responsibility

As governors, the trustees acknowledge that they have overall responsibility for ensuring that the Academy Trust 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 Trust Board has delegated the day-to-day responsibility to the Principals, 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 agreements between the Academy Trust and the Secretary of State for Education. The Principals are also responsible for reporting to the Accounting Officer and Academy Trust Board 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 Academy Trust Board has formally met five times during the year and the Finance/Resources inc Audit and Risk Committee has met four times. Attendance during the year at meetings of the Trust Board was as follows:

Full Governors Meeting - Wardle

Name of Governor	Meetings attended	Out of Possible
Susan Taylor	5	5
Linda Parker	5	5
Arthur Scantlebury	5	5
James Dransfield	3	5
Tony Young	3	5
Judith Brierley	4	5
Karen Townsend	3	5
Susan Brown	5	5
Lindsay Ozluck	5	5
Jared Sudworth	5	5
Helen Louise Hildrew	5	5
Helen Payton	3	5
Joy Clarence	1	1
Cllr Janet Darnbrough	1	4
Cllr Janet Emsley	5	5
Mr Ian Giles	5	5
Mrs Elaine Tarbuck	5	5
Mr Stephen Whittaker	3	5
Mr Haroon Akram	3	4
Dr Graham Wright Headteacher	5	5

Finance – Resources inc Audit Committee Meetings

Name of Governor	Meetings attended	Out of possible
Mrs Susan Taylor	4	4
Mrs Linda Parker (Does not attend all Finance) Chair of Curriculum	1	1
Mr A Scantlebury (Chair of Audit Committee)	4	4
Mr Tony Young	2	4
Mr James Dransfield	3	4
Dr Graham Wright (Headteacher)	4	4
Mr Jamie Butterworth (Finance Officer- Observer)	4	4
Mr Tony Shaw (Assistant Head Buildings – Observer)	4	4

Governance Review

Both local governing bodies self-evaluate themselves to ensure they become

- more skilled, focused and effective
- aware of the freedoms that they have to work in different ways
- clear in its vision for the academy and how, together with the school leadership team, it can achieve this
- confident that it has a clear delineation of roles and responsibilities

An annual skills audit and expectations of attending dedicated governor training underpin part of this process. Trustees review both local governing bodies to ensure that both have the right number of skilled and committed governors to meet the needs of their academy. Local governors are expected to hold school leaders to account for improving outcomes for all pupils, including those who are disadvantaged and to be clear about how it ensures that its young people are well prepared to be responsible citizens in Britain. The internal reviews for 2014/15 highlighted the following:-

- increase the number of link governors;
- strengthen accountability between the Curriculum and Scrutiny Committees and the schools' middle leadership.

The Trust is a member of the National Governors Association and as part of its commitment to improving the quality and effectiveness of governance is currently assessing standards for Governor Mark award. This will involve an external review of governance in Spring 2016.

Review of Value for Money

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

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

The accounting officer for the academy trust has delivered improved value for money during the year by:

- **RAISING STUDENT ATTAINMENT.** The academies are highly inclusive and we have high expectations of progress for all our students. The academy trust has in place a rigorous tracking of student progress and achievement, with underachievement identified early and the appropriate interventions put in place. The academies operates an extensive programme of lesson observations and self-evaluation judgements of lessons by teaching staff, work scrutiny and student review.
- **QUANTIFYING IMPROVEMENTS.** The Wardle Academy supports improvements elsewhere and the headteacher is an LLE (Local Leader of Education). Attainment over recent years generally shows an upward trend. Behaviour is 'good' and attendance is good against national data and is slowly improving. The Academy is oversubscribed and has increased its PAN yet again to accommodate as many as possible. Student value added is above the national averages. Kentmere Academy has made rapid progress since joining the trust. Termly quality assurance by an NLE (National Leader of Education) and a recent 'practice' OFSTED inspection by qualified and current OFSTED inspectors have both viewed the school to 'good' and offering good value for money.
- **FINANCIAL GOVERNANCE AND OVERSIGHT OF THE ACADEMY TRUST FINANCES.** The local governing bodies approve the annual budget forecast of their academies in line with Trust financial policy and review admissions numbers / forecast and 3 year budget on an annual basis ensuring that we remain a "going concern" and facilitating future financial stability. The Finance & Resources Committee of both institutions meet half-termly to review the budget monitoring reports. Trustees consider the external auditors'

management report and takes action on any recommendations made by them. Governors are involved in the tender process and have to sign Purchase Orders to the value of £25,000 and above. Terms of Reference for all Governing Body Committees are reviewed and approved annually.

- **PUPIL PREMIUM.** The academies carefully monitors Pupil Premium expenditure and its impact on improving attainment for students on Free School Meals and Looked After Children. Use of this grant and its effectiveness is published annually on the academy website.
- **FITNESS FOR PURPOSE.** Long term contracts are regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality. We negotiate prices with our suppliers regularly.
- **BENCHMARKING.** The academies benchmark themselves against other schools of similar size, student numbers, staff numbers and costs whenever it can access the relevant information
- **OPTIONS APPRAISAL.** All purchases over £10,000 must go through a tendering process, in order to ensure the best value for money is chosen. Once bids are collated a decision is made by a panel including Governors. This ensures the various needs of all interested parties are considered when making the decision, alongside comparisons on quality and price.
- **MAXIMISING INCOME GENERATION.** The trust explores every opportunity to generate additional revenue from letting various rooms, sport pitches or buildings; some of these lettings have been in place for years and provide a reliable stream of income.

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 the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Wardle Academy (Trust) for the year ended 31st August 2015 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 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 year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and the local governing bodies. The forthcoming appointment of an Executive Officer will further strengthen the Trusts monitoring and management of risk and develop additional capacity to minimise and mitigate those risks.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees;
- regular reviews by the trustees, the Local Governing Bodies and the Finance Committees 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 (revenue purchase or capital investment) guidelines;

- delegation of authority and segregation of duties;
- identification and management of risks.

The trustees have appointed RSM as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks using an internal audit function on each academy's financial systems. Annually the RO reports to the trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. The RO audit did not identify any material control issues. The trustees have also formed an Audit and Risk Sub-committee which directs the work of the internal audit function to those areas of greatest risk and reviews and reports on the internal audit findings.

Review of Effectiveness

As Accounting Officers, the Academy Principals have responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the Responsible Officer and internal audit function;
- 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 Officers have been advised of the implications of the result of their review of the system of internal control by the Finance Committees and a plan to address any weaknesses and ensure continuous improvement of the systems is in place.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and the local governing bodies. The forthcoming appointment of an Executive Officer will further strengthen the Trusts monitoring and management of risk and develop additional capacity to minimise and mitigate those risks.

Approved by order of the trustees on 7th December 2015 and signed on their behalf by:



Mrs S M Taylor
Chair of the Trust Board



Mr G Wright
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of Wardle Academy 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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.

I confirm that no instances of material irregular, 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.

A handwritten signature in black ink, appearing to read 'G Wright', with a horizontal line underneath.

Mr G Wright
Accounting Officer

Statement of Trustees' Responsibilities

The Trustees (also Directors) are responsible for preparing the Trustees' report and financial statements in accordance with the Annual Accounts Requirements issued by the EFA, 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, which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the governors are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

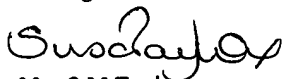
The trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by order of the members of the governing body on 7th December 2015

and signed on its behalf by:


Mrs S M Taylor
Chair of Governors

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WARDLE ACADEMY TRUST

We have audited the financial statements of Wardle Academy Trust for the year ended 31 August 2015 on pages 23 to 44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 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 governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (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 2015 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 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' 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 governors' 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 (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Date: 14/12/15

**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account and Statement of Total Recognised Gains & Losses)
for the period ended 31 August 2015**

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
	Note					
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Amounts transferred from local authority on conversion	24	199	(529)	3,202	2,872	5,416
Voluntary income	2	-	-	30	30	22
Activities for generating funds	3	482	198	-	680	579
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	4	-	7,910	-	7,910	6,843
Total incoming resources		681	7,579	3,232	11,492	12,860
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations		430	8,157	532	9,119	7,502
<i>Governance costs</i>		-	127	-	127	101
Total resources expended	5	430	8,284	532	9,246	7,603
Net incoming resources before transfers						
		251	(705)	2,700	2,246	5,257
Gross transfers between funds		(111)	52	59	-	-
		140	(653)	2,759	2,246	5,257
Net incoming resources before other recognised gains and losses						
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	63	-	63	(1,094)
Net movement in funds		140	(590)	2,759	2,309	4,163
Funds brought forward at 1 September 2014		402	(2,291)	6,052	4,163	-
Funds carried forward at 31 August 2015		542	(2,881)	8,811	6,472	4,163

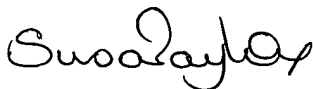
A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

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

BALANCE SHEET at 31 AUGUST 2015**(Company Limited by Guarantee No 08368756)**

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	11	8,811	6,052
		<u>8,811</u>	<u>6,052</u>
Current assets			
Stock		21	-
Debtors	12	377	326
Cash at bank and in hand		779	653
		<u>1,177</u>	<u>979</u>
Current liabilities			
Creditors: Amounts falling due within one year	13	(627)	(552)
		<u>550</u>	<u>427</u>
Net current assets			
		550	427
Total assets less current liabilities		9,361	6,479
Net assets excluding pension liability		9,361	6,479
Pension scheme liability	19	(2,889)	(2,316)
		<u>6,472</u>	<u>4,163</u>
Net assets including pension liability			
		6,472	4,163
Funds of the academy:			
Restricted funds			
. Fixed asset fund	14	8,811	6,052
. General fund	14	8	25
. Pension reserve	14	(2,889)	(2,316)
		<u>5,930</u>	<u>3,761</u>
Unrestricted funds			
. General fund	14	542	402
Total unrestricted funds		<u>542</u>	<u>402</u>
Total Funds		<u>6,472</u>	<u>4,163</u>

The financial statements on pages 23 to 43 were approved by the governors on 08/12/2015 and signed on their behalf by:



Mrs S M Taylor
Chair of Trust Board

CASH FLOW STATEMENT for the period 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net flow inflow from operating activities	i)	(9)	571
Capital expenditure	ii)	(64)	(73)
Cash transferred on conversion to an Academy Trust		199	155
Increase in cash in the period		<u>126</u>	<u>653</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		<u>653</u>	<u>-</u>
Net funds at 31 August 2015	iii)	<u>779</u>	<u>653</u>

All of the Academy's cash flows derive from acquisitions and operating activities during the period.

NOTES TO THE CASHFLOW STATEMENT

(i) Reconciliation of net outgoing resources to cash flows

	2015	2014
Net income	2,246	5,257
Depreciation (note 11)	532	480
Capital grants from DfE (note 2)	(30)	(22)
Surplus transferred from local authority on conversion	(199)	(155)
FRS 17 pension cost less contributions payable (note 19)	107	51
FRS 17 pension finance income (note 19)	-	(5)
Increase in stock	(21)	-
Increase in debtors	(51)	(326)
Increase in creditors	75	552
Assets inherited from local authority on conversion	(3,202)	(6,437)
Pension deficit inherited on conversion	529	1,176
Loss on disposal	5	-
Net cash inflow from operating activities	(9)	571

(ii) Capital expenditure and financial investment

	31 August 2015 £'000	31 August 2014 £000
Receipts from sale of tangible fixed assets	11	-
Purchase of tangible fixed assets	(105)	(95)
Capital grants from DfE	30	22
Net cash outflow from capital expenditure and financial investment	(64)	(73)

(iii) Analysis of changes in net funds

	At 1 September 2014 £'000	Cash flows £'000	At 31 August 2015 £'000
Cash in hand and at bank	653	126	779
	653	126	779

Basis of Preparation

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

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005.

Going concern

The governors assess whether the use of going concern is appropriate. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 14.

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold land & buildings	2% straight line
Motor vehicles	40% straight line
Fixtures & fittings	10% straight line
Computer equipment	25% straight line

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

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 and 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

Academy staffs are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 19.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the period.

Local Government Pension Scheme

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from Wardle Academy to an Academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Wardle Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in incoming resources in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the period ended 31 August 2015.

2 Voluntary Income	Unrestricted funds £000	Restricted fixed assets funds £000	2015 Total £000	2014 Total £000
DfE/EFA capital grants	-	30	30	22
	-	30	30	22

3 Activities for Generating Funds	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
School fund income	-	198	198	147
Lettings income	17	-	17	13
Catering income	304	-	304	278
Other income	161	-	161	141
	482	198	680	579

4 Funding for Academy's educational operations

	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,998	6,998	6,184
Start Up grants	-	70	70	14
Other DfE / EFA grants	-	616	616	416
	-	7,684	7,684	6,614
Other Government grants				
Local Authority grants	-	226	226	229
	-	226	226	229
	-	7,910	7,910	6,843

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

5 Resources Expended	Staff Costs £000	Premises Costs £000	Other Costs £000	Total 2015 £000	Total 2014 £000
Academy's educational operations					
- Direct costs	5,107	-	748	5,855	5,115
- Allocated support costs	1,418	844	1,002	3,264	2,387
	<u>6,525</u>	<u>844</u>	<u>1,750</u>	<u>9,119</u>	<u>7,502</u>
Governance costs including allocated support costs	-	-	127	127	101
	<u>6,525</u>	<u>844</u>	<u>1,877</u>	<u>9,246</u>	<u>7,603</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 26.

Incoming/outgoing resources for the period include:

	2015 £'000	2014 £000
Fees payable to auditor – audit	7	7
– other services	5	5

6 Charitable Activities – Academy's educational operations

	Unrestricted funds £000	Restricted funds £000	2015 Total Funds £000	2014 Totals Funds £000
Direct costs				
Teaching and educational staff costs	-	5,108	5,108	4,533
Educational supplies	-	170	170	136
Examination fees	-	103	103	91
Staff development	-	29	29	2
Other direct costs	-	259	259	212
School fund expenditure	-	186	186	141
	<u>-</u>	<u>5,855</u>	<u>5,855</u>	<u>5,115</u>

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
<i>Allocated support costs</i>				
Support staff costs	233	1,185	1,418	907
Depreciation	-	532	532	480
Recruitment and other staff costs	-	30	30	(6)
Heat and light	-	45	45	84
Maintenance of premises & equipment	-	92	92	90
Cleaning	-	4	4	3
Rent & rates	-	653	653	406
Insurance	-	50	50	21
Security & transport	-	54	54	46
Catering	197	-	197	185
Bank interest & charges	-	5	5	3
Other support costs	-	184	184	168
	430	2,834	3,264	2,387
	430	8,689	9,119	7,502

7 Governance costs

	Unrestricted funds £000	Restricted funds £000	2015 Total Funds £000	2014 Total Funds £000
Legal & professional fees	-	115	115	89
Auditors' remuneration	-	7	7	7
- Audit of financial statements	-	5	5	5
- Other services	-	127	127	101

8 Staff Costs

Staff costs during the period were:

	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
Wages and salaries	191	4,829	5,020	4,241
Social security costs	8	351	359	304
Other pension costs	34	799	833	610
	233	5,979	6,212	5,155
Staff restructuring costs	-	75	75	-
Supply teacher costs	-	239	239	281
	233	6,293	6,526	5,436

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

8 Staff Costs (continued)

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

	2015 No.	2014 No.
<i>Charitable Activities</i>		
Teachers	69	54
Administration & support	100	94
Management	13	8
	182	156

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

	2015 No.	2014 No.
£60,000 - £70,000	3	3
£70,001 - £80,000	-	2
£100,000 - £110,000	1	-
£110,000 - £120,000	-	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these employees amounted to £42,729 No employee participating in the Local Government Scheme earned more than £60,000

9 Governors' 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	£100,000 - £110,000 (2014: £115,000 - £120,000)
Mrs E Tarbuck	£50,000 - £60,000 (2014: £55,000 - £60,000)
Mr I Giles	£30,000 - £40,000 (2014: £40,000 - £45,000)
Cllr J Emsley	£30,000 - £40,000 (2014: £35,000 - £40,000)
Mrs S Isberg	£30,000 - £40,000 (2014: £nil)
Mrs H Duffy	£10,000 - £20,000 (2014: £nil)

Other related party transactions involving the trustees are set out in note 20.

10 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2 million on any one claim and the cost for the period ended 31 August 2015 is not separately identifiable, but is included within the total insurance cost.

11 Tangible Fixed Assets

	Freehold Land and buildings £000	Motor vehicles £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost At 1 September 2014	4,330	6	994	1,202	6,532
Additions	8	-	56	41	105
Transfer from local authority on conversion	3,202	-	-	-	3,202
Disposal	-	-	-	(29)	(29)
At 31 August 2015	7,540	6	1,050	1,214	9,810
Depreciation At 1 September 2014	87	-	93	300	480
Charged in period	124	2	102	304	532
Disposal	-	-	-	(13)	(13)
At 31 August 2015	211	2	195	591	999
Net book value					
At 31 August 2015	7,329	4	855	623	8,811
At 31 August 2014	4,243	6	901	902	6,052

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

12 Debtors

	2015 £000	2014 £000
Trade debtors	68	12
Prepayments and accrued income	215	188
VAT recoverable	93	125
Other debtors	1	1
	<u>377</u>	<u>326</u>

13 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	249	166
Tax and social security	115	86
Other creditors	1	2
Accruals and deferred income	262	298
	<u>627</u>	<u>552</u>

Deferred income

	2015 £000	2014 £000
Deferred income at 1 September 2014	61	-
Amounts released from previous years	(61)	-
Resources deferred in the period	118	61
Deferred income at 31 August 2015	<u>118</u>	<u>61</u>

At the balance sheet date the trust was holding funds received in advance in respect of costs of its special educational needs provision.

14 Funds

	At 1 September 2014 £'000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2015 £000
School fund	6	198	(186)	-	18
General Annual Grant (GAG)	19	6,998	(7,079)	52	(10)
Start Up Grant	-	70	(70)	-	-
Other EFA/DfE grants	-	616	(616)	-	-
Other restricted grants	-	226	(226)	-	-
	<u>25</u>	<u>8,108</u>	<u>(8,177)</u>	<u>52</u>	<u>8</u>
Pension Reserve	(2,316)	(529)	(107)	63	(2,889)
	<u>(2,291)</u>	<u>7,579</u>	<u>(8,284)</u>	<u>115</u>	<u>(2,881)</u>

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

14 Funds (continued)

DfE capital grants	19	30	-	-	49
Amounts transferred from local authority on conversion	5,960	3,202	(532)	-	8,630
Capital expenditure from GAG	73	-	-	59	132
	<u>6,052</u>	<u>3,232</u>	<u>(532)</u>	<u>59</u>	<u>8,811</u>
Total restricted funds	<u>3,761</u>	<u>10,811</u>	<u>(8,816)</u>	<u>174</u>	<u>5,930</u>
Unrestricted funds					
General fund	<u>402</u>	<u>681</u>	<u>(430)</u>	<u>(111)</u>	<u>542</u>
Total unrestricted funds	<u>402</u>	<u>681</u>	<u>(430)</u>	<u>(111)</u>	<u>542</u>
Total funds	<u>4,163</u>	<u>11,492</u>	<u>(9,246)</u>	<u>63</u>	<u>6,472</u>

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	2015 £'000	2014 £'000
Wardle Academy	334	427
Kentmere Academy	<u>216</u>	<u>-</u>
Total before fixed assets and pension reserve	<u>550</u>	<u>427</u>
Restricted fixed asset fund	8,811	6,052
Pension reserve	<u>(2,889)</u>	<u>(2,316)</u>
Total funds	<u>6,472</u>	<u>4,163</u>

Analysis of academies by cost

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

	Staff costs £'000	Premises costs £,000	Other costs £'000	Total £'000
Wardle Academy	5,798	773	1,635	8,206
Kentmere Academy	<u>737</u>	<u>71</u>	<u>232</u>	<u>1,040</u>
	<u>6,535</u>	<u>844</u>	<u>1,867</u>	<u>9,246</u>

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

14 Funds (Continued)

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 asset fund

These grants relate to funding received 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.

15 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted	Restricted	Restricted	Restricted	Total	Total
	fund	general	fixed	pension	2015	2014
	£000	£000	asset	fund	£000	£000
			fund			
Tangible fixed assets	-	-	8,811	-	8,811	6,052
Current assets	542	635	-	-	1,177	979
Current liabilities	-	(627)	-	-	(627)	(552)
Pension scheme liability	-	-	-	(2,889)	(2,889)	(2,316)
Total net assets	542	8	8,811	(2,889)	6,472	4,163

16 Capital commitments

	2015	2014
	£000	£000
Contracted for but not provided in the financial statements	-	-

17 Contingent Liabilities

During the year of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement whether as a result of the Secretary of State or the Academy service notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- The value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

18 Members' Liability

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

19 Pension Commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at the end of the financial period.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

19 Pension Commitments (continued)

The pension costs paid to TPS in the period amounted to £405,000 (2014: £216,000).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £358,000, of which employer's contributions totalled £280,000 and employees' contributions totalled £78,000. The agreed contribution rates for future years are 16.5% for employers and 5.5% to 7.5% for employees.

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.9%	3.8%
Rate of increase for pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Expected return on assets	3.8%	5.5%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	21.4 years	21.4 years
Females	24.0 years	24.0 years
<i>Retiring in 20 years</i>		
Males	24.0 years	24.0 years
Females	26.6 years	26.6 years

19 Pension Commitments (continued)

The estimated Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Long-term rate of return expected at 31 August 2015	Value at 31 August 2015	Long-term rate of return expected at 31 August 2014	Value at 31 August 2014
	%	£000	£000	£000
Equities	3.8	4,377	6.3	3,742
Bonds	3.8	1,094	3.2	948
Property	3.8	365	4.5	316
Cash	3.8	243	3.3	263
Total market value of assets		6,079		5,269
Present value of scheme liabilities				
- Funded		(8,968)		(7,585)
Surplus/(deficit) in the scheme		(2,889)		(2,316)

19 Pension Commitments (Continued)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 August 2014 for the period to 31 August 2015). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the period was £123,000

Total expenditure recognised in the Statement of Financial Activities

	2015	2014
	£000	£000
Current service cost	441	253
Total operating charge	441	253
Interest on obligation	304	271
Expected return on Scheme assets	(304)	(276)
Pension finance cost	-	(5)
Total expenditure recognised in the Statement of Financial Activities	441	248

Amount recognised in the statement of total recognised gains and losses (STRGL)

	2015	2014
	£000	£000
Actuarial (loss)/gains on pension scheme assets	(189)	196
Actuarial gains/(losses) on scheme liabilities	252	(1,290)
Total amount recognised in STRGL	63	(1,094)

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

19 Pension Commitments (Continued)

Amounts for the current and previous periods

	2015 £000	2014 £000
Defined benefit obligation at end of period	(8,968)	(7,585)
Fair value of plan assets at end of period	6,079	5,269
Deficit	<u>(2,889)</u>	<u>(2,316)</u>
	2015 £000	2014 £000
Experience adjustments on Scheme assets	(174)	193
Experience adjustments on Scheme liabilities	48	3
	<u>(126)</u>	<u>196</u>

Projected pension expense for the period to 31 August 2016 is £581,000.

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

19 Pension Commitments (Continued)

Reconciliation of opening and closing balances of the present value of the Trust's share of scheme's liabilities

	2015 £000	2014 £000
Scheme liabilities at 1 September 2014	7,585	-
Current service cost	441	253
Contributions by scheme participants	91	69
Interest cost	304	271
Benefits paid	(104)	(112)
Transfer from local authority on conversion	903	5,814
Actuarial (gains)/losses	(252)	1,290
Scheme liabilities at 31 August 2015	8,968	7,585

Reconciliation of opening and closing balances of the fair value of the Trust's share of the scheme assets

	2015 £000	2014 £000
Scheme assets at 1 September 2014	5,269	-
Expected return on scheme assets	304	276
Contributions by employer	334	202
Contributions by scheme participants	91	69
Benefits paid	(104)	(112)
Transfer from local authority on conversion	374	4,638
Actuarial gains	(189)	196
Fair value of scheme assets at 31 August 2015	6,079	5,269

Movement in surplus/(deficit) during period

	2015 £000	2014 £000
Deficit in scheme at 1 September 2014	2,316	-
Current service cost	441	253
Employer contributions	(334)	(202)
Net interest/return on assets	-	(5)
Transfer from local authority on conversion	529	1,176
Actuarial losses	(63)	1,094
Deficit in scheme at 31 August 2015	2,889	2,316

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

20 Related Parties

Owing to nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

23 Financial Commitments

Operating Leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:-

	2015 £000	2014 £000
Other		
Expiring between 2 and 5 years	39	-
	<u>39</u>	<u>-</u>

24 Conversion to an Academy Trust

Kentmere Academy has been brought into the trust at the 1 January 2015, following conversion to an Academy Trust. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £000	Restricted general fund £000	Restricted fixed asset funds £000	Total £000
Tangible fixed assets	-	-	3,202	3,202
Budget surplus / deficit on LA funds	199	-	-	199
LGPS pension surplus / deficit	-	(529)	-	(529)
Net assets	199	(529)	3,202	2,872

The above net assets include £199,000 that were transferred as cash.

INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY TO WARDLE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wardle Academy during the period ended 31 August 2015 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. 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 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 and the Academies Financial Handbook extant from 1 September 2014, 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 2014. 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 ended 31 August 2015 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 2014 to 2015 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 that audit supports the regularity conclusion.

**INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY TO
WARDLE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period ended 31 August 2015 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 (formerly Baker Tilly UK Audit LLP)

Chartered Accountants

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Brian Johnson Way

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Date: 14/12/15